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**INDIVIDUAL INCOME TAX RETURN ENGAGEMENT LETTER
PREPARATION OF THE 2020 INCOME TAX RETURN**

TAXPAYER: _____ SPOUSE: _____

Dear Client(s):

We appreciate the opportunity of working with you and advising you regarding your 2020 Income Tax Return. To ensure a complete understanding between us, we are setting forth the pertinent information about the services which we propose to render for you. This Letter of Engagement constitutes an agreement between CDI and the Client(s).

We will prepare your 2020 Federal and State Income Tax Returns with information which you will furnish to us in a timely manner. We will prepare an extension only upon written request to do so and if we are giving reasonable time to file. You understand that it is your responsibility to provide us with all of the information required to complete your tax return. 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. In that regard you state that, to the best of your knowledge and belief:

- 1) You have provided true, correct, and complete information regarding your income with forms W-2, 1099 and/or attached written summaries. You understand that it is your responsibility to provide all the information necessary to complete the returns. You will retain for seven (7) years all the documents, receipts, cancelled checks, and other records required to substantiate the items of income and expense claimed on your return.
- 2) You have provided us with true, correct and complete information regarding any foreign accounts you possess.
- 3) You have provided true, correct, and complete information regarding amounts you have presented to us to claim as tax deductions, and you have maintained written documentation supporting all amounts, including logbooks, and receipts. You understand that if a question arises regarding the interpretation of tax law, and a conflict exists between the tax authorities' interpretation of the law, and other supportable positions, that we will use our professional judgment in resolving the issues.
- 4) You will contact us immediately if you discover additional information that will lead to a change in your return.
- 5) It is your responsibility to contact us immediately if you receive any notice from the IRS or State Taxing Authorities. There will be an additional fee in advising the client and/or responding to the correspondence. This current engagement's invoice does not encompass any future engagements fee.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of their tax liability. You have the final responsibility for your tax returns and therefore, you should review them carefully before you sign and have them filed.

INITIAL: _____

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. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement.

The client(s) understands that if there is a direct error on the part of CDI, we will pay that portion of the penalty and interest that you are assessed by the IRS or State Taxing Authorities. We will not be responsible for compensating you for the additional tax that you will be charged. This applies if you let us respond to all audits, letters and correspondence with the IRS or State Taxing Authorities as they are received. Any reimbursement of penalties and interest will be made only after all appeals and requested for abatement of penalties have been executed.

Our work in connection with the preparation of these returns does not include any procedures designed to discover defalcations or other irregularities, should they exist. We will render such accounting and bookkeeping assistance as we find necessary for preparation of the returns.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. The fees for our services are available upon request and posted for client knowledge. All invoices are due and payable upon presentation. We will provide you with either an electronic or hard copy of your Income Tax Return. Any additional copies needed in the future will incur at least a \$20 (twenty dollar) fee. The fee will rise depending on the amount of information that is requested and the method of delivery.

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.

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

Accepted, Approved and Agreed By:

Client Signature: _____

Print Name: _____

Date: _____

Client Signature: _____

Print Name: _____

Date: _____