

# Rumbold Tax Advisory

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## ENGAGEMENT LETTER – TAX PREPARATION

You have hired this firm to assist you with the preparation of your Federal and State income tax returns. For the preparation of these returns, you will be charged a fee according to the types of returns we prepare and the complexity of those returns (forms and entries). Our fees for this engagement are not contingent on the results of our services. You may also be charged a fee for consultation on tax planning or preparation. An estimate of your fees will be given on request but you understand that an accurate estimate cannot be offered before all of your information is gathered and your return is completed. The fees are due and payable at the time your returns are completed. In some cases a retainer deposit may be necessary prior to providing services. We will supply you with one copy of each return.

As your tax professional, we will prepare the returns using information you supply and applying the tax law to the best of our ability. It is not our responsibility to verify your income, deductions and exemptions or to audit your tax return. Should you be audited, the tax agency will require you to support your income and deductions. You agree that you have provided us with all requested documents, have disclosed all sources of income and will answer all of our questions fully so that we can properly prepare your returns. If you are claiming a deduction for unreimbursed auto, travel, or other business expenses, you need to have written records to substantiate these deductions. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them. You agree that you are not engaged in and we do not offer; any abusive tax shelters, understatement of tax liability or fraudulent actions and that any request for us to do so will result in termination of our services.

You must provide information on your health insurance coverage for inclusion on the Federal tax return. You agree that you will provide the true and correct information along with any and all documents you receive related to your health insurance. You also agree that we are not responsible or liable for any incorrect information you supply related to health insurance or any other income tax matter.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive information from you within a reasonable time as determined by us, ahead of the applicable filing deadline, it may be necessary for us to pursue an extension of the due date of your returns, and we reserve the right to suspend our services or withdraw from this engagement.

You agree that you are responsible for maintaining an adequate and efficient accounting and recordkeeping system (receipts & information statements) necessary to substantiate all items of income and deductions. You understand that you must keep copies of all documents you supply and your tax returns for any possible future examination by the taxing authorities. Such copies should be maintained for a minimum of four (4) years or four (4) years after the sale of any asset reported on your tax return. More detailed information on document retention is available on request.

Anything you tell us or give to prepare your tax return is confidential, but not protected by any attorney-client privilege. If at any time we feel that you require legal advice, we will advise you to consult with an attorney.

Tax law is sometimes unclear and subject to different interpretations. A position taken on your tax return may be disputed by the tax authorities even though it meets the standards for tax return positions described in the Federal Regulations. We will take a position favorable to your interests whenever the facts and circumstances justify it, but not without your prior consultation. We are not responsible for any tax, interest or penalties that may be assessed as a result of a position taken which is successfully challenged by the tax authorities. We require that aggressive positions be disclosed on Form 8275.

Although we may orally discuss tax planning issues with you from time to time, such discussions will not constitute advice upon which we intend for you to rely for any purpose unless such advice is also provided in a writing for which a separate fee may apply.

The law provides various penalties and interest that may be imposed when taxpayers underestimate their tax liability. You acknowledge that any such understated tax is your responsibility and any interest or penalties that may be assessed are subject to the terms of our Quality Assurance and Warranty policy for which you hereby acknowledge receipt.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining authority are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon your written request to represent you during the examination and/or during any appeal for an additional fee.

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In connection with this engagement, we may communicate with you or others that you authorize in writing via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to the parties to whom they are directed, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We do not email any tax returns or other documents that contains private information about you such as but not limited to your name, address, phone number and social security number. We offer a free secure Client Portal for the sharing of documents over the internet containing your private information.

It is our policy to retain engagement documentation for a period of at least seven years, after which time we may destroy the contents of our engagement files. To the extent we accumulate any of your original records during the engagement; those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than a copy of your income tax return, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion for which a separate fee may apply.

We will not respond to any request from banks, mortgage brokers or other third parties for verification of any information contained on the tax returns covered by our engagement with you without a written disclosure from you on our form and the payment of a separate fee.

This agreement covers only the preparation of your individual income tax returns. We are not hired to represent you in an audit or collection of tax for this or any other tax return. If you wish representation before any of the tax agencies, a separate engagement will be prepared at a separate fee. Furthermore, if we are required to respond to a court order or other legal process for the production of documents and/or testimony related to this engagement, you agree to compensate us for our time at our then established rates and for all of our costs in regards to such activities.

Fees must be paid before your tax return is delivered to you or e-filed for you. If you terminate this engagement before completion, you agree to pay a fee for work completed. A retainer is required for preparation of prior-year returns.

If you do not pay the fee and we have to take collection action to collect our fees, any and all costs of collection, including any attorneys' fees that I incur, will be added to the final amount to be collected. Any fees outstanding at the time you pick up your return shall be charged a late fee of 1.5% per month after 15 days. Checks returned for insufficient funds are subject to a \$75 fee which will be added to your invoice.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Orange California, and any ensuing litigation shall be conducted within said county, according to California law. The costs of any mediation proceeding shall be shared equally by the participating parties.

Tax Returns: 20\_\_\_\_\_ Federal and State (as applicable) \_\_\_\_\_

I (We) have read and agree to the terms of this Engagement Letter.

Print Name(s): \_\_\_\_\_

\_\_\_\_\_ DATED \_\_\_\_\_

Client

\_\_\_\_\_ DATED \_\_\_\_\_

Client

Note: This Engagement Letter is binding without your signature if you have been given a copy and you choose to have your tax return(s) prepared.

**SIGN ABOVE AND RETURN BOTH PAGES**