R. MENDEN
ACCOUNTING & TAX SERVICE

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2016 Individual Income Tax Preparation Engagement Letter

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. The IRS imposes penalties on taxpayers and tax return preparers, for failure to observe due care in preparing income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients to confirm the following arrangements.

We will prepare your 2016 U.S. Individual Income Tax Return and Minnesota Individual Income Tax Return with all necessary supporting Forms and Schedules from the information provided by you. It is your responsibility to provide all the information required for the preparation of a complete and accurate income tax return. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that any expenses claimed for meals, entertainment, travel, business gifts, dues and membership, vehicle usage, and/or charitable contributions are supported by records as required by law and that you have disclosed all known tax liabilities. You are confirming that you have not withheld any information that may affect your tax situation or tax filing. If you are unsure about an issue, we need to discuss it before you sign your income tax return.

Invoices for services will be provided upon completion of your income tax return. Payment is due at time of completion prior to it being processed with the governing agencies. In the event that payment is not received, you will be assessed finance charges of 1.5% per month on the unpaid balance. We reserve the right to suspend or terminate our work due to non-payment. Our services will be concluded upon delivery to you of your 2016 federal and state(s) individual income tax returns or one year from the date of this Engagement Letter, whichever comes sooner.

IRS guidelines require us to efile all income tax returns we prepare. Unless you feel efiling your income tax return will do you undue hardship, your income tax return will be filed electronically with the IRS. Prior to you signing the Form 8879, you will be provided a complete copy of your income tax return to review.

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. You have the final responsibility for your income tax return and, therefore, you should review your return carefully.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

You agree in the event that your income tax return(s) cannot be completed by the due date, it may become necessary for us to file an extension. Extensions are required when we do not receive information needed to prepare an income tax return on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake and audit of your return(s) or may extend the statute of limitations. Additionally, extensions may affect your liability for penalties and interest or compliance with government and constituent deadlines.

In the event you receive an audit letter from the IRS on an income tax return we prepared, we will assist you in resolving the issue with the IRS. Fees may apply to undisclosed tax liabilities. If you take part in our audit insurance plan and receive an IRS audit request, the initial four (4) hours we spend on the audit are at no cost to you; however after the initial four (4) hours you will be billed at our standard rate of $200 per hour. If your Individual Tax Return is selected for review by taxing authorities, any proposed adjustment may be subject to rights of appeal.

We will not disclosure any of your personal information, unless required by law, without written instructions from you.

If you agree with the information in this letter, please sign below.

Sincerely,
Menden Accounting & Tax Services

Printed Name(s):____

Taxpayer's Signature: ____ Date: ________________

Spouse's Signature: ____ Date: ________________

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The IRS continues to step up their audits and audit notices. These notices MUST be responded to in a timely manner, if not the IRS will bill you for any additional taxes and penalties they think you owe.

Our 2016 **"Audit Assistance Plan"** will give you "worry free, sleep-like-a-baby," assistance with IRS/State audits for a very reasonable fee.

Annual Audit Assistance Plan:

1) Up to $800 of our services for all audit types: IRS/State letter audits, letters of inquiry, tax notices and full audits with face-to-face representation in the event of any audit type.
2) One free tax consultation regarding any tax matter for 2016 and tax planning for 2017.
3) Additional copies of your 2016 tax return (copied, faxed or emailed at NO charge)
4) Reference or mortgage letter
5) Verification of employment or self-employment letter prepared for you during the tax year.
6) W-4 review to be sure your withholding is correct for 2017.
7) Maximum fee for an Amended Tax Return $70

Without the purchase of this plan, the fees are as follows:

- All audit types, fees start at $125 (minimum) for the first hour and $200 per additional hour
- Phone or office consultation fee - $50 for the first half an hour
- Additional copies of your tax returns - $15
- Verification and reference letters - $35
- W-4 review fee - $35
- Minimum fee for an Amended Tax Return $145

_____ Basic Plan - $21 (1040 without schedule EIC, C, D, E and F and one state return)
_____ Deluxe Plan - $31 (Includes 1040 with schedule EIC, C, D, E and F and one state return)

☐ I **accept** the Audit Assistance Plan – I want the "worry free, sleep-like-a-baby" protection!

☐ I **decline** the Audit Assistance Plan – I am aware of the additional charges for services and fees that will be incurred in case of an IRS/State audit or letters of inquiry.

Coverage is void if the applied tax year is found to be fraudulent or is criminally prosecuted by the IRS or State.

☐ **EIC** – I acknowledge that I qualify for the Earned Income Credit and have disclosed any necessary information to the tax preparer.

☐ **1099s** – Did you make payments in 2016 that would require you to file Form(s) 1099? ☐ Yes ☐ No
If "Yes," did you or will you file all required 1099s? ☐ Yes ☐ No

______________________	______________________	__________
Taxpayer Signature	**Spouse Signature**	**Date**

If there are adjustments on the return due to an audit, R Menden Accounting and Tax will not be responsible for any additional taxes. If penalties and interest are imposed and the adjustment is due to our neglect we will be responsible for such penalties or fees.

[BLUE]

DROP OFF

Date: _____________________

THIS TAX RETURN WILL BE E-FILED. Refunds by **Check?** ___**Direct Deposit** ?____

****** ATTACH VOIDED CHECK, NEEDED FOR ALL DIRECT DEPOSITS OR VERIFY CHECKING ACCT & RTNG #'S ******

Who should be contacted for information (if necessary)? Please circle one below:

TAXPAYER: First name:___________________ **SPOUSE:** First name:______________________

Phone #:_________________________________ Phone #:__________________________________

Tax payer's DL #___________________________ Spouse's DL #__________________________

Issue Date:___________ Exp. Date:___________ State Issued:_____

Change in Dependents from last year? _______ (If Yes, complete below fields if not provided with tax documents)

Add/Delete: Name:_________________________ SSN:__________________ Birth Date:_____

QUESTIONS?

1) Did you sell, buy or refinance a home?__________________ **IF YES**, attach settlement statement.
2) Did anyone go to college with tuition and supplies expense? ___________ Attach documents.
3) Dependents in elementary/secondary school?
   First Names & Grades:______________________ Qualified Expenses:______________
4) Donations Amounts? Cash (includes checks, credit cards, etc $_______________
   Noncash$____________ (You must keep all your receipts)
5) Did you purchase an energy efficient furnace, air conditioner, outside door, windows or insulation?___________ Enclose documents Have you used this credit in the past?_________

Notes:

I have verified my information and made necessary changes.

Signed:____

[GREEN]

Note: *this page only needs to be filled out if you have not included your 1095 B or C form, (which means you received insurance through Employer or Fiduciary from provider). This page cannot be used as a substitute for the 1095-A form (which means you received insurance through the Market Place). We need your 1095-A if you are expecting that form.*

ACA Interview Worksheet

___ All members of household covered by qualified Health Care Ins all 12 months of the year
No Charge – Sign below.

___ No members of household covered by Health Ins.
Sign below. Need dependents income.

___Some months covered and some months not covered by Health Ins.
Need dependents income.
Fill out worksheet. Sign below.

Place an "X" in the box(s) below to signify the months of coverage

Name of Indvidual	Insurer	Full Year	Individual Months Covered											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

If you have applied for but have not received an exception to penalty, Initial: T_____ S_____

If you signed up for insurance on {MNsure or Federal Ins. Website}, we need the 1095A's and Dependents income – {Tax return- W2's).

Taxpayer's Signature ____ Date:________________

Spouse's Signature ____ Date:________________

[YELLOW]