

*This is a sample engagement letter that covers most individual tax return situations. You will be given a personalized engagement letter when you leave your documents with us.*

Dear \_\_\_\_\_:

Thank you for using Patricia Salman & Associates for your tax preparation needs. Clear communication is a key to a successful business relationship. The purpose of this letter is to make sure we both have the same understanding of the services we are providing to you.

### **Our Responsibilities**

Our responsibility is to accurately prepare your 2008 Federal and Arkansas state tax returns. We will complete these returns using the information you provide to us. Although we may ask you for explanation regarding certain items, we will not be auditing or verifying any information. If we encounter a situation in which the tax laws are unclear, we will advise you of it and use our professional judgment as to the correct handling of the situation.

There is always a possibility that your return may be chosen for examination by a taxing authority. In such an event, we are available to represent you in an appeal. This would be a separate engagement from the preparation of your tax returns and subject to additional fees.

### **Your Responsibilities**

Your responsibility is to provide us with all the information needed to prepare your return. You need to keep receipts and other documents that substantiate the amounts that you are claiming on your return. These may be necessary to prove the accuracy of the information on your return to a taxing authority. If you have any questions about what records you need to keep, please ask us. You are ultimately responsible for what is claimed on your tax return, so you should review your return carefully before signing it. We will be happy to give you any explanations that you need.

### **Penalties**

Federal and state taxing authorities impose significant penalties if either of us fails to uphold our responsibilities. The law imposes penalties and interest on you if you understate your tax liability or fail to maintain the proper records. The law imposes penalties on us if we do not complete your return with the level of

competence expected of a tax professional or if we are associated with a return that takes a questionable tax position. If you are in doubt about whether any particular situation might subject you to a penalty, please ask about it.

**Fees and Deadlines**

Our fees are based on the time it takes to complete your return, with the hourly rate varying with the complexity of the return. Providing us with complete and organized information is the best way to reduce your tax preparation costs, and we encourage you to use the Tax Organizers available on our website.

A retainer fee of \$85 is due when you leave your materials with us, with the balance due upon the completion of your return.

The deadline for filing your 2007 return is April 15, 2008. Materials received after March 30, 2008 will likely result in the need to file an extension for the return.

If this letter is in agreement with your understanding of our engagement, please sign and return this letter with your tax materials.

Sincerely,

Patricia M. Salman, CPA  
Patricia Salman & Associates, PLLC

Accepted by:

\_\_\_\_\_  
Client signature

\_\_\_\_\_  
Client spouse's signature

\_\_\_\_\_  
Date