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ENGAGEMENT LETTER FOR PREPARATION OF YOUR 2016 INCOME TAX RETURN

We will not sign a completed return or prepare an extension until we receive a signed copy of this letter.

Thank you for choosing Kerry Molloy CPA to prepare your 2016 taxes. This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide. We will prepare your 2016 federal and state income tax returns. We will depend on you to provide the information we need to prepare complete and accurate returns. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. An organizer is enclosed to help you collect the data required for your return.

We will perform accounting services only as needed to prepare your tax returns. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. We will, of course, inform you of any material errors, fraud, or other illegal acts we discover. The law imposes penalties when taxpayers underestimate their tax liability. Please call us if you have concerns about such penalties.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will use our professional judgement in preparing your return.

We must receive all information to prepare your returns by March 25, 2017 to ensure that your returns will be completed on time. If we have not received all of your information by then, we may have to file an extension to file your return. If your returns are not completed by the due date, you may be subject to late filing or late payment penalties.

When your return is complete, you will be notified that the return has been placed in your portal. Upon request, we will email your return as well. It is your responsibility to carefully examine and approve your completed returns before signing the e-file authorizations.

Our fees for this engagement are not contingent on the results of our service. Our fee will be based on the time required and the complexity of the service we will perform. Fees will be based on our standard billing rates plus out-of-pocket expenses. Invoices are due and payable upon presentation. We accept checks, cash, electronic funds transfer, and credit cards. An interest charge of 1.5% per month, will be added to all accounts not paid within thirty (30) days.

Additional charges will be billed for services that are not included in this engagement. These include but are not limited to

- Charges for amended returns, if the need for an amended return does not result from any action by our firm
- Charges for having to process the return a second time if you submit additional information after the return is complete

- Time spent corresponding with the government if the need for correspondence does not result from any action by our firm.

We are available to represent you and our fees for such services are at our standard rates and would be covered under a separate engagement letter.

If we do not receive timely payments for our services or if you do not make available to us the information we request, we reserve the right to withdraw from the engagement. If we elect to terminate our services for nonpayment or for any other reason, our engagement will be deemed to have been completed upon written notice of termination, even if we have not completed your return. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs through the termination.

We will return your original records to you at the end of this engagement. It is your responsibility to retain supporting documentation for all information provided. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove the accuracy and completeness of a return.

Our engagement to prepare your 2016 tax returns will conclude with the delivery of the completed returns to you. If you have elected not to e-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

The IRS has provided that an individual taxpayer and his or her spouse, if applicable, may authorize the IRS to discuss the taxpayers return with the CPA who signed the return as the tax preparer. Once elected, the election cannot be revoked. The authorization is valid for one year after the due date for filing the return.

Would you grant us authorization to discuss the return with the IRS ? _____

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign this letter in the space indicated and return it to us.

Thank you for the opportunity to be of service. We are pleased to have you as a client.

Sincerely,

(Both spouses must sign for preparation of joint returns.)



Accepted By:

_____ Taxpayer

_____ Date

_____ Spouse

_____ Date