



This Agreement describes the relationship between Hanson McClain Tax Solutions and \_\_\_\_\_ (Client), to confirm our understanding of the terms and objectives of our engagement and to clarify the nature and extent of the professional services we will provide and is entered into on \_\_\_\_\_ (Date).

## **SCOPE OF ENGAGEMENT AND RESPONSIBILITIES**

You are responsible for determining your federal, state and local tax filing obligations with respect to all federal, state and local tax authorities including but not limited to income, franchise, excise, sales and use, business personal property (i.e. Form 571), information (i.e. Form 1099) and payroll taxes (i.e. Form W-2, 941, etc.). You agree that we have no responsibility to research these obligations or to inform you of them. 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 related matters.

We will prepare your 20\_\_\_\_ Federal and \_\_\_\_\_ state fiduciary income tax returns. We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. We will provide tax planning and accounting assistance as you request. If you request that we prepare any other State returns or for those with rental property, business and farm interests, any related business personal property (i.e. Form 571), information (i.e. Form 1099), sales and use and payroll tax forms (i.e. Form W-2, 941, etc.) this engagement letter shall be extended to cover those forms for you, provided that you request our services, you furnish us in a timely manner with all necessary information to perform those services on your behalf, and we agree to provide services to you. If we do not agree to provide you with services for additional forms we will notify you in writing.

You agree to review all tax returns and forms and verify that all information and income and expenses have been correctly stated. If any information is not true and accurate, you agree to notify us to have the returns or forms corrected. You further agree to have us file your returns and forms electronically with the Internal Revenue Service Center and appropriate state agencies, as available or applicable. However, you must sign E-file authorization forms before income tax returns can be electronically transmitted. If you specifically request in writing to opt out of the E-file program you agree that it is your responsibility to properly mail the income tax returns.

The filing deadline for fiduciary returns is generally April 15th. In order to meet this deadline, all information needed to complete the returns should be received by our office no later than March 15th. We will make every effort to complete your returns without an extension, but will give priority service to clients who submitted information on time. This means an extension may be necessary depending on our workload. If

an extension of time is required, any tax due with these returns must be paid by the original due date. The extension is only additional time to file a return and not for payment of tax. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties. Before we file for an extension on your behalf, we will first contact you and request your approval. We will not file an extension without your approval. You are also responsible for reporting foreign activities. By signing this letter you acknowledge that you will inform our office 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 please let us know. Penalties for failure to report foreign income or accounts are significant.

We will prepare your returns and forms from information that you will furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. Our work in connection with your income tax returns and forms does not include any procedures designed to discover fraud, thefts, or other irregularities, should any exist. This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax returns or forms are selected for examination or audit, you may request that we assist you in responding to such inquiry. In that event, we would be pleased to discuss providing assistance to you under the terms of a separate engagement letter for that specific purpose.

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses, if any, for, but not limited to, meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use are supported by records as required by law. It is important for you to know that penalties may be imposed on you as the taxpayer for an understatement of tax liability or submitting incorrect forms. You are responsible for retaining all documents, canceled checks and other data that provide evidence and support for your reported income and deductions on your returns and forms. You may need to provide these documents to a taxing authority to substantiate the accuracy and completeness of the returns and forms.

We will use our judgment to resolve questions in your favor where a tax law is unclear if there is reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities, we will explain the possible positions that may be taken on your returns. We will follow whatever position you request, so long as it is consistent with the current codes and regulations and their interpretations. If the IRS or state tax authorities should later contest the position taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability for any such additional tax, interest, and penalties or other fees and assessments. Should you receive correspondence from a tax authority regarding tax returns and forms we prepared please furnish a copy to our office immediately.

**FEES AND BILLINGS**

Our professional fee for the services outlined above will be based upon the complexity of the work to be performed, our professional time to complete the work, and the value we generate for you. Additionally, this fee is dependent on the availability, quality, and completeness of your records. All invoices are due and payable upon presentation. If you elect to enter into a Fixed Price Agreement please see the separate Agreement which is an addendum to this engagement letter.

**OTHER TERMS**

Unless we provide you with a new engagement letter in the future, this engagement letter shall be extended and renewed for any years in which we provide professional services for you, provided that you request our services, you furnish us in a timely manner with all necessary information to perform those services on your behalf, and we agree to provide services to you. If we do not agree to provide you with services for additional years we will notify you in writing.

Our firm is bound by professional standards of confidentiality that are even more stringent than those required by law. In rendering professional services, we may store your personal information electronically and we may communicate electronically by facsimile transmission or by transmitting such data over the internet, utilizing electronic mail or computer software designed for this purpose. Such personal information and any communications may include information that is confidential to you. Our firm employs measures in the use of electronic and computer technology designed to protect client confidentiality and maintain data security.

While we will use our best efforts to keep such data storage and communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of this data once it has been transmitted outside of our firm. By signing this letter, you consent to the use of any related technology that we deem necessary to facilitate our services to you.

In the interest of maintaining service quality and timelines in meeting your professional service needs, we may use third party service and/or software providers to assist us in the preparation of your income tax returns and forms. Any such provider will have established procedures

and controls designed to protect client confidentiality and maintain data security. As the paid preparer of your income tax returns and forms, our firm remains responsible for exercising reasonable care in preparing these returns and forms, and the returns and forms will be subjected to our firm's normal quality control procedures. California law requires our firm to obtain your written permission to disclose confidential information to outside third parties. By signing this engagement letter, you are acknowledging that you consent to this arrangement.

You agree to hold Hanson McClain Tax Solutions and its partners, heirs, executors, personal representatives, successors, and assigns harmless from any and all claims which arise from knowing representations to Hanson McClain Tax Solutions by you, or the intentional withholding or concealment of information from Hanson McClain Tax Solutions by you. You also agree to indemnify Hanson McClain Tax Solutions for any and all claims made against Hanson McClain Tax Solutions by third parties which arise from any of these actions by you.

**ARBITRATION**

In the event litigation arising out of or relating to our professional services is initiated by either party, including without limitation claims of negligence or malpractice by us, it is agreed that the responding party shall have the option to refer the entire dispute to binding arbitration under California law. The responding party may elect binding arbitration by filing a petition to compel arbitration at any time within ninety (90) days of the filing of the responding party's answer. Judgment upon the arbitration award may be entered in any court having jurisdiction. You and we shall have the right of discovery provided under Code of Civil Procedure Section 1283.05. By freely and voluntarily agreeing to this binding arbitration provision, you and we are giving up, among other things, all rights you and we may have to a jury or court trial and further acknowledge that either may be compelled to arbitrate under California law.

We appreciate the opportunity to be of service to you. If the foregoing correctly sets forth your understanding of our engagement please sign and date in the space below and return it to our office. For your convenience you may scan/email or fax us your signed copy. It is our policy to initiate services after we receive this signed agreement form from you.

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**The above agreement in its entirety including the scope of engagement and responsibilities and arbitration clause is understood and accepted by:**

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[TAX PAYER'S SIGNATURE]

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[PRINTED NAME]

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[DATE]

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[TAX PAYER'S SIGNATURE]

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[PRINTED NAME]

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[DATE]