



Taxes • Accounting • Consulting • Personal Financial Planning
Helping You Keep More of What You Earn *

Date: _____

Client Name: _____

Spouse Name: _____

Street Address: _____

City, State, Zip: _____

Dear Client:

Santini & Company, PA, CPA's is pleased to provide you with the professional services described below. This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

We will prepare your federal and state (if applicable) income tax returns for you for the year ended 2009. We will not prepare any tax returns without your written authorization to do so. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify some of the information. We will provide you with an income tax organizer to help you gather and document the information we will need to prepare your income tax returns.

It is your obligation to complete the tax organizer. You are responsible for determining your state or local tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, and property taxes. If upon reading the completed tax organizer, it comes to our attention that you may have an obligation to file additional income tax returns, we will notify you of this in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm this in a letter and detail the additional charges for this service.

You should retain all documents that provide evidence and support for your reported income and deductions on your returns. You are responsible for the adequacy and accuracy of all such documents. You may need to provide these documents to a taxing authority to substantiate the accuracy and completeness of the returns.

The original filing due dates for your income tax returns are 04/15/10 for Federal. It may become necessary to apply for an extension of the filing deadline if there are unresolved tax issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. If you are unable to complete and return the tax organizer with other required documentation by 03/15/10 to allow for the timely preparation of your tax returns, you must contact us and request that we apply for an extension of the filing deadline on your behalf. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations. Additionally, extensions may affect your liability for penalties and interest or compliance with government or other deadlines. We are available to discuss this matter with you at your request at our regular hourly fee should the need arise.

1776 N. Pine Island Road, Suite 118 • Plantation, Florida 33322-5233
954.473.5656 • Fax 954.473.8306 • www.wininbiz.com • Email: rons@santinicpa.com
Roland Santini, CPA, PFS * Personal Financial Specialist

*Securities offered through Sammons Securities Company, LLC. Member FINRA and SIPC

You have final responsibility for your income tax returns. Check them carefully for accuracy before you sign them.

We will prepare your returns based on your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[er] with dependant child) as reflected in your income tax returns for last year. If your marital status has changed, you want to change your filing status, or you have questions about your filing status, please contact us immediately.

Schedule C Clients:

If you are self employed and required to file Form Schedule C, unless we are otherwise advised, you confirm that expenses such as meals, travel, entertainment, vehicle use, gifts and related expenses for your business are supported by necessary records required by the Internal Revenue Service ("IRS"). At your request, we are available to answer your questions and advise you on the types of records required.

We will use our judgment to resolve questions in your favor where a tax law is unclear if there is reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g. Internal Revenue Service "IRS" and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the current codes and regulations and their interpretations. If the IRS or state tax authorities should later contest the positions taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability for any such additional tax, interest, and penalties or other fees and assessments.

Our work in connection with your income tax returns does not include any procedures designed to discover fraud, thefts, or other irregularities, should any exist.

Our engagement does NOT include tax-planning services, which are available as a separate engagement and additional fee. During the course of preparing the tax returns identified above, we may bring to your attention certain available tax savings strategies (such as the use of itemized deductions or tax-deferred retirement accounts) for you to consider as possible means of reducing your income taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to any such recommendations, as the responsibility for implementation remains with you, the taxpayer.

This engagement does NOT include responding to any inquiries by the IRS or any governmental agency or tax authority. If you receive a letter or other correspondence, or if your tax return is selected for examination or audit, you may request (and we highly recommend) that we assist you in responding to such inquiry. In that event, we would be pleased to discuss providing assistance to you under the terms of a separate engagement letter for that specific purpose and the associated fees.

We expect to begin the preparation of your returns upon receipt of the completed 2009 tax organizer and all tax documents requested either in the organizer or by our office. Our services will be concluded upon delivery to you of your 2009 tax returns for your review and filing with the appropriate tax authorities.

Federal, state and local taxing authorities impose various penalties and interest charges for non-compliance with tax law, including for example, failure to file or late filing of tax returns and underpayment of taxes. You as the taxpayer remain responsible for the payment of all taxes, penalties, and interest charges imposed by taxing authorities.

