



**SARAH M. KITCHEN**  
TAX + ACCOUNTING SOLUTIONS

**Client Engagement Letter – Form 1040 – Tax Year 2020**

Sarah M Kitchen EA Inc is pleased to provide you with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. By signing and dating this letter, you agree that you clearly understand the following.

**Engagement Objective and Scope**

We will prepare your Federal Form 1040 Individual Income Tax Return and any related State income tax returns if applicable for the tax year 2020. We will not prepare any tax returns other than those identified above without your written request and our written consent to do so. We will rely upon the completeness and accuracy of the information and representations you provide to us to prepare your tax returns. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service ("IRS") and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

**Firm Responsibilities**

Unless otherwise noted, we will perform our services in accordance with the U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement. We will prepare your tax returns based upon your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[er] with dependent child) as reflected in your income tax returns for last year. If your filing status has changed, you wish to change your filing status, or you have questions about your filing status, please contact us immediately.

Arguable positions: We will use our judgment to resolve questions in your favor where a tax law is unclear, provided that we have a reasonable belief that there is substantial authority for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials. Tax reference materials include but are not limited to, the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position you select, additional tax, penalties, and interest may be assessed. We assume no liability, and you hereby release us from any liability, including but not limited to, additional tax, penalties, interest, and related professional fees.

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Government inquiries: This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, and we agree to represent you, we will confirm this engagement in a separate Agreement.

Third-party requests: We do not communicate directly with third parties or provide them with copies of tax returns. We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We are able to provide you with copies of requested items if needed.

### **Client Responsibilities**

Documentation: You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold our firm harmless from any liability including but not limited to, additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

Personal expenses: You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by documentation and records required by the IRS and other tax authorities. At your written request, we are available to provide you with written answers to your questions on the types of supporting records required.

U.S. filing obligations related to foreign investments: Based on the information you provide, you may have additional filing obligations relating to foreign assets, which may include FinCEN Form 114, Report of Foreign Bank and Financial Accounts ("FBAR"). The FBAR is not a tax return and its preparation is not within the scope of this engagement. If you ask us to prepare the FBAR, and we agree to prepare the FBAR, we will confirm this engagement in a separate Agreement.

Failure to timely file the required forms may result in substantial civil and/or criminal penalties. By your signature below, you agree to provide us with complete and accurate information regarding any foreign investments in which you have a direct or indirect interest, or over which you have signature authority, during the above referenced tax year. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

Ultimate responsibility: You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization, and any similar state and local equivalent authorization form before your returns can be filed electronically. In the event that you do not wish to have your tax returns filed electronically, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

### **Timing and Administrative Matters**

We expect to begin our services upon receipt of this executed Agreement, the completed 2020 income tax organizer and all documents requested either in the organizer or by our office. We must have received

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complete information no later than twenty-one (21) days prior to the original due date of the tax return to ensure timely filing. Failure to do so may result in the inability to complete your return by the due date.

Extension of Time to File: It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

To the extent you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, you must notify us of this request in writing. Our firm will not file these applications unless we receive an executed copy of this Agreement and your express written authorization to file for an extension. In some cases, your signature may be required on such applications prior to filing. Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.

Penalties: Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

Professional Fees: We will provide you with an invoice upon completion of your tax return. Unless other arrangements have been made in advance, we will require full payment of preparation fees prior to releasing the completed tax returns. We do not release incomplete tax returns.

Privacy Notice: All information obtained during our engagement will be held confidential. We will not disclose any information about you unless we have your approval or are required or permitted by law. This applies even if you are no longer a client.

Record Retention: While it is your responsibility to maintain your own tax records, our company policy is that working papers related to this engagement will be retained for five (5) years. Upon the expiration of the five-year period, you agree that we are free to destroy such workpapers.

We appreciate the opportunity to be of service you. Please date and execute this Agreement and return it to us to acknowledge your acceptance.

Very truly yours,  
Sarah M Kitchen EA Inc

THIS UNDERSTANDING IS AGREED UPON AND ACCEPTED BY:

Taxpayer Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Spouse (if joint return) \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

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