

## ENGAGEMENT AGREEMENT

Dear CLIENT:

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your federal, state and local income tax returns from information which you will furnish to us. 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. We are furnishing you with an organizer to guide you in gathering the necessary information. To the extent you provide us with a complete organizer, you will minimize your tax preparation fees and maximize your tax benefit; for your benefit, please be thorough and complete.

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

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

It is possible that your returns could 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.

Our fee for these services will be based upon the amount of time, forms and worksheets required or beneficial to your tax filings at our standard billing rates. New clients will be provided with an estimate of tax preparation fees. Returning clients can expect fees to be similar to the prior year with adjustments for forms and worksheets necessary or beneficial to your tax filings. We require payment for one half the estimate (for new clients) or one half your prior year invoice (for returning clients) at the time you submit your completed organizer and documentation. Your final invoice will be based on the forms and worksheets required or beneficial for your tax filings plus time required for bookkeeping corrections or collection of information not provided with the organizer and may differ from the estimate and the prior year invoice. Please understand there are no implied additional services or warranties beyond what is exclusively listed on your invoice as services provided.

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 along with your completed organizer and documentation.

Client: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

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

**AFFILIATED TAX PROS, LLC**

PROVIDING STRUCTURE FOR CREATIVE PEOPLE

**201& TAX PREPARATION CHECKLIST FOR PARTNERSHIPS OR CORPORATIONS**

**Business Entity** (circle one): Partnership/LLC   S-Corp   C-Corp

**Business Name** \_\_\_\_\_ **Activity/Product** \_\_\_\_\_

**Business mailing address** \_\_\_\_\_

**New Clients: please include a copy of the IRS EIN confirmation letter, business formation documents, and your most recently filed tax Returns.**

Accounting Method (circle one): Cash   Accrual   Other

Federal EIN \_\_\_\_\_ State Tax ID(BIN) \_\_\_\_\_ City Business License No. \_\_\_\_\_

If you provide Sales or Services in and outside of Portland or Multnomah County please indicate Gross Revenue in:  
 Multnomah Co. \$ \_\_\_\_\_ City of Portland \$ \_\_\_\_\_ Other States \$ \_\_\_\_\_

**PLEASE PROVIDE THE FOLLOWING:**

If your business uses **QuickBooks** provide a backup copy with your tax documents. Otherwise provide an annual Trial Balance, Profit and Loss Statement, Balance Sheet with current year and prior year comparison, A/R aging and A/P aging. **If you don't have computerized bookkeeping, please also complete our Business Expense Categories List**

<b>1) Year-end (12/31/1&amp;) Statement and Reconciliation for:</b>	
a) Checking and Savings account(s)	
b) Other investment account(s)	
c) Credit Card(s) – (Circle one) business name or shareholder/partner's name?	
d) Notes, loans, mortgages, etc – Business name or Shareholder/partner's name?	
e) Amount repaid during the year? \$ _____ Amount of interest paid for the year. \$ _____	
<b>2) Loans to or from Shareholder(s) or Partner(s): Is there a formal note on record? Please provide a copy.</b>	
<b>3) Payroll quarterly statements and yearend summary and W-3</b>	
4) Did you hire any employee in 2010 that was unemployed and worked for you for at least a year?    Yes    no	
5) Do you provide employee benefits such as health insurance?                      Yes            No	
6) Please provide the amount of health insurance paid for shareholders/partners _____.	
7) List other employee benefits _____	
8) If you are required to track inventory: date of physical inventory count _____ Ending Inventory \$ _____	
If there was a change in ownership during the year explain in detail, include names, SSNs and addresses of new partners or shareholders	
Please provide a copy of your partnership or operating agreement or bylaws (if not previously provided)	

**PAYMENTS:**

**Estimated Tax Payments:**

*Federal:*      1<sup>st</sup> Quarter \_\_\_\_\_ 2<sup>nd</sup> Quarter \_\_\_\_\_ 3<sup>rd</sup> Quarter \_\_\_\_\_ 4<sup>th</sup> Quarter \_\_\_\_\_  
*State:*        1<sup>st</sup> Quarter \_\_\_\_\_ 2<sup>nd</sup> Quarter \_\_\_\_\_ 3<sup>rd</sup> Quarter \_\_\_\_\_ 4<sup>th</sup> Quarter \_\_\_\_\_  
*City/County:* 1<sup>st</sup> Quarter \_\_\_\_\_ 2<sup>nd</sup> Quarter \_\_\_\_\_ 3<sup>rd</sup> Quarter \_\_\_\_\_ 4<sup>th</sup> Quarter \_\_\_\_\_

**AFFILIATED TAX PROS, LLC**

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**Business use of VEHICLE:**

Business Type	Vehicle Owned by (Check one )	Use Section
S Corporation	Business	<b>B</b>
	Shareholder	<b>A</b>
Partnership or Multi member LLC	Business	<b>B</b>
	Partner	<b>A</b>

**A:** *The Partnership or S Corporation* should reimburse the partner or shareholder at the IRS mileage rate for the number of miles the partner or shareholder drove their vehicle for business purposes during 2012. If this is not done the *shareholder* may choose to deduct mileage on Schedule A of their individual tax return as a miscellaneous itemized deduction. A *partner* may choose to deduct mileage as a supplemental business expense on Schedule E page 2.

**B:** Year, Make and Model \_\_\_\_\_ Cost \$ \_\_\_\_\_ Date Purchased \_\_\_\_\_  
 Local transportation expenses: parking, tolls, train, bus, ferries..... \$ \_\_\_\_\_  
 Interest paid on vehicle loan.....\$ \_\_\_\_\_

**Questions:**

	Yes	No
Was another vehicle available for use?		
Was the vehicle available for personal use during off duty hours?		
Do you have evidence to support the business use claimed?		
If yes, is the evidence written?		
Is the vehicle electric, hybrid or any other alternative power of fuel?		
If yes, please specify: _____ number of gallons _____		

**Mileage:**

**Jan-June July-Dec**

	Jan-June	July-Dec
total mileage on vehicle for the year		
total business mileage for the year		
total mileage commuting to/from office for the year		

**Actual Expenses:**

fuel, maintenance, repairs, insurance, registration		
year vehicle was first used for this business		
was this vehicle leased during the year?	YES	NO
If yes, provide copy of lease document.		
If yes, what date did you begin leasing?		
Did you sell or dispose of this vehicle during the year?	YES	NO
If yes, provide date _____ and sales price		

**Equipment Purchased** (all items that have a useful life of more than one year)

Asset List OR verify that QuickBooks listing is accurate	Date Purchased	Cost

