

# Winfree & Associates, Inc.

Certified Public Accountants

## 2017 Business Engagement Agreement for Tax Services Corporations, Partnerships & Limited Liability Companies

Effective for Tax Year Ending: 12/31/2017

The purpose of this agreement is to provide a written understanding of the services we will perform for you in connection with the preparation of your tax returns. Please read this agreement carefully because it is important to our firm and you, that you understand what you can and cannot expect from our work; we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this agreement, or believe we have misunderstood what you need, please discuss this with us before your sign.

The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in the accurate reporting of income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

- We will prepare your Federal, and City tax return and related federal, and city schedules from information you furnish us. **We are responsible for preparing only the returns listed previously, if you have taxable activity in a state or city other than that specifically listed, you are responsible for providing our firm with all information necessary to prepare any additional, applicable state(s) or city(s) income tax returns as well as informing us of the applicable state(s) and/or city(s).** If there are additional returns you wish for us to prepare, such as: sales tax, CAT, gift or estate tax, other income tax returns for other entities, or other state or city tax returns, please insert them here:

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- We will not audit, review, compile, or otherwise verify the data you submit, although we may ask you to clarify some of the information.
- If you have income tax filing requirements in a given state but do not file that return there could be possible adverse ramifications such as an unlimited statute of limitations, penalties, ect. If you would like us to investigate to determine each state where you have income tax filing requirement, please inform us: \_\_\_\_\_.
- If you derived income from a foreign country, we will use the foreign country income information which you provide to calculate any applicable federal or state income tax items. However, you are responsible for meeting any foreign country income tax or other foreign country reporting requirements. If you have amounts in excess of \$10,000 invested in a foreign country, the IRS requires that you disclose this on Form TD90-22. Without your notification of such foreign investments we will assume that you do not have any amounts invested over \$10,000 outside the United States.
- We are available to answer your questions on specific tax matters and to consult you on income tax planning, at an additional fee.
- Our fee does **NOT** include responding to inquiries or examination by taxing authorities. However, we are available to represent you and our fees for such services at our standard rates and would be covered under a separate engagement agreement.
- We will provide you with a copy of the completed tax returns for retention in your files. Additional copies requested now or in the future will be provided at an additional charge of \$25.00

To ensure that your return will be completed by the due date, we must receive all information necessary to prepare your return by February 28<sup>th</sup>, 2018. If your return is not completed by the March due date, you may be subject to late filing or late payment penalties. **We do not file tax extensions for clients unless specifically requested to do so. Additionally, all tax payments are still due to the appropriate taxing authorities by March 15<sup>th</sup> for Corporations and Partnerships.**

It is your responsibility to:

- Maintain, in your records, the documentation necessary to support the data used in preparing your tax returns this documentation includes, but is not limited to: auto, travel, entertainment and related expenses, and the required documents to support charitable contributions. If you have any questions as to the type of records required, please ask us for advice in that regard.
- Carefully examine and approve your completed tax return before signing your 8879 E-file authorization and mailing any applicable forms to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. We will rely, without further verification, upon information you provide to use from 3<sup>rd</sup> parties including, but not limited to: W-3/W-2's, K-1's, 1099's, 1098's, receipt and similar items.

We will use our professional judgment in preparing your returns. Whenever we are aware that an applicable tax law is unclear, or that there are conflicting interpretations of the law by authorities, (e.g., tax agencies and courts) we will explain the possible positions that may be taken on your return. We will adopt the position you request on your return if it is consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

New privacy laws were established by the IRS effective January 1, 2009 and we are now prohibited from providing confidential information or copies to anyone other than you without your specific, written authorization. If we are asked to disclose any privileged information, unless we are legally required, we will not provide such disclosure until we have your written authorization. You agree to pay any and all reasonable expenses that we incur, including legal fees, as a result of attempting to protect your information as privileged. Your confidentiality privilege may be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

In the interest of facility our services to you, we may communicate by facsimile transmission or send electronic mail over the internet. Such communications may include information that is confidential to your company. We will do our best to keep such communications secure in accordance with applicable laws and professional standards. You recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent, and consent to our use of these electronic devices during this engagement.

In the event of a **new** client and/or multiple years of tax returns, a retainer in the amount of \$500.00 will be required and must be paid prior to Winfree & Associates providing any tax returns.

Our fees for these services will be provided at our standard rate, plus out of pocket expenses. **Fees are due at the time the returns are presented and are payable on receipt.** In the event other arrangements are necessary, the agreed upon payment schedule must be attached to this agreement. Accounts not paid within 60 days will bear interest at a rate of 1 ½ % per month until paid in full. If accounts are not paid within 60 days of the invoice date, we may stop all work, at our election, until your account is brought current, or we may withdraw from this engagement. Winfree & Associates also has the ability to transfer any outstanding balances to a collection agency. You acknowledge that you are fully responsible for all service charges, collection, fees, legal fees, and/or court costs, and these costs will be added to your total outstanding balance. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement agreement. You further acknowledge and agree that in the event we stop work or withdraw from this engagement, as a result of your failure to pay on a timely basis for services rendered as required by this engagement agreement, we will not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement. In the event that we retain the services of an attorney to collect fees due under this agreement you agree that we are entitled to recover responsible attorney fees incurred in order to collect out fees.

It is our policy to keep records related to this engagement for four years after which they are destroyed. Winfree & Associates do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, the client and the accounting firm have discussed and have agreed on the fair allocation of risk between them. As such, the client agrees to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs and damages of any nature whatsoever to that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm's total fee for services rendered under this agreement. The client and the accounting firm intend and agree that his limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the tax professional's signature on the tax returns covered by this engagement agreement.

The parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement (except actions by the firm to enforce payment of its professional invoices), will prior to resorting to litigation, be submitted to binding arbitration and conducted mediation, and that they will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Fairfield, Ohio in accordance with the commercial arbitration rules of the American Arbitration Association according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to Ohio laws. The results of any such mediation shall be binding only upon agreement of each party to be bound. The cost of any mediation proceeding shall be shared by the parties.

You agree that any dispute between us arising out of this agreement, regarding the meaning, performance or enforcement of this engagement, (except for non-payment of fees) will be submitted to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. The cost and expense of arbitration excluding attorney fees and the arbitrator shall be shared equally by us. Any arbitration initiated as a result of this engagement shall be administered within the county of Fairfield and State of Ohio.

This engagement agreement represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on, and inure to the benefit of, the heirs, successors and assigns of you and us. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

We appreciate the opportunity to serve you. Please sign and date this agreement to acknowledge your agreement with and acceptance of your responsibilities and the terms on this engagement. It is our policy to initiate services after we receive the executed engagement agreement.

Winfree & Associates, Representative: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_ DATE: \_\_\_\_\_

CLIENT SIGNATURE: \_\_\_\_\_ PRINTED NAME: \_\_\_\_\_

Best Daytime Phone: \_\_\_\_\_ Email: \_\_\_\_\_