**J & N Bookkeeping Services**

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**2016 / 1040 Income Tax Return Annual Engagement Letter & Privacy Notification**

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CLIENT’S NAME

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STREET ADDRESS

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CITY, STATE ZIP

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CONTACT NUMBERS

Thank you for selecting J & N Bookkeeping Services, a Texas professional returns preparer (“J & N Bookkeeping Services” or “Juan Noe Huerta” or “The Individual”), to assist you with your tax affairs. The purpose of this engagement letter is to outline your rights and responsibilities that you as a client must follow as well as J & N Bookkeeping Services involvement and commitment to you, our valued client. After signing this engagement letter, you are acknowledging and agreeing to the following statements and are agreeing to the following procedures with our firm to the best of your knowledge and understanding.

The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We are responsible for preparing only the returns listed specifically in this letter, if you have taxable activity in a state other than that specifically listed you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s)or local income tax returns as well as informing us of the applicable states.

**TAX MATTERS**

* That you understand that it is your responsibility to provide our firm with all of the information required to complete your tax return.
* That you have provided true, correct and complete information regarding your income as listed on the attached forms W-2, 1099's and/or attached written summaries. It is your responsibility to provide your expenses in a clear manner. J & N Bookkeeping Services will not be auditing these receipts. We will be reviewing them for their reasonableness. You will retain for 4 years, all documents, receipts, cancelled checks and other records required to substantiate the items of income and expenses.
* That you have maintained written documentation supporting all amounts, including logbooks and receipts. That you understand that if a question arises regarding the interpretation of tax law, and a conflict exists between the authorities' interpretation of the law, and other supportable positions, that J & N Bookkeeping Services will use our professional judgment in resolving these issues.
* As a client, it is your responsibility to contact us immediately if you discover additional information that will lead to a change in your return.
* It is your responsibility to contact us immediately if you receive any notice from the IRS. Please send us the notice immediately, and be sure NOT TO WRITE ON THE OFFICIAL IRS CORRESPONDENCE. J & N Bookkeeping Services reserves the right to charge a reasonable fee for assisting in handling and responding to any and all IRS letters and notices.
* From time to time during our relationship, you may seek our advice with regard to potential investments. We are not investment advisors. Accordingly, we suggest that you seek the advice of qualified investment advisors appropriate to each investment being considered. Unless otherwise specifically agreed to in a separate engagement letter or in a written addendum or amendment to this engagement letter signed by the parties, we will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment.
* It is our policy to keep records related to this engagement for three years after which they are destroyed. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.
* If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged. In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

**AUDITS**

The climate within the IRS and the state taxing agencies is changing when it comes to audits. In our general area, the number of IRS audits has increased dramatically. Due to this rise, as always you need to exercise extreme caution and care in assembling and preparing your records for your tax appointment. The following are procedures that you are agreeing to and policies that J & N Bookkeeping Services will follow:

* You understand that all tax agencies have the right to examine your returns, and that you are ultimately responsible for retaining all the documentation and records which were used to compile your returns. This is especially important in the area of business travel, entertainment deductions, business use percentage of autos and home use, other depreciable assets, bartering & trading activities.
* 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, please ask us for advice in that regard. It is also 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. We will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, K1’s, 1099’s, 1098’s, and receipts and similar items. We will not be responsible for compensating you for the interest that you might be charged. This is with the understanding that you let J & N Bookkeeping Services respond to all audits, letters and correspondence with the IRS.
* That you understand that if your tax return is called for an audit, that you will be charged an audit fee. This fee is to assemble your completed records in the manner which is acceptable for an audit. You will be charged a reasonable hourly fee to prepare and represent you in your audit. The audit fee also includes the audit interview, assembling the organized data into our audit format and the actual audit which usually takes three business days. If your records are not presented in an organized manner, J & N Bookkeeping Services reserves the right to bill out at $150 per hour to organize your records.

**FEES**

The tax preparation fee that we will charge covers the following services:

* Tax preparation appointment and preparation of your 2016 personal / business return.
* Electronic filing of the federal return.
* Copy for your files and if you file manually, copy for the IRS.
* Year round service to answer your questions by phone, mail and/or e-mail.

