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## **INDIVIDUAL ENGAGEMENT LETTER**

Dear Friends,

Thank you for choosing Warner Financial to prepare your income tax returns for tax year 2011. This letter confirms the nature and service we will provide, and our relative responsibilities.

We will prepare your individual federal and state returns for tax year 2011 based on information you provide. Although our work will not include procedures to discover irregularities or inaccuracies in the tax data you provide, we may ask for clarification of certain information, or additional information, so that we can prepare accurate and complete returns for you.

It is your responsibility to provide all necessary information related to income and deductions and to respond to our inquiries in a timely manner so that we are able to accurately complete your returns by the appropriate due dates.

You are responsible for maintaining appropriate records, such as official tax documents you receive, receipts and substantiation for your deductions, and purchase and sales information for assets.

It is also your responsibility to review your returns before they are filed to determine that all income has been correctly reported and that you have substantiation for your deductions. Filing your returns by the due dates is your responsibility.

If your returns are later selected for review or audit by taxing authorities, we will be glad to assist or represent you if you desire. Our fees for preparing your returns do not include time that might be necessary to assist you during a taxing authority review.

The 2007 Small Business and Work Opportunity Tax Act requires our firm as tax return preparers to conform to a higher standard than the taxpayer when an undisclosed tax position is being taken on your tax return. This higher standard requires the preparer to have a reasonable belief that the undisclosed tax position would more likely than not be sustained on its merits if challenged by the IRS and that there be a reasonable basis for the tax treatment. Moreover, we may have to spend additional time preparing your return because of the extra research and analysis necessary to meet this standard. Accordingly, by signing this letter you acknowledge that you are aware of this difference in standards, and consent to our preparation of your federal income tax return in accordance with the standards applicable to our firm as tax preparers.

If we conclude as a result of our research that you are required to disclose a transaction on your tax return, you consent to attach a completed Form 8275 or 8275R to your tax return after we discuss the situation with you and agree to hold our firm harmless with respect to any and all actual and consequential damages (including but not limited to taxes, penalties, interest, and attorney fees and costs) that you incur as a result of including such disclosures with your filed tax returns.

Our fees for preparation of your returns are based upon our standard billing rates per form completed plus out-of-pocket expenses, if any. Our invoice is due and payable upon delivery of the returns to you. In the event of an error or omission on your return resulting from our mistake, our liability is limited to a refund of the tax return preparation fee, plus \$500. In addition, we will work with you and the taxing authority at no charge to resolve the matter.

If this letter accurately summarizes your understanding of our agreement relating to the preparation of your tax returns, please sign the enclosed cover letter in the space indicated and return it to us. Your signature also confirms receipt of our privacy policy included in this package.

If you have any questions regarding this agreement or any other aspects of your tax returns, please contact us before we begin preparation of your return.

Thank you again for choosing us to prepare your 2011 tax return. We appreciate your business.

Sincerely,

Robert P. Warner  
President