

TAX PREPARATION ENGAGEMENT AGREEMENT

This agreement is between Craft & Associates, LLC (hereinafter referred to as “we” or “preparer”) and the taxpayer whose name(s) and signature(s) appear below (hereinafter “you,” “your,” and/or “taxpayer(s)”). You have asked that we prepare your income tax returns. By signing this document, you agree to the terms, conditions, and responsibilities set forth in this Tax Preparation Engagement Agreement and under which we will prepare your income tax returns.

Our fee is based on the understanding that you will provide us with all the information needed to prepare your return(s) and that you have accurately informed us of the nature and details of any financial transactions, deductions, income/business activity, and any other tax related activities. You will provide all the information you have immediately and additional details when required without delay. There is no assurance that any return will be prepared by any specific date, and we can only prepare the returns consistent with the rules and standards in effect, and only when we have all necessary information from you. Throughout the return preparation process you and you alone are responsible to verify that the information reflected in the tax return is accurate, true, and complete.

1. ***You provide the information:*** You and you alone are responsible for providing the facts and information concerning any activity that is reported on your income tax return. We rely upon what you provide. When providing information to us, you must:

- ✓ confirm it is accurate and complete to the best of your knowledge;
- ✓ disclose all relevant facts relating to your activities;
- ✓ understand and agree that we do not audit the information provided by you;
- ✓ affirm you have all necessary records and information to substantiate your claimed activities.

It is your responsibility to provide us complete and accurate information. If you want us to audit your information, you will have to sign a separate engagement agreement specifically for that purpose and that agreement will be entitled “Audit Engagement Agreement.” It will reflect the terms and requirements related to any such audit and the periods audited. You will also have to pay the fees and/or expenses relating to that audit work because it is not included in your tax preparation fee.

We may require additional information, clarification, or documentation where appropriate when preparing your returns. If this occurs or if you are missing information at our first meeting, you will receive a list of the items needed. It is your responsibility to follow up and provide them to us. If you do not provide us the required information or provide the information in a timely manner, we have the right and convey to you that we must stop working on your tax returns due to the lack of information to complete the preparation.

If you have information you want us to consider when preparing the returns which is not specifically requested but you think may be related to your tax return, you are obligated to provide it to us for review. Do not fail to do so.

The law imposes penalties on taxpayers who make substantial understatements of tax liability, or who commit negligence, fraud, or other violations, and you alone are responsible to make certain your information is accurate and complete, that you have and keep the necessary records to support the line items on your returns, and that you provide us all relevant information for our preparation of your returns. We do not want to participate in any way in the preparation of any return that is not factually accurate and truthful.

We will not sign or file a return unless all documentation is received and all questionable details are clarified. There are no shortcuts. These procedures are instituted for everyone's benefit, including yours. Once we have all the information required of you, we will dedicate our efforts to getting your returns prepared as efficiently as possible.

You understand and acknowledge that your return cannot be prepared and finalized unless and until we have all required information from you and you must attest to the accuracy of the returns we prepare. If you do not provide information that is required of you or that is requested by us, we reserve the right to terminate our work and are under no obligation to finalize your returns. Any fees paid will be credited toward the work performed.

2. *You must keep records and proof of your activity:* You must have and retain all substantiating financial information and supporting documents and records provided to us to prepare your returns. We do not keep copies of all supporting records you provide to us. The law requires that you keep and maintain all records of the activity reported on your tax returns. It also requires that you produce records and proof of your claimed activity if requested to do so by a taxing authority. Do not destroy your records. Keep them secured in a safe, dry place, away from potential flooding areas. We advise to the extent possible you scan and digitize your important supporting documents as well as keep the hard copies so you will have a back-up.

3. *Your continuing duty to disclose:* If you become aware of information that affects the accuracy of a return you have already filed, it is your responsibility to let us know and we will discuss available courses of action to address any such issue. Also, if we discover information that affects prior year tax returns, we will review this with you and inform you of your rights and responsibilities in connection with making any necessary disclosures, clarifications, or corrections. However, we are not responsible for identifying such items as you have engaged us to only prepare the current year's return, and we are not responsible for correcting any other year's return(s) unless you engage us separately to perform that work.

