



January 2012

Dear Client,

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2011 federal and requested _____ state income tax returns from information which you will furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We will furnish you with questionnaires and worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping the fee to a minimum.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses for meals, entertainment, travel contributions and vehicle use are supported by records as required by law. You should retain all the documents, cancelled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them. If any changes are required, it is your responsibility to inform us so necessary corrections to your returns are made prior to filing. Any changes made after the filing will require an additional fee.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

You will be charged an additional fee if we are asked to assist or represent you in a tax examination or inquiry or notice. In the event of preparer error, you are responsible for additional tax that may be due, but it is our responsibility to pay for any penalty that may be assessed.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred. Our firm is not responsible for IRS disallowance of doubtful deductions unsupported by adequate documentation.

A deposit of \$150 is required before work will begin on your return. Our fee will be based upon a fee schedule and amount of time required, which will be included with your copy of the return. All tax invoices must be paid in full before the return will be provided. This fee does not include responding to IRS or state inquiries.

'Turning Dreams into Successful Enterprises'

All returns will be provided to you via a secure web portal. If you wish to receive your return in a different way, additional charges will be incurred.

Please Note: This engagement letter must be signed by both husband and wife (if applicable) before work will begin on your return. Also, all invoices must be paid in full before your return will be provided to you.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office. However, if there are other tax returns you expect us to prepare, please inform us by noting so at the end of the return copy of this letter.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

Smith Financial Services, P.A.

Accepted By: _____

Date: _____

Accepted By: _____

Date: _____