

Stowbrook Business Services, LLC  
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Stow, MA 01775-0256  
Tel. 978-897-4632  
www.sbstax.com

Name(s): \_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

This letter is to confirm and specify the terms of our engagement with you and clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements:

We will prepare your 2010 federal and state income tax returns from information that you furnish to us. In preparing your tax return, a staff person will assemble the initial data from the files you provide us. Other staff personnel may contact you to obtain additional information. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We will furnish you with questionnaires to assist you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all documents, cancelled checks and other data that form the basis of income and deductions. Expenses for business activities should be properly documented as to the business purpose especially travel logs for all business miles, business cell phone usage and business meals and entertainment expenses. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or fraud. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions.

The initial due date for you to file your federal and state income tax returns is April 15, 2011. We expect to begin the preparation of your returns upon receipt of the completed tax organizer we will supply to you, and all tax documents requested in the organizer or by our office. Our services will be concluded upon the delivery of your 2010 federal and state tax returns for your review and filing with the appropriate taxing authorities.

You agree that in the event your return cannot be completed by the April 15, 2011, it may become necessary for us to apply to extend the due date. Extensions are required when we do not receive information needed to prepare a return on a timely basis.

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 and constituent deadlines.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us. Your returns may be selected for review by the 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 under the terms of a separate engagement, and will render additional invoices for the time and expenses incurred.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon completion of returns or services rendered. MasterCard, VISA and Discover credit cards are an acceptable form of payment.

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include for instance, providing information to our employees and, in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations we stress the confidential nature of information being shared.

You agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Middlesex, Massachusetts, by the American Arbitration Association, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to Massachusetts law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

If the foregoing fairly sets forth your understanding, please date and sign the enclosed copy of this letter in the space indicated and return it to our office in the enclosed envelope to acknowledge your agreement with the terms of this engagement. However, if there are other tax returns you expect us to prepare, such as gift and/or property, please inform us by so noting at the end of this letter.

We want to express our appreciation for this opportunity to work with you.

Sincerely,

Stowbrook Business Services, LLC

Accepted: (if joint returns both spouses must sign)

By: \_\_\_\_\_ By: \_\_\_\_\_

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

Other tax returns you expect us to prepare: \_\_\_\_\_