

[Date]

[Client Name]  
[Client Address]  
[City, State, Zip Code]

Dear [Client Name],

This letter is to confirm the terms of our engagement and to clarify the nature and extent of the tax services we will provide for the tax year [Year].

## **Scope of Services**

We will prepare your [Year] federal individual income tax return and the income tax returns for the states of [State Names]. We will not audit or verify the data you submit, although we may ask you for clarification of some of the information.

## **Client Responsibilities**

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, canceled 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.

## **Fees and Billing**

Our fees for these services will be based upon our standard hourly rates or a flat fee of [Amount], plus out-of-pocket expenses. All invoices are due and payable upon presentation.

## **Audit and Examination**

Your returns may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents to substantiate items on your return. If you receive any correspondence from a taxing agency, please contact us immediately. Representation at an audit is a separate engagement and will be billed accordingly.

## **Record Retention**

It is our policy to keep records related to this engagement for [Number] years. After that period, our engagement records will be destroyed.

If the terms described above are acceptable to you, please sign the enclosed copy of this letter and return it to us.

Sincerely,

[Your Name/Firm Name]

[Your Title]

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**Accepted by:**

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

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