

Engagement Letter

Thank you for selecting C.A.T.S. Tax Service, Inc. to assist you in preparing your personal income tax returns. This letter confirms the terms of our engagement and nature, timing, and information of the services we will provide.

We will prepare your 2018 federal and state personal income tax returns. We will not audit or verify the data you submit, although it may be necessary to clarify some of the information. We will rely on you to maintain the documentation required by law to support the information you provide, including business expenses such as meals, travel, gifts, vehicle use, etc. or personal expenses such as DMV fees, charitable contributions etc.

If you are not clear regarding what documentation is needed for any item of income or deduction, we would be happy to discuss it with you. **Note: You have the final responsibility for the income tax returns and therefore, you should carefully review them before you sign and file them.**

- ◇ We may have provided you with an organizer to use. While we do not require you to use it, it may serve as a useful tool to remind you of items to provide to us. Nonetheless, provide us with originals or copies of originals for all government documents received including W-2s, 1099s, 1098s, and property tax statements
- ◇ The filing deadline is April 15th. In order to meet this filing deadline, we must receive **ALL** your information in complete form **before April 1st**.
- ◇ If an extension of time to file is required, we will use the information available to us at the time to prepare the extension. **An extension only provides you with an extension of time to file, not an extension of time to pay. Taxes paid AFTER April 15th will result in penalties and interest.**
- ◇ If a joint return is prepared, tax returns and copies of all supporting documentation will be made available to either spouse without the consent or notification of the other spouse.
- ◇ You are responsible for reporting foreign activities. By signing this letter, you acknowledge that you will inform us if you have income from foreign sources or if you have signatory authority over any foreign account. If you are unsure whether income or an account is foreign, we will review it. **Note: The penalties for failure to report foreign activities are severe.**
- ◇ We will not be responsible for advising you with respect to independent contractor status as part of our services. If you have any questions regarding the classification of employees versus independent contractors, we strongly encourage you to consult with legal counsel experienced in employment practice matters.
- ◇ Your tax returns may be selected for review by the taxing authorities. If the government selects your return for examination, we will be available to assist you. At our discretion, there may be additional fees for this service.

We generally retain tax returns for 3 years. After the retention period, the documents are destroyed. **We do not keep original documents, they are returned to you at the time of completion of the returns.** It is your responsibility to retain your records for possible future use, including possible examination by the taxing authorities.

Fees for our services will be at our standard form rates. Additionally, there will be a fee for extra copies of returns. The fee for extra copies or replacement copies of tax returns is \$25 per copy per tax year requested (three most current years only)

Please sign this letter and return it to our office. Work cannot commence until a signed copy of this document is returned. If this is a joint return, both spouses must sign.

X _____	X _____	_____
Taxpayer Print Name	Taxpayer Signature	Date
X _____	X _____	_____
Spouse Print Name	Spouse Signature	Date