Due to the ever increasing demands on our special services by client's and third party agencies, there are additional fees for extra services. As a client of J & N Bookkeeping Services, you are agreeing to the following fees and payment procedures:

* Your tax preparation fee is to be paid at the time of service unless otherwise agreed to.
* If the fee is to be billed, it is to be paid for at the time you **RECEIVE YOUR TAX RETURN**, Any fee that is not paid within 30 DAYS will be assessed a $20.00 per month re-billing fee and a 3.5% per month finance charge.
* If you do not call within **24 HOURS** of any scheduled tax and/or business appointment to cancel or reschedule, we will be billing you our standard cancellation fee of $75.
* If you request an additional copy of your tax return, we will be billing you at a rate of $30 per year per copy. We cannot fax or mail a copy to a third party due to IRS disclosure rules.
* If you need a letter written to a financial institution verifying your business tax return, there is a minimum fee of $ 100.
* If your tax situation changes and you need a consultation or review of your upcoming tax return, J & N Bookkeeping Services reserves the right to charge a minimum fee of $100.
* If your records need to be organized and totaled, it is up to the discretion of your preparer whether J & N Bookkeeping Services or you will be organizing this data due to time constraints. There will be a $150 per hour fee for organizing your receipts to prepare your return.
* Audit fee will be determined on a case by case basis.
* Additional fees may be assessed for other extra services:
	+ College financial aid forms
	+ IRS negotiation of payments on past tax debts, including offer in compromises
	+ Sales tax reports
	+ Setting up a new business with license application varies and consultation will be $100.

**ENGAGEMENT LETTER**

The engagement letter provided to me, a client of J & N Bookkeeping Services, is an acknowledgement that you have engaged J & N Bookkeeping Services to prepare your 2016 business and/or personal tax return. It is our policy to prepare your 2016 tax return until your engagement letter has been signed.

We greatly appreciate your giving J & N Bookkeeping Services the privilege to participate in your business and/or personal tax filing. We look forward to continued years of service to you, and by signing this engagement letter, you have decided to retain J & N Bookkeeping Services for the business and/or personal tax filing for the year of 2016-2017.

**Privacy Policy**

**Notice and Choice**

We notify individuals about the personal information we collect from them, how we use it, and how to contact us with privacy concerns. We collect personal information from individuals only as permitted by the Principles or with the consent of the individual affected. Consent for personal information to be collected, used, and/or disclosed in certain ways may be required in order for an individual to obtain or use our services.

**Disclosures and Transfers**

We do not disclose an individual’s personal information to third parties, except when one or more of the following conditions is true:

\* We have the individual’s permission to make the disclosure;

\* The disclosure is required by law or mandatory professional standards;

\* The disclosure is reasonably related to the sale or other disposition of all or part of our business;

\* The information in question is publicly available;

\* The disclosure is reasonably necessary for the establishment of legal claims;

***We do not utilize “outsourcing” to foreign or domestic third parties for professional services.***

Permitted transfers of information, either to third parties or within our company, include the transfer of data from one jurisdiction to another, including transfers to and from the United States of America. Because privacy laws vary from one jurisdiction to another, personal information may be transferred to a jurisdiction where the laws provide less or different protection than the jurisdiction in which the information originated.

**Data Security, Integrity, and Access**

We employ various physical, electronic, and managerial measures, including education and training of our personnel, designed to provide personal information with reasonable protection from accidental loss or destruction, improper use, alteration, or disclosure.

Personal information collected or displayed through a Web site is protected in transit by standard encryption processes. However, we cannot guarantee the security of information on or transmitted via the Internet. We process personal information only in ways compatible with the purpose for which it was collected or authorized by the individual. To the extent necessary for such purposes, we take reasonable steps to make sure that personal information is accurate, complete, current, and otherwise reliable with regard to its intended use. If an individual becomes aware that information we maintain about that individual is inaccurate, or if an individual would like to update or review his or her information, the individual may contact us using the contact information below. The individual will need to provide sufficient identifying information, such as name, address, birth date, and social security number. We may request additional identifying information as a security precaution. In addition, we may limit or deny access to personal information where providing such access would be unreasonably burdensome or expensive in the circumstances, or as otherwise permitted by the Safe Harbor Agreement. In some circumstances, we may charge a reasonable fee, where warranted, for access to personal information.

**Amendment**

We may amend this policy from time to time by posting a revised policy on our office, or a similar office site that replaces this office. If we amend the policy, the new policy will apply to personal information previously collected only insofar as the rights of the individual affected are not reduced.

Thank you,

**Juan Noe Huerta, BBA, AFSP**

*Professional Tax Preparer*

Owner J & N Bookkeeping Services

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

 TAXPAYER TAPAYER SPOUSE

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

I have read the above terms of the engagement letter and agree with the terms of this engagement.