



**KOHLER & EYRE**  
CERTIFIED PUBLIC ACCOUNTANTS

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## Engagement Letter for Personal Tax Return Preparation

This letter is to confirm and specify the terms of our engagement with you for the year ended December 31, 2018, and to clarify the nature and extent of the tax services we will provide. We look forward to working with you and want to confirm our understanding of the arrangements for this service. Please read this letter carefully because it is important that we establish expectations for both of us as we work together. If you have any additional questions or concerns regarding this Engagement Letter, please call to discuss before signing it.

Please know a **Personal Income Tax Return is due by April 15, 2019**. Please submit your information by **February 25, 2019** to ensure your Income Taxes can be completed by the deadline. An additional extension of time to file may be requested before the due date, allowing you to extend your tax return due date until **October 15, 2019**. If an extension is filed, please submit your information by **August 12, 2019** to ensure your Income Taxes can be completed by the extended deadline. The extension is an extension of time to file your tax return and not an extension to pay any tax liability due. If any tax is due or you think it may be due, you must pay that amount to the IRS and any applicable state taxing agency by **April 15, 2019**. If payment for estimated taxes is not made timely, there will be penalties and interest due. Please be aware if your documents are submitted AFTER the due dates of February 25<sup>th</sup> or August 12<sup>th</sup> a Rush Fee will be applied for your return to be completed by the April 15<sup>th</sup> or October 15<sup>th</sup> deadline, respectively.

We typically charge for the preparation of tax returns at our standard rates. We require a retainer of \$300 prior to starting the work. **This retainer is applied to the final billing.** We accept major credit cards for payment. **Please note, we will be charging additional fees for bookkeeping services and for the preparation of additional schedules if these services are necessary.** Please be assured that no charges will be made to your credit card without your prior notification. All charges for tax return preparation are due and payable prior to the release of the return to the client or the filing of the return. You will be contacted with an estimate of charges if they are above the basic rate for your approval.

We will provide you with an information checklist and questionnaire requesting specific information. Completing the checklist and questionnaire will assist us in making sure you are well served for a reasonable fee. In providing this information to us, **you represent that the information you are supplying is truthful, accurate and complete to the best of your knowledge and that you have truthfully disclosed to us all income and other relevant facts affecting the returns.** You further represent that you have provided us true, correct and complete information regarding amounts you claimed as tax deductions, and have

**maintained written documentation supporting all amounts, including log books and receipts.** We will not audit or otherwise verify the information you give us; however, we may ask for additional clarification of some information. You will contact us immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state or local taxing authorities.

You are responsible for the proper recording of financial activities, for the safeguarding of assets, and for the substantial accuracy of your financial records. The law imposes various penalties when taxpayers understate their tax liability. We recommend you retain all documents, canceled checks, receipts and other data that form the basis of income and deductions for at least 3 years after filing your return. **Please remember, you have the final responsibility for the information on your income tax returns. Please keep all originals for your records.**

In accordance with our firm's current document retention policy we will retain our work papers and your tax returns for your engagement for *seven (7)* years. After seven years, our work papers and files will no longer be available. Physical deterioration or catastrophic events may shorten the time during which our records will be available. The working papers and files of our firm are not a substitute for the original records of your company. When any records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. It is agreed and understood that in connection with the performance of this engagement by Kohler & Eyre, CPA's, LLP, that the work papers prepared by us shall remain the property of Kohler & Eyre, CPA's, LLP.

Please note the following policies that are in effect:

- No tax return or related information will be released until the invoice has been paid in full, and payment plans are not available.
- There will be additional expedited fees for any returns completed in which we receive your information within 30 calendar days of the filing deadline.

**Sending our Office Information - Please do not send originals.** Scan in your data and email or send photo copies via mail. There will be additional charges for photocopying original documents and mailing them back to you. **Please be advised that if you are a client of our sister law firm, KKOS Lawyers, your signature on this engagement letter authorizes Kohler & Eyre, CPA's, LLP to access any legal documents held by KKOS Lawyers.**

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the tax return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss the return with us.

There is always a possibility that your returns may be selected for review by taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available, upon request, to represent you. **There will be additional charges for the time and expenses incurred.**

If we conclude that we are obligated to disclose a particular position on your tax return to a taxing authority and you refuse to permit disclosure, we reserve the right to withdraw from the engagement. You also have the right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal.

**All invoices are due and payable upon completion of the income tax return and all major credit cards are accepted.** It is agreed and acknowledged that any unpaid balance pursuant to this Engagement Letter is subject to interest at the rate of Eighteen Percent (18%) per annum, collection charges (which may be as much as 50%), court costs and reasonable attorney fees. It is agreed and acknowledged that any returned or dishonored check will result in a \$25.00 check charge, and shall be subject to the provisions contained in U.C.A. §7-15-1 and U.C.A. §76-6-505. It is agreed and acknowledged that failure to make payment as provided by this Engagement Letter constitutes a breach of this Engagement Letter and shall immediately be entitled to all remedies available under the law. It is agreed and acknowledged that this shall be governed by the laws of the State of Utah and that venue shall be Cedar City, Iron County.

