

# ENGAGEMENT AGREEMENT FOR TAX YEAR 2024

Acceptance by Client constitutes mutual understanding and agreement with all terms & engagements of Tingley Tax Preparation, further known as (TTP).  
Work will not begin without a signed Engagement Agreement on file- please initial page 1(front) and sign page 2 (back).

## Client Responsibilities

### Supporting Data

Client states that Client has the necessary documents and records to support the deductions claimed on the tax return and will provide requested information in a timely manner. Client MUST use our Client Information Sheet to provide basic information on a yearly basis. TTP does have at your disposal additional paperwork for assistance in tax preparation (Business and Expense Summaries, Farm Expense, and Trucking Expense, Etc...) Client is advised that the law imposes a penalty for substantial understatement of the tax liability and that tax authorities regularly question whether any cash or bartering transactions have transpired. TTP MUST provide full disclosure to tax authorities should estimates or reconstructed data be entered on the return.

### Foreign (& Cryptocurrency) Activities

Client is hereby advised that Client is responsible for reporting all foreign activities. By signing this Agreement, Client acknowledges Client's obligation to inform TTP if Client has income from foreign sources, has signatory authority over foreign accounts, owns foreign financial assets, invests in foreign retirement plans or has made transactions in **virtual currencies**. NOTE: Penalty for failure to comply may be punitive.

### Appointments

Not all tax returns will require an in-person meeting. Meetings will generally be determined by the tax return preparer. If an appointment is required by TTP or is requested by the Client additional billing may be expected. When Tax return is finalized, full payment is required to be paid in full and signatures of required documents to file your return. TTP will then complete processing of your return.

### Timeliness

Client Agrees to timely deliver requisite tax data and supporting documentation and will not hold TTP responsible for delays due to Client's lack of cooperation during the tax preparation process. A surcharge of 5% may be assessed if Client fails to provide data to TTP more than 10 days after TTP's initial request. TTP may terminate contract without further notice if Client fails to provide requested data. TTP will give priority to clients who have timely provided data and otherwise cooperated with the tax preparation process.

### Communications

Client is expected to maintain a level of communication that will ensure that the tax return can be completed in a timely manner. TTP's main methods of communication are phone calls and emails. Client is to have acknowledged to have received message if a voicemail is left and or an email was confirmed to have been delivered. If timely replies are routinely not given by Client TTP, withholds the right to terminate client from TTP services and any responsibility to the Client's tax preparation.

### Extensions

The filing deadline for the year 2024 is April 15<sup>th</sup>, 2025 (entities may be subject to other deadlines). If Client has not provided all the necessary tax information by April 1<sup>st</sup> an automatic extension may be required and filed on behalf of the Client per the authorization of Client AND Client gives a good faith estimate of the expected tax liability. There will be a charge of \$25 for any filing of an extension for any Client. TTP will not provide ongoing reminders of filing deadlines or requests for more information. NOTE: An EXTENSION merely extends the time for filing (NOT PAYMENT), penalties and interest for late payment may accrue for which the Client will be wholly responsible. Client MUST sign 8878 to authorize electronic funds withdrawal for any federal balance due (States Cities and School Districts may require separate forms).

### Additional Forms & Taxes

Client understands that Client may be subject to additional tax filing requirements, including but not limited to prior-year and amended returns, payroll tax, 1099 reporting, business tax, sales and use tax, as well as foreign account and tax reporting. IF ASKED, TTP will assist with the requisite forms, but Client remains responsible for establishing and meeting all their reporting and payment obligations. BE AWARE OF ESTIMATED TAXES DUE THROUGHOUT THE YEAR.

### Client Review

Client is wholly responsible for the accuracy of the return and will-after careful review- sign and deliver completed return(s) to the proper taxing authorities or authorize TTP to file electronically. NOTE: Client is responsible for all penalties and interest.

### Tax Notices:

Client Agrees to promptly notify and forward copies of any communications received from tax authorities to TTP for review and advice. Client should keep all originals. If Client wishes to be represented by TTP, additional forms, fees and expenses should be anticipated.

### Payment Terms

Full payment of any Client Billing is to be paid in full to receive completed work and our assistance in filing of prepared tax work. TTP payment options are CASH or CHECK. No additional service will be provided by TTP until the account has been brought current. Client will pay a \$50 penalty for any appointment missed and not cancelled with a timely notification. Bank fees for returned checks will be billed to Client (minimum fee \$30).

### Document Retention

TTP will retain our final work for a minimum of 5 years; thereafter, all documents may be destroyed by TTP without further notice to the client. Physical deterioration or catastrophic events may shorten this term. The Client understands and agrees that in the event a file is destroyed, TTP will no longer have any records and will not have any responsibility to reconstruct the file. TTP does not physically retain any original documents as they are returned to the Client at the completion of the tax preparation process. It is the Client's responsibility to keep these materials for future use. A duplicate paper or electronic copy of a return prepared by TTP is available for a fee of \$45. (Example: reprint of a return or forwarding in an email to local bank)

**Please initial Page 1 to acknowledge Client Responsibilities: Client: \_\_\_\_\_ Spouse: \_\_\_\_\_**

# Tax Practitioner Responsibilities

## **Mission**

Returns will be prepared based on information provided by Client. TTP will not audit, nor verify the data, and may request additional material or clarification. TTP will make every attempt to properly apply the law and legally minimize Client's tax liability. TTP will exercise professional judgment and will, whenever possible and justifiable, attempt to resolve any issues involving the Code in favor of Client.

