

1040 - 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, including 2012 estimated tax payments from information that you will provide to us/me. 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 provide 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 omissions 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 17, 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 15, 2012.

If an extension of the 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.

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/me.

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.

Our fee for these 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.

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,

James L. Beddow, CPA

Accepted By: _____

Date: _____

Comments or additional requests: _____