**The engagement does not include any services not specifically stated in this letter. To formalize our relationship, we respectfully ask that you return all three pages of the signed copy of this letter.**

Thank you for your business!!

Respectfully,  
Kohler & Eyre CPAs, LLP

Mark Kohler  
LaDell Eyre  
Brian Brown  
Richard Taylor

CLIENT ACKNOWLEDGEMENT

Client Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

## **Current Contact Information for Correspondence**

Client Name: \_\_\_\_\_

Client Mailing Address: (No P.O. Boxes) \_\_\_\_\_

City, State & Zip Code: \_\_\_\_\_

Contact Phone(s): \_\_\_\_\_

Email Address: \_\_\_\_\_

## **Client Credit Card Information**

Name on Card (if different): \_\_\_\_\_

Client Billing Address (if different): \_\_\_\_\_

City, State & Zip Code: \_\_\_\_\_

Type of Card (Visa, MasterCard, Discover, American Express): \_\_\_\_\_

Card Number: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

Card Security Code: \_\_\_\_\_

I understand that my Credit Card will be charged for the retainer of \$300 upon delivery of this Engagement Letter.

I understand that additional charges may apply depending on the work necessary to complete the returns.

### **Upon completion of my Tax Returns (please check one of the following):**

I would like an electronic copy of my Tax Returns e-mailed to me.

I would like a hard copy of my Tax Returns mailed to me.

## **Items needed for 2018 Personal Income Tax Return**

Please provide **photo copies** of the following information for us to complete your 2018 Income Tax Return. **Please do not send the originals to us.** We ask that you retain the originals in a safe place in your possession in case questions arise or further information is needed from them in the future.

### **General information**

- 1) Refer to the Basic Taxpayer Organizer.
- 2) Copies of last two years Federal & State tax returns. **If we prepared your returns there is no need to send copies.**

### **Income information**

- 1) Copies of all W-2 forms that you or your spouse may have received from your employer(s).
- 2) Copies of 1099 forms that you may have received for other income.
- 3) Copies of 1099-INT or 1099-DIV forms that show interest or dividend income.
- 4) Copy of last year's state tax refund.
- 5) Distributions from a Health Savings Account.
- 6) Distributions from IRA, 401(K) or other retirement accounts.
- 7) Documentation on capital gains you may have had through asset sales in 2018.
- 8) Unemployment compensation
- 9) Social Security benefits received.
- 10) Any other types of income you may have for 2018.

### **Adjustments to Income**

- 1) Contributions to a Health Savings Account.
- 2) Moving expenses.
- 3) Contributions to SEP, Simple or other qualified plans.
- 4) Premiums paid for self-employed health insurance.
- 5) Alimony paid.
- 6) IRA contributions for 2018.
- 7) Student loan interest paid.
- 8) Tuition and fees paid for college education.

### **Itemized deductions**

- 1) Medical expenses (doctors, dentists, eyeglasses, prescriptions, employee health insurance premiums, etc.)
- 2) Real estate taxes paid.
- 3) Personal property tax paid (automobiles, etc.)
- 4) Mortgage interest paid on your residence (form 1098 or other documentation).
- 5) Points paid on your residence.
- 6) Charitable contributions by cash or check.

**Itemized deductions (continued)**

- 7) Charitable contributions made in kind (clothing, automobiles, furniture, etc.)
- 8) Casualty losses from theft or fire.
- 9) Unreimbursed business expenses.
- 10) Legal fees.
- 11) Tax preparation fees.
- 12) Safety deposit box fees.

**Other deductions and credits**

- 1) Child and dependent care costs.
- 2) Credit for elderly or disabled.
- 3) Residential energy credit for improving the efficiency of your home.
- 4) Taxes paid to foreign country.

**Payments**

- 1) Documentation of payments or estimated payments that you may have made toward your 2018 taxes. (does not include amount paid with 2017 return for additional taxes owed for 2017)

If you owned a business that could be considered a sole-proprietorship in 2018 we need the following information to complete the Schedule C for your tax return:

- 1) What activity the business was engaged in.
- 2) Total revenue earned by the business in 2018.
- 3) Categorized expenses incurred by the business in 2018.
- 4) Total miles and total business miles driven for the year.
- 5) Information on a home office if one was used.
- 6) Any depreciable assets used by the business. (computers, office furniture, etc.)

If you personally owned rental properties in 2018 we need the following information for your Schedule E:

- 1) Address and location of new properties.
- 2) Amount paid for the new properties purchased.
- 3) Rental income for the individual properties.
- 4) Cost of any improvements made to the properties.
- 5) Expenses for the maintenance and operation of the properties.
- 6) Information as to whether or not you can be considered a real estate professional. (the greater of 750 hours **and** more than 50% of your working time, if you have another job, devoted to working in real estate activities for 2018)
- 7) HUD Statements (closing statements) on any property purchased in 2018.

Thank you for allowing us to assist you in this process.