## **Practice Standards**

TTP may not sign a return as a paid preparer if TTP determines that the return contains a position that does not have a realistic possibility of being sustained on its merits unless the position is not frivolous and is adequately disclosed to the IRS as per IRC §6662. TTP must inform Client of penalties likely to apply regarding the position advised, prepared, or reported and must advise Client of any opportunity to avoid such penalty by making adequate disclosure. TTP may rely in good faith (without verification) upon all information furnished by Client, however, TTP must make reasonable inquiries if the information appears to be incorrect, inconsistent, or incomplete.

## **Confidentiality**

Client is hereby given notice that all communications throughout the tax preparation process with TTP are confidential, but *not privileged* and may be disclosed if a summons is issued. The working papers for this engagement are the property of TTP and constitute confidential information. Any requests for access to these materials will be discussed with Client before making them available to other parties. Limited privilege may be available during the representation process under IRC §7525. Client may advise TTP to assert this privilege in non-criminal tax matters involving the Internal Revenue Service or federal district courts. Client, however, should be aware that disclosure of information considered during the tax preparation process is not covered under privilege – only tax advice communications are covered. Client hereby agrees to reimburse TTP for all costs, including legal fees, required to defend the privilege asserted or respond to a subpoena. *Client should immediately engage legal counsel if Client has any concerns regarding possible criminal matters.*

## **Privacy**

TTP does not disclose nonpublic personal information about current or former clients to anyone unless instructed to do so in writing by Client (see Disclosure Authorization). TTP will not perform a conflict check; Client remains solely responsible for identifying and disclosing actual or potential conflicts of interest to TTP. If a joint return is filed, TTP may provide returns and copies of supporting documentation to either spouse without consent from or notification to the other spouse (see Spousal Conflict Waiver). TTP restricts access to nonpublic personal information to those professionals who may assist in the preparation process or provide adjunct services. TTP has instituted all reasonable measures, including physical, electronic, and procedural safeguards to protect Client's nonpublic personal information. Client assumes the risk of loss of confidentiality and/or tax documents during unencoded electronic transmission or mailing via USPS and third-party delivery services.

## **Duties**

TTP will provide Client with a signed copy of the completed return. Client should retain this and all related materials safely for a minimum of five (5) years. TTP will be available year-round to address any Client concerns and to provide tax-planning advice for an additional fee and only with Client's written consent, although TTP will not be responsible for implementation of suggestions made.

## **Limitations**

TTP's services are not intended to determine whether Client has filing requirements in taxing jurisdictions other than the one(s) Client has mentioned to TTP. TTP will not advise Client regarding the classification of workers as employees or independent contractors and urges Client to obtain competent legal advice regarding employment practice matters. TTP has no duty to detect fraud or uncover Client's fraudulent activity. TTP will not be responsible for mis-deliveries by USPS or other private carriers. Client will be provided with tracking information and may personally make arrangements and cover the costs of re-delivery or replacement of lost tax returns. TTP may terminate the engagement for Client's lack of cooperation with the preparation process, for lack of payment or for other reasons with written notice to Client at any time. Client agrees to indemnify and hold TTP harmless from all claims, including third party claims and other liabilities, costs and expenses incurred by reason of any action taken or omitted by using good faith arising out of this engagement, except for matters judicially determined to be caused by TTP gross negligence or bad faith.

## **Duration of Engagement**

Engagement will begin once Client has signed Engagement Agreement; however, if client does not return signed Engagement Agreement to TTP but nonetheless verbally agrees (or otherwise indicates by such actions as submitting the tax organizer, providing tax data, or filing the prepared returns) that TTP shall prepare returns on Client's behalf, all terms and conditions of this Agreement shall apply. Client's signature on federal and/or state e-file authorization form(s) shall be acceptance by Client of all terms in Engagement Agreement. Engagement of TTP's services will be deemed satisfied upon delivery of completed returns to Client who is solely responsible for filing all tax returns with the appropriate tax authorities. Additional services such as tax planning, communications with tax authorities, preparing prior-year unfiled returns, and many others may be provided under a separate agreement between Client and TTP.

## **Dispute Resolution**

Any dispute arising under this Agreement or relating to TTP's services, including but not limited to disputes regarding fees, the scope of the engagement or professional malpractice, will be first submitted for non-binding mediation or alternative dispute resolution before litigation is filed. Litigation, if undertaken, shall be conducted in Mercer County, Ohio according to Ohio state law.

## **Cost of Service**

Fees for tax preparation will be based on the complexity of the return, expertise required, and time expended by TTP and will increase annually to remain commensurate with the skill, knowledge, expertise, and continuing education required by regulatory authorities. Extraordinary expenses and additional services, incl. but not limited to tax file organization, data compilation, cost basis calculations, research, replacement of lost returns, postage (\$35 min. fee for UPS delivery), correspondence with taxing authorities, bookkeeping, tax consultation and audit representation, will be billed on an hourly basis (\$100/hour). Client may pay by cash or check. Client's returns will not be e-filed until TTP 's fees have been paid in full or alternate payment arrangements have been agreed upon.

**Please sign and date Page 2 to confirm acceptance of this Agreement in its entirety (if married, both spouses must sign):**

**Client Signature:** \_\_\_\_\_ **Print Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Spouse's (RDP's) Signature:** \_\_\_\_\_ **Print Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_