4. *Audit(s) By Taxing Authority:* Your return(s) may be selected for audit by a taxing authority. If this occurs, please let us know immediately. Audits are subject to special rules and procedures and in the event of audit, you will be required to produce your documents, records, receipts, and/or

other verification to substantiate the items of income and deduction you claim on your tax returns. Any work relating to audit representation is not covered by this Agreement and would require a separate engagement agreement be signed by both of us. If you notify us of an audit, we will discuss the issues with you and advise you on your responsibilities, any imposed deadlines, documentation requirements, and review our fees for assisting in the audit process.

5. *Uncertain deductions and/or issues:* From time to time, issues may arise for which the tax law's application to your facts is uncertain. In such circumstances, we will discuss with you the facts you provide and whether it appears you have a reasonable and supportable position for the subject deduction or line item. In such instances, you may need to make additional factual disclosure on your returns to clarify your position. Unreasonable, unrealistic, and/or unsupported positions will not be included on your return(s). In some instances, such issues may require special research or referrals to other professionals. If we believe these actions are necessary, we will discuss your available options. We are not responsible for disallowance of deductions you claim and/or deductions unsupported by adequate documentation. That is solely your responsibility. Nor are we responsible for any resulting taxes and/or penalties and interest if any deduction is disallowed.

6. *Fees:* You must pay our fee for our work. Our fees for tax preparation are based both on hourly billing rates and standard charges. Any extraordinary work will be billed separately and in addition to our quoted fee. If you have records required to be reviewed and/or evaluated individually by us to determine whether the information contained therein has any implications or ramifications to the preparation of your tax returns, you will be billed for the time we devote to that review and/or evaluation. You also will be billed for the time it takes for us to contact third party sources for information or to corroborate information. That time will be billed to you at hourly rates that are then in effect. Currently, the hourly rate for accountant time is \$175.00 an hour and staff time is billed at \$55.00 an hour. Our fees for tax preparation do not include responding to IRS inquiries, audits, on-site consulting, extra return copies, or amended returns (due to late reporting or misinformation). Payment for tax preparation work is due at your appointment and no tax return will be processed until payment is received in full. This includes all past due balances as well as current charges. Other invoices for services are due upon receipt. For any returned check, there will be a \$25.00 fee.

We are under no obligation to tender any return(s) we prepare to you or any other person and we are under no obligation to tender any of our work product or the information and/or documents you have provided to us or which we have come to possess if you don't pay what is required under this Agreement and when it is required. At no time are we responsible to tender to you returns that are not complete in their preparation

7. *Disclosure to Spouse:* It is understood that if this engagement involves a joint return, by signing below you each consent to us providing a copy (including supporting data) of the tax returns to either of you upon request of the other and upon payment of the applicable charges. A copy of our firm's privacy policy is available by request or on our website. Please read the policy and contact our office if you have any questions.

This Agreement constitutes the entire understanding between the parties with respect to the subject matter of this Agreement and supersedes any prior discussions, negotiations, agreements, and understandings.

This agreement is effective and subject to Michigan law. All work is considered performed in Clinton County, Michigan.

This Agreement remains in effect for the duration of time you retain Craft & Associates, LLC as your income tax return preparer. At such time as there are modifications to this Agreement, you will be instructed to review and agree to these changes.

I/We hereby certify that I/we have read and agree to the terms of this Agreement, and we instruct that Craft & Associates, LLC proceed with the preparation of our income tax return(s). I/we also affirm, under penalties of perjury, that the facts presented to you, the preparer, for preparation of our income tax returns will be to the best of my/our knowledge and belief, true, correct, and complete and that we have in our possession all necessary documentation to substantiate same.

THIS IS A CONTRACT. SIGN IT ONLY WHEN YOU UNDERSTAND AND AGREE TO ITS TERMS. WE ARE GOING TO RELY ON THIS AND ACT ACCORDINGLY. YOU ACKNOWLEDGE GETTING A COPY OF IT OR MAKING A COPY OF IT FOR YOURSELF.

Signature

Signature

Name (please print)

Name (please print)

Date: _____

Date: _____

Accepted once signed by Aaron M. Craft or Annette S. Craft on behalf of Craft & Associates, LLC

By: _____

Date: _____

Aaron M. Craft or
Annette S. Craft