



Duryea Ingraham Loff CPAs  
1188 Bishop Street, Suite 2208  
Honolulu, HI 96813

### **Annual Engagement Letter (2018 tax returns)**

January 3, 2019

Dear Individual Taxpayer:

We will prepare your Federal Income Tax Return (Form 1040) and your Resident State Income Tax Return, if applicable, for the year ended December 31, 2018. Should you require additional federal or state forms or additional state tax returns to be completed (such as Annual General Excise Tax Return, Payroll Tax Returns, Forms 1099, etc.), please indicate those at the bottom of this Engagement Letter.

It is your responsibility to provide us with all information necessary to complete your tax returns. In that regard, you state that to the best of your knowledge and belief:

- You have provided true, correct and complete information regarding your income as listed on the attached Organizer and/or written summaries. You will retain for four years all documents, receipts, cancelled checks and other records required to substantiate the items of income and expense claimed on your returns.
- You have provided us with true, correct and complete information regarding amounts you claimed as tax deductions, and have maintained written documentation supporting all amounts, including log books and receipts. You understand that taxing authorities may examine the returns, and that penalties may be imposed on returns that are late, underpaid or incorrect. You understand that documentation should be retained to support the information provided to us, especially business travel and entertainment deductions, business-use percentage of autos and other assets, and charitable contributions. Effective January 1, 2007 the recordkeeping and substantiation rules imposed on charitable contributions were made more stringent. If you need additional information to understand the new recordkeeping and substantiation rules we will provide you with a fact sheet explaining the requirements to you. You represent to us that you understand these recordkeeping and substantiation rules and have the required documents to support all charitable contributions.

We will not audit or otherwise verify any information you provide to us. We may require clarification or additional information. We are not responsible for disallowed deductions, or the inclusion of additional unreported income, or any resulting taxes, penalties or interest.

You will contact us immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state or local taxing authorities. Our policy is to put all tax advice in writing, and that you will not rely upon any unwritten advice because it may be tentative, incomplete, or not fully reviewed.

We will use our judgment to resolve questions in your favor where a tax law is unclear or if there is reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (i.e. tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, provided we are able to satisfy the professional standards required of us by law. We will inform you should we believe your position may not be upheld under the current standard, in which case additional disclosures may be required on your return.

If the IRS should contest a position taken on your return, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

Our bill will be due and payable upon completion of these returns, and additional services will not be performed until the bill for these services is paid in full. Should you have any outstanding bills we will inform you of those before we commence work on your 2018 tax returns. You understand that you will be charged an additional fee if we are asked to assist or represent you in a tax examination or inquiry.

We expect to begin the preparation of your returns upon receipt of the completed 2018 tax organizer and all tax documents requested either in the organizer or by our office. If your return is electronically filed, our services will conclude, and this engagement will terminate, upon the earlier of the filing and acceptance of your 2018 tax returns by the appropriate taxing authorities or one year from the execution date of this letter. If your return is filed by mail, our services will conclude, and this engagement will terminate, upon the earlier of delivery to you of your 2018 tax returns for your review and filing with the appropriate taxing authorities or one year from the execution date of this letter.

Very truly yours,

**Duryea Ingraham Loff CPAs**

*Jeff, Warren, and Marsh*

The terms described in this letter are acceptable and are hereby agreed to.

Taxpayer Name: \_\_\_\_\_

Taxpayer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Spouse Name (if applicable): \_\_\_\_\_

Spouse Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Additional tax returns or forms you would like us to prepare:

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