



**HEATHER R CHAMBERS, CPA, INC**  
1230 East Wardlow Road, Long Beach, CA 90807  
562.424.4301 • FAX 562.426.2922

### **ENGAGEMENT LETTER FOR TAX YEAR 2020**

We thank you for selecting our accounting firm, Heather R Chambers, CPA, Inc, to assist you with the preparation of your tax returns. We ask that you read and sign this engagement letter to confirm the terms of, and limitations upon, the professional tax services that our firm has agreed to perform on your behalf.

We will be preparing your federal and state tax returns from the information you provide to us. Our typical fee includes preparing one federal and one state return.

Our goal is to provide you with a complete and correct tax return. In order to accomplish this, we need you to make sure to have all your information together by the time we sit down to work on your return. This includes all government tax forms, such as 1099s and W-2s, documentation for all tax deductions and tax credits, as well as totals for all business and rental income and expenses.

If you are a client new to us, we ask you to provide Social Security card copies for everyone in your household, as well as a copy of your prior year's tax return. ID theft is becoming a big problem, and we will also request to see your Driver's License(s) so that we can record that information.

If you purchased health insurance on the "marketplace" or through Covered California, we will need your form 1095-A in order to complete your return.

If at all feasible, we would like to have your information by April 1, for completion by the due date of April 15. If you wish to file by the due date, and we receive your information after April 1 with no reason for that, expect an additional charge of \$50. You must let us know if filing an extension will be necessary, but we should still have all the information you have available, along with your best estimate of any missing information, in order to determine whether a payment will be needed. If you are on extension, and we do not receive your complete tax information by September 1, our fee may be increased by 50%. Please be aware that it makes it very difficult for you to plan ahead if you wait till late in the year to file your tax return.

If your tax return is in the process of being prepared and you haven't heard from us, please call or email to inquire, or check to see if we have emailed you questions that you may have missed. Communication is key!

In preparing your return, we will assume you have no foreign bank accounts, unless you inform us otherwise. If you do have any foreign accounts with a balance exceeding \$10,000 during the year, we will need to know the account number, balance, and the name and address of the financial institution.

If you use Virtual Currency there are reporting requirements. See IRS Notice 2014-21

Upon completing your return, we will provide you with an e-file authorization form for both federal and state. Once you review the return, sign these forms and return them to us, we will e-file your return. Please note that your signature on the form indicates that you have reviewed your return.

(continued on back)

We will provide you with a full copy of your return and all of your original documentation, which you need to keep for your records for at least four years. Some returns should be kept for an even longer period. You are also responsible for keeping the supporting documentation of your income, expenses, and deductions: mileage log for business miles, receipts for charitable contributions, medical deductions, etc. If you are not certain what needs to be kept with your tax return, just ask us. If there is ultimately any disallowance of deductions due to improper or missing documentation we will not be responsible for any tax, penalties or interest.

We are required by law to retain copies of tax returns, government tax forms, and some supporting documentation for four years after completing the returns. After that they are shredded. Should you ever need us to provide you with an additional copy of a tax return or supporting documents, we reserve the right to charge a minimum \$10 fee.

If you receive a notice from the IRS or Franchise Tax Board, unless it is something you are already aware of, please contact us and provide us with a copy of the notice as soon as possible. Never ignore or put off opening these letters! Many times they can be resolved quite easily. It is best to not pay any additional tax until you have verified with us that the tax is actually due.

Our responsibilities in preparing tax returns have increased greatly in recent years. In addition to providing bookkeeping, tax preparation, tax planning, and listening, we now must also keep track of your health insurance coverage. We complete many hours of continuing education in order to be ready for the changes in tax law each year. We keep you in mind when you are on extension and make phone calls to or for you, perform follow-up and clean-up for tax situations. Most importantly, we try our best to make getting your taxes done as painless as possible. We will continue to keep fee increases to a minimum, and we will continue to not bill for short phone calls or emails asking questions that don't involve more calculations or research.

We appreciate your confidence in us. Please contact us if you have any questions.

Sincerely,

Heather R Chambers, CPA

Please sign and bring this letter with you to your appointment, or scan and send with your other tax information. It does not need to be sent to us early.

Engagement terms accepted by:

Signed \_\_\_\_\_ Date \_\_\_\_\_

Printed name \_\_\_\_\_

Signed \_\_\_\_\_ Date \_\_\_\_\_

Printed name \_\_\_\_\_

Both spouses please sign if filing a joint return.