

TERMS OF ENGAGEMENT

Thank you for choosing April's Tax Service, Inc. to assist you with your 2011 taxes. This letter confirms the terms of my engagement with you and outlines the nature and extent of the services I will provide.

I will prepare your 2011 federal and state income tax returns. I will depend on you to provide the information I need to prepare complete and accurate returns. I may ask you to clarify some items but will not audit or otherwise verify the data you submit. A Checklist is enclosed to help you collect the data required for your return. The Checklist will help you avoid overlooking important information. By using it, you will contribute to efficient preparation of your returns and help minimize the cost of my services.

I will perform accounting services only as needed to prepare your tax returns. My work will not include procedures to find defalcations or other irregularities. Accordingly, my engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. I will, of course, inform you of any material errors, fraud, or other illegal acts I discover.

The law imposes penalties when taxpayers underestimate their tax liability. Please call me if you have concerns about such penalties.

Should I encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, I will outline the reasonable courses of action and the risks and consequences of each. I will ultimately adopt, on your behalf, the alternative you select.

My fee will be based on my standard billing rates plus the time required for preparation. In addition, I have the option of charging for significant out-of-pocket expenses. Invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

I will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove accuracy and completeness of a return. I will retain copies of your records and my work papers for your engagement for seven years, after which these documents may be destroyed.

My engagement to prepare your 2011 tax returns will conclude with the delivery of the completed returns to you (if paper filing) or your signing, and the subsequent submittal, of your tax return (if e-filing). If you have not selected to e-file your returns with my office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to me in the envelope provided.

I appreciate your confidence in me. Please call if you have questions.

Sincerely,
April S. Schnardthorst, Owner
April's Tax Service, Inc.

(Both spouses must sign for preparation of joint returns.)

Accepted By:

Taxpayer

Spouse

Date