

**Salley & Clements, PC**  
**Individual Tax Return 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. 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 2011 federal, and requested state income tax returns that you have listed in the comments section at the end of this letter, from information that you will furnish us. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification of some of the information. We will furnish you with questionnaires and/or worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, canceled 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 carefully review them before you sign and file them.**

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. However, should we find any irregularities or unusual items we will bring them to your attention. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns. If we discover any errors or omission on a prior year return we will bring that to your attention.

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 and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

**The filing deadline for the tax return is April 16, 2012. In order to meet this filing deadline, the information needed to complete the return should be received in this office no later than March 1, 2012. If the data necessary to file your return is received in our office after March 1, 2012, we will file an extension request on your behalf and complete your return during the extension filing period.**

If an extension of time is required, any tax due with this return must be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties. **It is your responsibility to determine the payment you would like to send with your extension, if any.**

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us.

Your returns may 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 governmental tax examination, we will be available, upon request, to represent you under a separate engagement letter for that representation and will render additional invoices for the time and expenses incurred.

Our fee for these tax preparation services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. **All invoices are due and payable upon presentation. We submit all returns to the IRS electronically. Your return will be transmitted to the IRS after we receive your signature on the authorization to transmit form, and you have paid your invoice.**

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We are constantly striving to be more efficient and to provide the best service possible. As part of that effort we deliver the "Client Copy" of your tax return to a secure website portal, where you may login, retrieve and print your tax return anytime you wish, 24 hours a day, 7 days a week. We will be delivering all 2011 Form 1040 client copies to you using this method unless you indicate below that you desire to receive a paper copy.

**Check One:**

- Online Copy** – I elect to receive FREE secure online access to my tax returns 24 hours a day, 7 days a week to print or save my return as often as I wish.
- Paper Copy** - I elect to receive one paper copy of my return and forego access to a 24 hr a day secure web portal to print my return as often as I wish. I understand that additional copies via pdf or paper copy will be subject to a \$15 processing fee.

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. However, if there are other tax returns you expect us to prepare, such as gift and/or property, please inform us by noting so just below your signature at the end of the returned copy of this letter.

We appreciate this opportunity to work with you.

Very truly yours,

Salley & Clements, PC

Accepted by: \_\_\_\_\_  
Signature Printed Name Date

Comments or additional requests: