

To: Clement & Associates, CPA  
Re: Engagement Letter

I have engaged your firm to prepare my individual (1040) Federal and State income tax returns for the year ended December 31, 2008. I understand that it is my responsibility to provide you with all of the information required to complete my tax return. In that regard I state that, to the best of my knowledge and belief:

1. I have provided true, correct and complete information regarding my income as listed on the attached schedules, computer disks, tax organizers, W-2s, 1099s and/or attached written summaries or given to you verbally. I understand that it is my responsibility to provide all the information necessary to complete the returns. I will retain for 5 years all the documents, receipts, cancelled checks and other records required to substantiate the items of income and expense claimed on my returns. I understand that I have final responsibility for the income tax returns and, therefore, I should review them carefully before I sign them.
2. I have provided true, correct and complete information regarding amounts provided to you to claim as tax deductions, and have maintained written documentation supporting all amounts, including logbooks and receipts. I 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 you will use your professional judgment in resolving the issue.
3. I understand that taxing authorities may examine the returns, that documentation should be retained to support the information provided to you, especially business travel & entertainment deductions, business use percentage of autos and other assets, and barter activities, and that penalties may be imposed on returns that are late, underpaid or incorrect.
4. I understand that you will not audit or otherwise verify any information, that you may require clarification or additional information, that you are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest.
5. **I understand that I will be charged an additional fee if you are asked to assist or represent me in a tax examination or inquiry.** I understand that, in the event of preparer error, I am responsible for additional tax and interest that may be due. I understand that you will pay for any penalty that the IRS or the above state revenue department assesses due to your error.
6. I will contact you immediately if I discover additional information that will lead to a change in my return, or if I receive any letters from the IRS or state taxing authority.
7. I understand that while you will give verbal advice, I will not rely upon any advice unless it is written because it may be tentative, incomplete, or not fully reviewed.
8. I understand that you reserve the right to withdraw from preparation of my return when you have deemed that I have not provided proper or sufficient documentation to substantiate information on the return.
9. I understand that your bill will be due and payable upon completion of these returns, and that additional services will not be performed until the bill for these services is paid in full.

10. I understand that you may file federal, state or local tax extensions automatically based on a prior year, but that I will not hold you responsible for the lack of filing such extensions unless I have specifically requested you to file such extensions.
11. I understand that your work in connection with the preparation of my income tax return does not include any procedures designed to discover defalcations or other irregularities, should any exist. You will render such accounting and bookkeeping assistance as determined to be necessary for the preparation of the income tax return.
12. If there are other services or tax returns that I expect you to prepare, such as corporation, partnership, estate, gift, sales, fiduciary, property, or other states or cities, I will note them at the end of this letter.

I have read, understand and accept the conditions of the engagement letter discussed above.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date