

**2017 - INDIVIDUAL TAX RETURN (INCLUDING AMENDED RETURNS)  
ENGAGEMENT LETTER**

(Required by our Insurance Carrier)

Thank you for selecting Hanrahan & Associates, LLC to assist you with the preparation of your original or amended 2017 income tax return. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide.

We will prepare your federal and any state income tax returns you specifically request (or that we have prepared in prior years for you) using information you provide to us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit. Our responsibilities do not include the preparation of any returns that may be due to any other taxing authority. If there are other tax returns you expect us to prepare, such as gift or property returns, please inform us by noting so at the end of this letter. If you would like us to also prepare your children's returns, please also note this at the end of this letter and provide us with their information, too. This engagement letter also covers any children's or other dependent's returns you ask us to prepare.

This engagement pertains only to the tax year identified above. Our engagement is completed upon the delivery of the completed tax return to you. We will not file or submit your return to the IRS on your behalf. You are responsible for signing and filing the return with the taxing authority. In the event information is requested by either of the parties on a joint return, that information will be furnished without obtaining the additional consent of the other party.

For original return filings, we've enclosed an "Organizer" to help you gather the information required for a complete return. By using the Organizer, it can help you avoid overlooking important information, contributes to a more efficient preparation of your returns and helps keep the cost of our services as low as possible. It is your responsibility to provide us all of the information required for preparation of complete and accurate returns. You should keep all documents, canceled checks and other data that support your reported income and deductions. These and other records may be necessary to prove accuracy and completeness of the returns to a taxing authority. You are responsible for the returns, so you should review the returns carefully before you sign and file them. The law imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please contact me.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless you instruct us otherwise, we will try to resolve such issues in your favor when possible. Our work will not include any procedures to discover defalcations or other irregularities. The only accounting or analysis work we will do is that which is necessary for preparation of your income tax returns.

Your returns may be selected for adjustment or audit by a taxing authority. Any proposed adjustments are subject to appeal. In the event of such tax examination, we will be available, upon request, to represent you for an additional fee based upon the amount of time required at our standard billing rates, plus out-of-pocket expenses.

In order to complete your tax return in time for you to file it by the due date, we must have your complete information by April 1<sup>st</sup>. If we have not received your information, we will NOT automatically file tax extensions. You must notify us in writing, email or fax if you wish us to file an extension, and the notification should include your estimate of total taxes, taxes paid in and any balance due. If you have provided your information, you agree that in the event we cannot complete your return by the due date, we may apply to extend the due date. An extension of time may also extend the time available for a taxing authority to audit your return. Failure to file an extension may make you subject to various penalties and interest. Additionally, if your return is extended it does not relieve you from paying any tax due on the due date, or making quarterly estimated tax payments for the

current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may make you subject to various penalties and interest.

We generally base our prices on the amount of time required at standard billing rates plus out-of-pocket expenses and software charges. Our total charges may include other appropriate factors, including difficulty of the assignment, time constraints imposed on us by others, and relative experience and professional expertise required. In some cases, we will issue progress billings or will ask for a retainer that will be applied to our final invoice. All invoices are due and payable upon presentation. A late fee of 1% per month is charged on any balances not paid within 15 days. We reserve the right to suspend or terminate our work due to nonpayment. A rebilling fee of \$40 per month may be charged for all balances owed for 30 days or more. If we have to institute collection actions, you are responsible for our additional time at standard rates, as well as any and all collection costs, including legal fees, we incur.

We will retain electronic copies of records you supplied to us along with our work papers for a period of three years. After three years, our work papers and engagement files may be destroyed. All of your original records will be returned to you at the end of this engagement.

In the course of preparing your tax return, we may incur additional time not directly related to preparing the return (i.e. preparing bookkeeping adjustments, summarizing documents, answering any questions you may ask, conducting tax research, or requesting additional information), which you hereby authorize and will also be billed for. You may also request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. In the absence of any other written communication from us documenting such additional services, our services will be limited to and governed by the terms of this engagement letter.

You agree to provide us, on a timely basis, with any information, documentation, and explanations we request to support the data and positions in your tax return. If you fail to comply with this requirement or any of the terms of this engagement, as outlined herein, we reserve the right to suspend work or withdraw from this engagement without completing any tax returns. In such case, we will not be responsible for any missed filing or other deadlines, or any tax, interest or penalties that may be levied against you resulting from your failure to meet such deadlines, or for any other reason.

You shall have the right to terminate this agreement at any time, but this agreement shall apply to all services performed to the date we receive written notice of termination. We reserve the right to discontinue services at any time by giving written or email notice to you. Irrespective of whether you agree with the results of our tax analysis or we are able to issue a tax return, we are to be compensated for our time and costs incurred at our standard hourly rates.

In any and all events, our total liability arising from this engagement shall be limited to the lesser of any actual damages which were caused by our act or omission, or the amount of fees paid to us under this agreement. You also agree that our liability hereunder for damages, regardless of the form of action, shall not exceed the total amount paid for services under this agreement. You further agree that we will not be liable for any claim or demand against you by any other party. Full payment of all amounts billed under this fee agreement is a mandatory precedent to the right to sue.

You agree that any claim arising out of this engagement letter shall be commenced within one year of the delivery of the work product to you, regardless of any longer period of time for commencing such claim as may be set by law.

In connection with this engagement, we may communicate with you or others 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 each of the parties to whom they are directed and only to such parties, 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 or other electronic transmissions 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.

This engagement letter also includes and is subject to the provisions of the attached "Tax Engagement Addendum. To indicate that this letter and attachments correctly summarizes our understanding of the work, please sign this page in the space indicated and return it to us with the completed Organizer. If you do not return this signed page, by giving us your information with which to prepare your tax return, you understand, agree to and accept the terms of this agreement.

I appreciate your continued confidence. Please call me if you have questions.

Sincerely,



Michael R. Hanrahan CPA, CFP, MCBA  
Hanrahan & Associates, LLC.

By signing this letter, you agree that you have read and understand the provisions and terms discussed in this letter and the attached addendum.

Accepted By: \_\_\_\_\_ Printed Name: \_\_\_\_\_

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