

January 2019

Subject: Preparation of Your 2018 Tax Returns

Dear Client,

Thank you for choosing Sherwood Tax and Accounting PC to assist you with your 2018 taxes. This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide.

We will prepare your 2018 federal and state income tax returns. We will depend on you to provide the information we need to prepare complete and accurate returns. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. **We will send you an Organizer via email** to help you collect the data required for your return. The Organizer provides a checklist that will help you avoid overlooking important information.

We are using a new system to collect and deliver your tax documents. **You will receive your organizer via a secure email with a link to ShareFile.** You will receive an invite to a secure folder which you can use to upload documents, or you can mail or drop off documents to our office. All of your important tax documents will be delivered and stored in our secure ShareFile Account.

We will contact you to review your information or ask questions. This review will allow us to make any final adjustments and answer any questions you may have and provide direction for filing the return.

We will perform accounting services only as needed to prepare your tax returns. It is your responsibility to provide all the information required for the preparation of complete and accurate tax returns. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. We will, of course, inform you of any material errors, fraud, or other illegal acts we discover.

The law imposes penalties when taxpayers underestimate their tax liability. Please call us if you have concerns about such penalties.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on your behalf, the alternative you select.

When requested, we can provide an upfront quote for the fee to prepare your return. Invoices are due and payable when your tax return is complete.

Your original records will be stored securely at the end of this engagement. If you provide original documents to our office that you would like returned to you, please pick the documents up when your return is completed. We will store paper documents for 60 days after the completion of the return, and then we will destroy the paper copies. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove accuracy and completeness of a return. We will retain copies of your records and our work papers electronically for seven years.

Our engagement to prepare your 2018 tax returns will conclude with the delivery of the completed returns to you and once we obtain your signature on the Form 8879 so that we can electronically submit your tax return. **Review all tax-return documents carefully before signing them. You will be able to electronically sign the Form 8879 this year.**

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, **please sign the enclosed copy of this letter in the space indicated. You may send a copy to us via ShareFile or via email or fax. If you prefer to e-sign, send us an email and we will send you this letter via our RightSignature software.**

Sincerely,



Shauna Zobrist

(Both spouses must sign for preparation of joint returns.)

Accepted By:

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Taxpayer

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Spouse

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Date