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2017 tax year

Tax Preparation Engagement Letter

(Please read carefully, let us know if you have questions, and sign below)

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.

What we do: We will prepare your 2017 federal and necessary state income tax returns from information that you will give us. We will not audit or otherwise verify all of the data you submit, although it may be necessary to ask you for clarification of some of the information. We will give you forms to guide you in gathering the necessary information upon request. Your use of such forms would assist in keeping pertinent information from being overlooked. You agree that the information on the forms is correct to the best of your ability. We will complete your foreign account reporting (FinCEN) if you give us the necessary information unless you prefer to do it yourself. We will render such accounting and bookkeeping assistance if it is necessary for the preparation of the income tax returns at an additional charge. **You have the final responsibility for the income tax returns and, therefore, you MUST review them carefully before you sign them.**

What we don't do: We do not complete other forms which may be required unless we are specifically engaged to do so such as sales and use tax returns, business entity filings with the Secretary of State, Brattleboro business licenses, landlord certificates, 1099s, excise returns, current use property tax enrollment, 2290s and employment tax returns. We can help you understand which additional filings are required of you but this is separate from your income tax returns. If there are other tax returns you would like us to prepare, please note this at the end of this letter. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover misappropriations or other irregularities, should any exist.

Record Keeping: You are responsible for providing all the information required for the preparation of complete and accurate returns. *You must have backup documents for figures you give us. Credit card bills may not be sufficient without the corresponding receipt.* Increasingly, the IRS is requiring us as preparers to verify the existence of some backup data such as mileage logs, charitable receipts, and business records. We will return all original documents given to us. We routinely scan and keep copies of some supporting documents, but you cannot rely on us to maintain your tax records—that is your responsibility. You must retain all the documents, bank statements and other records 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.

Fees: We bill based on the forms required to complete your tax return plus any required bookkeeping. Adjustments may be made when particular forms call for extensive calculations. Your fee includes short consultations by phone, e-mail or in person during the year, as long as it does not exceed a reasonable amount

Most refunds will not be issued until at least February 15.

Self-employed folks: 1099s are due by 1/31 and penalties are increased.

FBAR (foreign bank account reporting) deadline is now April 15 not June 30—October 15 with an extension.

* Enrolled agents (EAs) are America's Tax Experts. EAs are the only federally licensed tax practitioners who specialize in taxation and also have unlimited rights to represent taxpayers before the IRS.

of time. You are entitled to one complete signed paper copy of your returns and one electronic copy. Requests for additional copies will incur a \$5.00 charge. Your fee does not include; audit or examination representation, complex tax planning, business or rental startup consultation, QuickBooks consultation/training or similar services. Fees for these additional services will be charged at an hourly rate. **Payment is required before your tax return is electronically filed unless other arrangements have been made.**

Omissions: The law provides various penalties that may be imposed when taxpayers understate their tax liability. Additionally, penalties are imposed on preparers if we know or should have known about the understatement. **We will not assist you in the preparation of a tax return that does not include all of your income.**

Errors: Occasionally errors are made. We are not responsible for errors resulting from documentation that was not provided to us when your returns were prepared. Any additional tax due, penalties and interest are your responsibility. If we made the error we will prepare required amendments at no charge and will pay penalties resulting from the error except you agree to limit our liability to the fees we receive for our service. **In no event shall we be liable for tax due or interest accrued.**

Tax Notices: You may receive adjustment letters from the taxing authorities which have strict timelines and are subject to certain rights of appeal. **Please bring us any correspondence you receive from the IRS or state tax department as soon as possible.** Additional work required responding to letters from taxing authorities may be billed at our hourly rate.

Vermont Property Tax: If you are a Vermont homeowner you may be eligible for assistance in paying your property taxes. The deadline for this program is April 15th and **we must have a copy of your property tax bill every year.** You accept responsibility for verifying that your benefits have been applied for and agree not to hold us liable unless we are willfully negligent. You can call the VT Department of Taxes or go to their website to verify that your forms have been filed.

Deadlines: In order to finish your return to meet the April deadline, we must receive all necessary information (including this signed form and a completed Questionnaire) by at least March 31. In order to finish your return to meet the extended deadline, we must have your material by September 29. **Please notify us as soon as possible if you would like us to file for an extension for you. We will no longer do this automatically.**

To summarize:

- You are ultimately and absolutely responsible for everything on your return.
- Your answers on our questionnaire are true and correct to the best of your ability.
- We do not audit your information but must exercise “due diligence” on some deductions to make sure you have the appropriate backup.
- You MUST review your return before you authorize us to e-file it or sign a paper return.
- You must report ALL OF YOUR INCOME to the IRS or we cannot complete your return.
- We return all original documents to you and you must keep them safe.
- Payment must be made before your return is e-filed.

If the foregoing fairly sets forth your understanding, please sign below. If you would like a copy of this letter, just ask. Thank you for this opportunity to work with you.

Comments or additional requests: _____

I have reviewed and agree to the above on behalf of myself (and my spouse, if applicable)

Print Your Name: _____ Sign _____ Date _____

Initial if completing on line