



## Anna Nalls CPA PC

3415 Church Street  
Evanston, IL 60203

773-835-1696

[www.annanallscpa.com](http://www.annanallscpa.com)

January 2023

Dear Client,

We appreciate the opportunity of working with and advising you regarding your income taxes. To establish the terms of our engagement, our professional standards advise that we send each one of our clients an engagement letter. The purpose of this letter is to make sure we both have a clear understanding of the services to be rendered, the scope and limitations of our services, and our mutual responsibilities. If you have any questions, as you read through this or want to discuss, please feel free to contact us. Please note that we are asking all our clients to return the signed engagement letter to us before we begin rendering the services described.

We will prepare your 2022 federal and state individual and business (if applicable) income tax returns from information which you will furnish to us.

It is your responsibility to provide us with the information required for the preparation of complete and accurate returns. We will not audit or verify the data you submit, although we may ask for clarification or require specific additional documentation. You are certifying that the information you provide to us can be substantiated by appropriate documentation, and that it is true, correct, and complete to the best of your knowledge.

You are responsible for the accuracy of your financial records and the full and accurate disclosure to us of all relevant facts affecting your returns. This includes ownership of, or signing authority over, any foreign bank accounts, and the ownership of any foreign financial assets. Our work does not include procedures to discover or disclose material errors, fraud, illegal acts, or other defalcations.

You have the final responsibility for your income tax returns, and, therefore, you should review them carefully before you sign and file them. Under the Internal Revenue Code and state tax laws, you are required to maintain records supporting your returns, including receipts, invoices, and canceled checks for all deductible expenditures. You are responsible for maintaining all necessary tax records and for the veracity and completeness of the information submitted to me in connection with the preparation of the tax returns.

The preparation of the federal and state income tax returns is intended for your use in filing with the federal and state governments. We will provide you with a copy of the tax returns for your file. We will retain all ownership rights to my files and working papers we prepare and maintain in connection with this engagement. We will retain copies of some records you supplied to me along with our work papers for a period of seven (7) years. After seven years, our work papers and records may be destroyed. All of your original records will be returned to you at the end of this engagement.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of tax liability. If you would like information on the amount or circumstances of this penalty, please let us know.

We will use our 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. Unless otherwise instructed by you, I will take a tax position in your favor whenever possible. However, there can be no assurances that the position will not be challenged. If the IRS should later contest the position taken, there may be assessment of additional tax, interest, and penalties. We assume no liability for any such additional penalties or assessments. In the event, however, that you ask us to take a tax position that in our professional judgement will not meet the applicable laws and standards as promulgated we reserve the right to stop work and shall not be liable to you for any damages that occur as a result of ceasing to render services.

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 governmental tax examinations, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Because of the importance of oral and written representations to an effective engagement, you hereby release Anna Nalls CPA PC and its current, former, and future shareholders principals, employees and personnel from any and all claims, liabilities, costs and expenses attributable to a misrepresentation by you. Furthermore, Anna Nalls CPA PC and its current, former, and future shareholders principals, employees and personnel shall not be liable to you for any excess of the total professional fees paid by you under this engagement letter, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Anna Nalls CPA PC relating to such services. In addition, in no event shall Anna Nalls CPA PC and its current, former, and future shareholders principals, employees and personnel be liable for any consequential, indirect, lost profits, punitive or similar damages relating to Anna Nalls CPA PC services provided under this engagement letter.

Our fee for these services will be based upon the amount of time incurred at my standard billing rates, plus out-of-pocket expenses. All invoices are due and payable upon presentation. We reserve the right to discontinue performing services if my bills remain unpaid more than 30 days.

As your CPAs, we collect information provided by you from your worksheets, documents and discussions and information that we develop as part of the engagement. We are required to keep all information about our engagement confidential and will not make any disclosures unless we have your written approval or are required/permitted by law. This applies even if you are no longer a client.

If there are other tax returns you expect us to prepare, such as gift, trust, sales or other tax services you would like us to render, please inform us by noting so in the space below your signature at the end of this letter.

If the above fairly sets forth your understanding, please sign on the line below and return it to us along with the attached questioner.

Thank you for the opportunity to work with you.

Very truly yours,

**ANNA NALLS CPA, PC**

*Anna Nalls*

Response:

I/We hereby confirm to you that I/We understand and agree with the terms of this letter

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Business name (if applicable) and title

Comments and additional requests: \_\_\_\_\_

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