

## 2017 Annual Engagement Letter

**PLEASE SIGN & RETURN BOTH PAGES** in order for us to begin working on your returns.

Dear Client:

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you.

We will prepare only your 2017 federal form 1040 and your resident state and local income tax returns. Please inform us below of any additional returns you would like for us to prepare:

---

It is your responsibility to provide us with all of the information necessary to complete your tax returns. In that regard you state that, to the best of your knowledge and belief:

- You have provided true, correct and complete information regarding your income as listed on the attached Forms W-2, 1099 and/or written summaries.
- You have provided us true, correct and complete information regarding amounts you claimed as tax deductions, and have maintained written documentation supporting all amounts, including log books and receipts. You understand that taxing authorities may examine the returns, that documentation should be retained to support the information provided to us, especially business travel and entertainment deductions, business use % of autos and other assets, barter activities, and the required documents to support all charitable contributions, and that penalties may be imposed on returns that are late, underpaid or incorrect.

We will not audit or otherwise verify any information. We may require clarification or additional information. We are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest.

It is our policy to keep records related to this engagement for five years. However, we do not keep any of your original records, so we will return those to you upon completion of the engagement. When records are returned to you, it is your responsibility to retain and to protect the records for future use, including potential examination by governmental or regulatory agencies. By signing this agreement, you acknowledge and agree that upon the expiration of the fifth year period, we are free to destroy our records related to this engagement.

***You understand that you will be charged an additional fee if we are asked to assist or represent you in a tax examination OR INQUIRY.*** You understand that, in the event of preparer error, you are responsible for additional tax that may be due, but our responsibility is to pay for any penalty that taxing authorities may assess.

We will use our judgment to resolve questions in your favor where a tax law is unclear or if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

**If you have a financial interest in, or signature authority over, any foreign accounts exceeding \$ 10,000 at any point of time during the year, you are responsible for electronically filing the Report of Foreign Bank and Financial Accounts (FBAR) on or before April 15th of each tax year through the Financial Crimes Enforcement Network (FinCEN). If you would like our firm to submit your electronic FBAR report (FinCEN Form 114) on your behalf, we must receive a signed consent form (FinCEN Form 114a) from you prior to submitting the foreign reporting form. If you do not provide our firm with information regarding any interest you may have in a foreign account, or if we do not receive your signed authorization to file your foreign reporting form, we will not be able to prepare and file any of the required disclosure statements. You may also have a separate reporting duty to disclose any/all other foreign financial assets you own on forms 8938, 5471 or 5472 which can be filed with your individual tax return. Failure to report any of the above type of foreign accounts can result in massive penalties. By your signature below, you accept responsibility for informing us if you believe that you may have foreign reporting requirements and you agree to timely provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file, or untimely filing, of any of these forms.**

Our policy is to put all tax advice in writing, and that you will not rely upon any unwritten advice because it may be tentative, incomplete, or not fully reviewed.



**STEPHENSON  
& WARNER, INC.**

CERTIFIED  
PUBLIC  
ACCOUNTANTS

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist.

You will contact us immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state or local taxing authorities. If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best possible resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us. Please note that our firm may not receive separate copies of IRS notices; therefore, you must provide our firm with copies of any notices you receive from the IRS. The authorization is valid for one year after the due date for filing the tax return.

Effective 1/1/11, IRS and Ohio mandates we will file all eligible returns electronically. We will provide you with a paper or electronic copy of the income tax returns for your review prior to electronic submission. You must review, sign and send the form 8879 back to us before it can be transmitted. Please note that although our firm will use our best efforts to ensure that your returns are successfully transmitted to the appropriate taxing authorities, we will not be financially responsible for electronic transmission or other errors arising after your return has been successfully submitted from our office. Once the return is accepted by the IRS we are not responsible for the length of time it takes the IRS to process your return. *Please note that many local returns must still be filed in a paper format.*

**Our bill will be due and payable upon completion of these returns, and that additional services, including electronically filing your return, will not be performed until the bill for these services is, paid in full. You understand that your bill will be based upon a predetermined amount and communicated to you prior to completion of your returns or by the standard billing rates presented to you. Please note that starting with 2015 tax returns, your tax preparation fees could be significantly higher than past years fees due to the extra work that may be necessary to comply with the Affordable Care Act and the new regulations concerning tangible property of business and rental property owners.**

**We will not file any federal, state or local tax extensions unless you specifically request us to do so in writing, by fax or email. Information received by us to prepare your tax return after 3/31 will warrant filing for an extension.**

Please be aware that Internal Revenue Code Section 7216 now requires us to obtain your separate written consent before disclosing individual tax return information to third parties such as banks and mortgage brokers.

If any disputes arise among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Commercial Mediation Rules. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Commercial Arbitration Rules of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to serve you, and look forward to a continuing, mutually satisfying relationship.

Very truly yours,



Stephenson & Warner, Inc.

The terms described in this letter are acceptable and are hereby agreed to and shall remain in effect until terminated by either party in writing.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name of Signer/ Taxpayer: \_\_\_\_\_