



## Tax Client Engagement Letter

Welcome to the 2024 tax season. Thank you for choosing Grube CPA for your tax preparation services. Our firm is committed to providing a seamless tax experience that you find to be easy and stress free. This first step, signing an engagement letter, confirms the terms of services and steps provided to prepare and E-file your individual federal and state tax return.

### **\*Engagement letter**

Grube CPA will, in a timely manner, prepare your 2024 individual federal and state tax returns. We will depend on you to provide the information needed to prepare complete and accurate returns. We may need to ask for additional documents or information. We may ask you to clarify information, but *we will not audit or otherwise verify the data you submit*. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts. All information provided will be kept confidential and secure.

**\*Client Responsibilities:** At your request, we will provide you with an income tax organizer to help you compile and document the information necessary to prepare your income tax returns. You must complete the income tax organizer with accurate and complete information. Income from all sources, including those outside the U.S., is required.

**\*CPA Firm Responsibilities:** Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services (“SSTs”) issued by the American Institute of Certified Public Accountants (“AICPA”) and U.S. Treasury Department Circular 230 (“Circular 230”). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you or otherwise accept fiduciary duties in the performance of the engagement.

**\*Arguable Positions:** We will use our judgement to resolve questions in your favor where a tax law is unclear, if we have a reasonable belief that there is substantial authority for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials. Tax reference materials include but are not limited to, the Internal Revenue Code (“IRC”), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position you select, additional tax, penalties and interest may be assessed. We assume no liability, and you hereby release us from any liability, including but not limited to, additional tax, penalties, interest, and related professional fees.

**\*Estimated tax payments:** You may be required to make quarterly estimated tax payments. We will calculate these payments for the 2025 tax year based upon the information you provide to prepare your 2024 tax returns (the “safe harbor” rule). Updating recommended payments to more closely reflect your actual current year’s income is not within the scope of this engagement. *If you would like us to provide this service, and we agree to do so, we will confirm this update in a separate agreement.*

**\*Tax planning services:** Tax planning services are not within the scope of this engagement. While preparing the tax return identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. *If you ask us to provide tax planning services, and we agree to provide them to you, we will confirm this engagement in a separate agreement.*

**\*Divorce:** If you inform us of your pending divorce, we will advise each of you to seek independent tax advice. As you may have conflicting interests with your spouse, you will both be required to sign a conflict-of-interest waiver. We will not be able to advise either of you until your divorce is finalized. (this does not apply to a new client in a pending divorce). For example, your income tax return filing status is an item about which we will need instruction. Electing a filing status of married filing jointly establishes joint liability for taxes owed and requires that certain tax-related decisions be made prior to the preparation of income tax returns. Consequently, we will require a letter of instruction from both of your divorce attorneys [or, if the spouse(s) is/are unrepresented, we will require a letter of instruction from the unrepresented spouse(s)] identifying items needed to prepare your tax return and your agreement to same before tax returns can be prepared. If you elect to file separate tax returns, you will both be required to sign new engagement letters prior to the preparation of your returns.

**\*Bookkeeping Assistance:** We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. In the event we conclude that such services are necessary to prepare your tax returns, we will advise you in writing before services are performed and bill you for the required services. You agree to pay for those services.

**\*Documentation:** You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your tax returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold our firm harmless from any liability including but not limited to, additional tax, penalties, interest, and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.



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**\*Online access to information:** To the extent you provide our firm with access to electronic data via a local or online database from which we will download your financial statements or other financial information, you agree that the data is accurate as of the date and time you authorize it to be downloaded.

**\*Personal Expenses:** You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts and related expenses are supported by documentation and records required by the IRS and other tax authorities. At your written request, we are available to provide you with written answers to your questions on the types of supporting records required.

**\*Extensions of Time to File Tax Returns:** The original filing due date for your return is April 15, 2025, for federal, state and local returns. Due to the high volume of tax returns prepared by our firm, you must provide the information needed to prepare the tax returns no later than March 15, 2025. Failure to do so may result in rush fees or the inability to complete your tax returns by the original due date. It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your tax return or may extend the statute of limitations to file a legal action. All taxes owed are due by the original due date of April 15<sup>th</sup>. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines. If your return is not completed by the original deadline, regardless of reason, our firm will file these applications unless we receive your express written refusal to file for an extension. Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns and can be substantial.

**\*Penalties and Interest Charges:** Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties and interest charges imposed by tax authorities.

**\*Professional Fees:** Our minimum fee for the services outlined above is \$225 (not including value added services), of which 50% is due upon execution of this Agreement as a retainer. Your fee will be based upon the complexity of the work to be performed, and our professional time, as well as out of pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred if we prepare the tax returns. Fees will be based on the complexity of your tax return. Your invoice may be adjusted based on complications or unexpected work needed to prepare your return. Your invoice must be paid in full before your tax return is fully prepared, discussed, or numbers disclosed. Grube CPA **cannot** e-file your tax return until payment is made in full. A value-added service fee of \$34.95 will automatically be added to each invoice with an optional upgrade available. This basic client service fee ensures that Grube CPA will help you understand and resolve letters and/or demands from the IRS. If your tax return is selected for audit, there will be additional fees for Grube CPA representation. If Grube CPA is found to have made an error on the tax return, we will cover necessary costs to resolve the dispute. However, Grube CPA is NOT responsible for any taxes owed to the IRS or state agencies.

**Our engagement will conclude with a paid invoice, taxpayer/taxpayers review of prepared tax return, and a signature of form 8879 to give Grube CPA consent to e-file your tax return. Upon successful e-file, a finalized copy of your 2024 tax return will be provided to you.**

**To affirm that this letter correctly summarizes your understanding of the services Grube CPA will provide, please sign this engagement letter giving Grube CPA permission to begin preparation of your 2024 tax return.**

**Taxpayer #1 Signature** \_\_\_\_\_

**Print name** \_\_\_\_\_

**Date signed** \_\_\_\_\_

**Taxpayer #2 Signature** \_\_\_\_\_

**Print name** \_\_\_\_\_

**Date signed** \_\_\_\_\_