

Engagement Agreement: Tax Return & FBAR

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The taxpayer(s) engage(s) Kimberly Morris to prepare his/her/their U.S. federal and/or state tax returns for year(s): _____. For simplicity, the first person pronoun (I) is being used to refer to the taxpayer or taxpayers. I understand and agree that:

1. I am retaining Ms. Morris to prepare my tax return, and FBAR (Form 114), if needed. **I will provide Ms. Morris with any notices received from the IRS.** Should the returns be selected for review by the IRS, any participation by Ms. Morris will be billed separately. Ms. Morris is not responsible for any proposed adjustments by the examining agent. Such adjustments are subject to appeal and Ms. Morris will be available to represent me/us under a separate agreement and charges.
2. It is my obligation to provide complete and accurate information on all items of income and deductions for the tax year(s) involved, including investments in Passive Foreign Investment Companies (PFIC's), and I am responsible for any omissions. I have receipts or other written documents to support all information provided or can/will obtain them. I will retain these records for a period of at least eight years after the date the returns are filed in the event of a tax audit, because Ms. Morris will not save our file beyond 5 years, which I understand may be to my benefit. **Any documents provided to her are copies for her file and will not be returned.** I understand that this information will be used by Ms. Morris and her staff working under her supervision in the preparation of my return. I understand that Ms. Morris uses auxiliary software, such as ProSeries Pro, Quicken, MS Office 365, iPhone contacts, etc. which will include our personal information and consent to her use of it in this way.
3. Ms. Morris has no obligation to verify or confirm the information I provide nor to discover falsifications and/or irregularities, although she may choose to do so. I am responsible for its completeness and accuracy. If she requests information for purposes of due diligence, I will fully cooperate with her. **I will carefully review the completed return before signing, because I have the final responsibility for its accuracy and completeness.**
4. Ms. Morris may use her professional judgment in resolving questions where the tax law is unclear or where interpretations conflict.
5. I am responsible for paying any estimated taxes to avoid tax underpayment penalties and I understand that interest and penalties may apply for taxes due which are paid after April 15th. Ms. Morris will attempt to extend the filing deadline of my return, if it is not filed by the deadline, but she is not responsible for any penalties assessed if no extension is filed or accepted.
6. The cost of preparing the tax return(s) is dependent on the completeness of the data I supply to Ms. Morris and the complexity and number of tax forms, calculations, and schedules that must, by law, be included in my return(s). The cost of the preparation of the return(s) may exceed the fee originally quoted, if data received is more complex than originally provided, is incomplete, or if additional time must be spent reviewing documents not summarized by me. **I agree to this fee increase in advance and acknowledge it is possible.** The estimated fee for preparing the return(s) has been given to me in Ms. Morris's "My Business Basics" or during the client interview, orally and/or by e-mail. Ms. Morris may require a retainer prior to work beginning. The payment of the balance is due upon the completion of the return(s). **Any amount not paid within 7 days of her completion of the return(s) will be subject to**

a carrying charge of \$35 per each additional 30 days. I understand that if a *factura* is issued directly, an additional charge of 16% will be added to the fee. Payments can be made by cash (in MXN (x-rates.com rate at time of payment) or USD), Zelle, PayPal, USD check, EFT or wire transfer into one of Ms. Morris's U.S. bank accounts. I will pay any fees associated with payment, including a flat 3% when using PayPal, if I fail to use Friends & Family payment option, and any legal processing expenses required to collect sums owed, such as attorney fees and court fees.

7. if I instructed Ms. Morris I am a *bona fide* employee(s) of an employer, then I accept full responsibility for documenting and proving this fact in the event that I am audited by the IRS.
8. if I am self-employed, a) I must pay U.S. self-employment tax on my self-employment income whether or not it is foreign-earned income, after deducting all applicable business expenses and 2) Ms. Morris is not responsible for any penalties, interest, or taxes resulting from my failure to properly show myself as self-employed.
9. if I am retaining Ms. Morris to prepare foreign-related delinquent forms (including FBARs), I acknowledge notification regarding the potential penalties for late filing of these forms and acknowledge notification regarding the Streamlined Offshore programs, or other reporting options (if applicable).
10. I acknowledge that I have received from Ms. Morris her client tax packet which includes "My Business Basics" and the client interview questionnaire, foreign financial account information worksheet, among other items, to help me complete my return(s), including required disclosures (i.e. Form 114), etc. These documents are always available at taxesabroad.com.

_____ Date	_____ Taxpayer Signature	_____ Printed Name
_____ Date	_____ Spouse Signature	_____ Printed Name