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The law imposes a penalty equal to 20% of the underpayment of tax where taxpayers make a substantial understatement of their tax liability. An individual has a substantial understatement if the understatement for the year exceeds the greater of 10% of the tax liability or \$5,000. A taxpayer may qualify for the substantial authority exception by showing that he or she reasonably believes that the tax treatment of an item is more likely than not the proper tax treatment if:

- The taxpayer analyzes the pertinent facts and authorities and, in reliance on that analysis, reasonably concludes in good faith that there is a reasonable basis that the tax treatment of the item will be upheld if challenged by the IRS; or the taxpayer reasonably relies in good faith on the opinion of a professional tax advisor's conclusion that there is substantial authority on the tax treatment of an item.
- The relevant facts affecting the item's tax treatment were adequately disclosed on Form 8275 or 8275-R, attached to the return, and there was reasonable basis for the position.

You agree to advise us if you wish to disclose a tax treatment(s) on your return. You may request our assistance to identify or perform further research to ascertain if there is "substantial authority" for the position to be taken on the tax items in your returns. If you so request, we would be pleased to discuss providing this additional service to you under the terms of a separate engagement letter.

The law also imposes substantial penalties on taxpayers and preparers for failure to disclose "reportable transactions." Reportable transactions are potentially abusive transactions identified by the IRS whose primary purpose is tax avoidance. You agree to advise us of any reportable transactions identified under tax law and regulations. You agree that it is solely your decision to disclose any reportable transactions in the returns that we prepare for you. You agree to pay all fees and expenses incurred if you do not permit us to complete the returns.

Our professional fee for the services outlined above will be a minimum of \$350.00 (three hundred fifty dollars). Your fee is based upon the complexity of the work to be performed and our professional time to complete the work. Additionally, this fee is dependent on the availability, quality, and completeness of your records. You agree that you will deliver all records requested by our staff to complete this engagement on a timely basis. In the event your records are not submitted in a timely manner or they are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact you to discuss the matters and the anticipated delay in completing our engagement prior to rendering further services.

We will bill you for our professional fees, expenses and out-of-pocket costs as of the date we deliver our work product to you. Payment is due at that time, unless you have made prior arrangements with us, but in no case greater than 14 days from receipt of the tax return. If payment is not received by the due date, you will be assessed interest charges of 1.2% per month on the unpaid balance. We reserve the right to suspend or terminate our work for any reason, including but not limited to nonpayment. In the event of nonpayment, all attorney fees and court costs will be payable by you. Furthermore, if our work is suspended or terminated, you agree that we will not be responsible for your failure to meet government and other filing deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet deadlines, and for any other damages (including consequential damages) incurred as a result of the suspension or termination of our work.

If you elect for your return to be E-Filed, we will do so for you only after we have received a signed Form 8879 and payment for our services.

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In accordance with the Federal Trade Commission rule, *Privacy of Consumer Financial Information*, we are required to inform you of our policy regarding privacy of client information. We have attached a copy of our privacy policy.

In the event that you request records that you have submitted to us which are required to complete our engagement, we will be required to release such records and/or our working papers or general ledger, only if all fees and costs incurred for this engagement have been paid in full.

In accordance with our firm's current document retention policy, we will retain copies of the records you have supplied us along with our work papers and tax returns for your engagement for a period of five (5) years. All of your original records will be returned to you. After five (5) 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.

We reserve the right to withdraw from this engagement without completing the returns if you fail to comply with the terms of this engagement letter. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

We appreciate the opportunity to be of service to you. Please date and sign (both signatures needed if married and filing jointly) the enclosed copy of this engagement letter and return it to us either by USPS or via fax to (954) 473-8306 to acknowledge your agreement with its terms. Alternatively, you can return the signed engagement to us by scanning and uploading the document directly to your *File Cabinet* on our Secure Client Portal at <https://portal.secure256.com>.

It is our policy to initiate services after we receive the signed copy of this engagement letter from you.

Sincerely,

Ron

Roland L. Santini, CPA
President
Santini & Company, PA, CPA's

ACCEPTED BY:

Signature

Spouse's Signature

Date

Date

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