



Merry C. McNutt, CPA, PLLC

13112 108th St.

Anderson Island, WA 98303

(253) 884-9735 office

(253) 307-9589 mobile

Merry@McNuttCPA.com

www.McNuttCPA.com

Dear Client,

Thank you for entrusting our firm with your CPA needs. Whether for the task of preparing your Federal, State, individual, or business income tax returns; or for CPA consultation, research, or advice, you've come to the right place. Our firm appreciates your business and the confidence you have placed in our professional accounting and tax services and we look forward to partnering with you on all of your tax and accounting needs.

We offer two ways of consulting: (1) an annual contract or (2) hourly.

ANNUAL CONSULTING CONTRACT

Limited to 50 clients, our Preferred Client Annual Consulting Contract is available for a fee of \$1,950.00 annually (payable @ \$487.50/quarter) and includes the following items:

- **1.5 hours initial consultation**
- **3, 2 hour quarterly consulting and review sessions (6 hours total)** of financial statements, tax strategy and analysis for the current period, and any other pertinent questions regarding the current or future accounting needs (additional consulting at additional hourly rate once 6 hour allotment has been reached).
- **Tax Preparation of single business return** (includes preparation, consulting, and software and e-filing fees. Optional personal return can be prepared at an hourly rate, unless business is for a sole proprietor).

HOURLY

We offer Bookkeeping by a CPA @ \$75/hour. No consultations or communication are billed at this rate. This is reserved for bookkeeping data entry work only.

TAX RETURN INFORMATION

Our firm will prepare your tax return(s) from information you provide. Please complete the information forms sent to you and carefully check this information prior to returning it to our office. We accept your information as complete and correct so any revisions required will require additional time. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns,



including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have any questions as to the type of records required prior to submitting your information, please ask for a consultation to discuss your information.

It is your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. Please be advised that our engagement of tax return preparation does not include any response to IRS inquiries or audit or other procedures with IRS. If our firm discovers any irregularities in information from prior year's tax returns, we will so advise you verbally. If you are aware of any problems with your records, please let us know.

STANDARD OF PRACTICE

Our firm will always use our professional judgment to resolve tax issues in preparation of your tax return. Issues may arise where the tax law is unclear, IRS regulations have not been issued, or conflicts exist between the courts, IRS or other authorities. We will use our best judgement when preparing your taxes and may determine that other taxpayer positions be supported based on our evaluation.

CLIENT PRIVILEGE

Certain communications, work papers, notes or other information may be protected by accountant's or attorney privilege and not subject to inspection by IRS or other state or federal authorities. By disclosing communications to anyone or turning over information to the government, you may be waiving this privilege. Please consult with our firm or your attorney prior to disclosing any information about our tax advice.

CONSULTING, TAX STRATEGY, TAX PREPARATION AND CPA SERVICE FEES

Our fees are based on time spent consulting and the preparation of state and/or federal tax return(s). Our hourly rate for CPA work is **\$195.00**. Our firm does bill for tax research which benefits the client and can provide a verbal or written estimate of our fee upon request. In certain cases, our firm may request the payment of a retainer to be applied to the work as billed by a separate letter.

All fees are due and payable at the time the completed tax returns are either given to the client or e-filed to IRS, or in the case of CPA research, consultation or advising, periodic billing will occur as deemed reasonable. There is a **\$45 tax software fee per return**, as well as a **\$27 e-file fee** (fees included in Preferred Client Annual Consulting Contract).

After your tax return is filed, you may receive notices or other correspondence from IRS. Please bring or mail these to our office for review. Your tax return may be audited or

CERTIFIED PUBLIC
ACCOUNTANT
MCM
Merry C. McNutt, C.P.A., P.L.L.C.

examined by the IRS. If you are selected as a candidate for an audit, we can provide representation services which will be billed separately under fee arrangements for time and expenses, made at that time of audit or appeal. ***Each payment or sum past due shall bear a LATE PAYMENT CHARGE consisting of a SINGLE PERIODIC RATE of 1.5% per month, which is an ANNUAL PERCENTGE RATE of 18%, or an amount not to exceed the highest rate permitted by law. Client agrees to pay all collection costs, including reasonable attorney fees.**

TRIP FEE

With the rise in fuel and transportation costs, a trip fee will be required for requested in-person consultation and CPA/client meetings. For any location in Pierce, King or Thurston County, the fee is \$75 per trip. *Note: This fee is frequently waived for most consultations if I combine my trip with another client meeting that same day.*

CLIENT GUARANTEE

If an examination of your tax return by IRS reveals an error made on your return due solely to our negligence, our firm will reimburse you for any penalty and interest thereon assessed and paid to IRS, up to the amount of the cash fee paid to us for your original tax return preparation. Any additional tax or interest assessed is your responsibility.

CLIENT CONFIDENTIALITY

Our office policy is not to share any personal or financial information with anyone outside this office, without your permission. We will protect all client information, work product, and tax returns, from the public, to the best of our ability. If you have any questions about this policy, please discuss it with us.

If this agreement is acceptable to you, please sign and date this letter below. Acceptance of the above terms and conditions of this agreement and the payment of any requested retainer is a prerequisite to the commencement of any tax work by this firm. Thank you.

Please check one: Annual Contract _____ or Hourly Consulting _____

Please initial here _____ to indicate that you understand the obligation to (1) submit 1099s for your vendors, and (2) make estimated tax deposits to the IRS, if you believe you or the company (C-Corps only) will owe *\$1,000 or more* in taxes for the year. Note: Tax deposits are required April 15th, June 15th, September 15th and January 15th for each year (Example: For 2016, if you are making any profits, or have taxable income that has not had taxes withheld, and you guess you will owe \$2,000 for 2016's tax year, you are required to pay \$500 in April, June, September 2016 and January 2017).

Taxpayer Signature: _____ Date: _____

Firm of **Merry C. McNutt, CPA, PLLC**