

February 11, 2010

2009 1040 Income Tax Return Annual Engagement Letter & Privacy Notification (SAMPLE)

Dear Client,

I am pleased you have chosen Tracey S. Peters, CPA, LLC to serve as your tax preparer. It is our firm's practice (and my professional responsibility) to confirm our agreement with clients as to the scope of our services, our policies regarding fees and expenses, and other matters concerning our engagement. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work. We want you to know the limitations of the services you have asked us to perform. If you have any questions, please call to discuss this letter before you sign it.

The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

This engagement letter, together with the attached Terms and Conditions, constitutes the entire agreement between you and this firm as to the nature and extent of the income tax services we will provide.

We will prepare your 2009 Federal, <Specific State> Individual Income Tax Form 1040 and related <Specific State> return(s) from information you furnish us. We will not audit, review, compile, or otherwise verify the data you submit although we may ask you to clarify some of the information. We will furnish you with a tax organizer to help you gather and organize the necessary information for us. **We are responsible for preparing only the returns listed specifically in this letter. If you have taxable activity in a state other than that specifically listed you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s) or local income tax returns.** Any additional state income tax returns will be prepared as a separate engagement. If you have income tax filing requirements in a given state but do not file that return there could be possible adverse ramifications such as an unlimited statute of limitations, penalties, etc. If you would like us to investigate to determine each state where you have an income tax filing requirement please inform us.

If this engagement letter (including the Terms and Conditions) correctly reflects your understanding and agreement, please sign and date one copy of this letter, and return it to me in the enclosed, self-addressed envelope, together with the completed tax organizer. You may keep the other copy of this engagement letter and the Terms and Conditions for your records.

Sincerely,

Tracey S. Peters, CPA

< Signature block removed intentionally >

