



## **INDIVIDUAL CLIENT ENGAGEMENT AGREEMENT**

This letter is to confirm our understanding of the terms and objectives of our tax services engagement and to clarify the nature and limitation of the tax services to be performed. The engagement between you and our firm will be governed by the terms of this agreement.

We will prepare the federal and state individual income tax returns for calendar year 2025. We will not prepare any tax returns other than those identified above, without your written request or consent to do so. We will rely upon the completeness and accuracy of the information and representations you provide to us to prepare your tax returns. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above referenced tax returns solely for filing with the Internal Revenue Service (IRS) and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

We are only responsible for preparing the returns listed herein. Our fee does not include responding to inquiries or examination by taxing authorities. In the event of an examination, we may represent you or we may advise that your interests would be better served by another representative whose expertise is in the area of tax representation.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

**Due to the high volume of tax returns prepared by our firm, you must provide all the information needed to prepare the tax returns no later than March 25th, in order to ensure that we have sufficient time to prepare the returns by the original filing deadline of April 15<sup>th</sup>.**

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 of 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 return or may extend the statute of limitations to file a legal claim. All taxes owed are due by the original filing due date.

We will provide questionnaires and worksheets in a tax organizer to guide you in gathering the information we need to prepare your income tax returns. Please complete the organizer provided as you gather data for your income tax returns. A properly completed organizer will minimize potential errors, help hold down the cost of preparing your returns, and generally allow us to serve you better.

You are responsible for reporting foreign activities. By signing this letter, you acknowledge that you will inform us if you have income from foreign sources or if you have signatory authority over any foreign account. If you are unsure whether income or an account is foreign, we will review it. Note that the civil and/or criminal penalties for failure to report foreign activities are severe.

The foreign reporting requirements are complex. If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please ask us and we will respond in writing. Only advice that is in writing may be relied upon. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

All returns are potentially subject to examination by the taxing authorities. In the event of an audit, you may be required to produce the documents, records, or other evidence to substantiate the items of income and deduction that you provided to us in the organizer, and which show on the tax return. When your information is returned to you, it is your responsibility to retain and protect it for possible future use.

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax return. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your 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 disallowance of tax deductions due to inadequate documentation.

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.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by

authorities, we will explain the possible positions which may be taken on your return. We will follow whatever position you request on your return, so long as it is not inconsistent with the codes, regulations, and interpretations that have been promulgated. If the taxing authority should later contest the position taken, there may be an assessment of additional tax plus interest and possibly penalties. We assume no liability for any such additional penalties or assessments.

If a joint return is prepared, tax returns and copies of all supporting documentation will be made available to either spouse or partner without the consent or notification of the other spouse or partner. Both spouses or partners acknowledge that there is no expectation of privacy from the other concerning our services in connection with this agreement. We are at liberty to share with either of you, without prior consent of the other, documents and other information concerning the preparation of your tax returns.

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. 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 required services.

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

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, substantial understatement of tax, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

Billings for tax services are generally based on a variety of factors including complexity, state of information provided to us, time spent plus any out-of-pocket expenses. In addition, this fee depends upon the timely delivery, quality, and completeness of the information you provide 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 whether or not we prepare the tax return. **Our minimum fee for individual income tax preparation is \$500.** Invoices for services are due upon receipt. You will become a cash-only client, required to prepay a cash deposit for all services in advance if you fail to pay in a timely fashion.

If the tax services and terms outlined are in accordance with your understanding of our engagement, please sign the enclosed copy of this letter in the space provided and return it to us. We appreciate the

opportunity to serve you. If you have any questions or need any additional information, please do not hesitate to call.

We look forward to working with you!

Sincerely,

Townsend Tax Services

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Signature – Taxpayer & Spouse

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Date

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Printed Name(s)