

*Jennifer A. Jones, CPA, Ltd.*  
*10615 Judicial Drive Suite 701*  
*Fairfax, VA 22030*  
*(703) 352-1587*

## **ENGAGEMENT LETTER**

### **PLEASE SIGN AND RETURN WITH ORGANIZER**

In accordance with standards established by the American Institute of Certified Public Accountants to ensure a mutual understanding, it is necessary to set forth our understanding of the terms and objectives of our relationship, and to clarify the nature and extent of the tax services to be provided.

We will prepare your 2016 federal and resident state(s) income tax returns from information that you will furnish to us. This engagement pertains only to the 2016 tax year, and our responsibilities do not include preparation of any other tax returns that may be due to any taxing authority.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You are responsible for retaining all documents, cancelled checks and other data that form the basis of income and deductions reported on your return. These may be necessary to prove the accuracy and completeness of the returns in the event a taxing authority audits or challenges your return.

Should you provide us a copy of the datafile for an existing QuickBooks or other computerized ledger, we will review the file you maintain, make inquiries and/or recommendations for any issue(s) that are discovered or has/have been indicated as existing. These inquiries will be to determine the proper handling of an item, and the recommendations may include correcting journal entries, reclassification of entries, suggested training, or changes in QuickBooks lists, preferences, or other features. Depending on the agreed upon procedure, we will provide, execute and/or implement the recommendations.

Certain deductions, such as travel and entertainment expenses and expenses for business use of autos, computers, and listed property, require strict documentation. Certain non-cash transactions, such as bartering, require reporting. In preparing your returns, we rely on your representations that we have been informed of all bartering transactions and that you understand and have complied with the documentation requirements for all of your expenses and deductions. If you have any questions about these issues, please contact us.

You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them. The law provides various penalties that may be imposed when taxpayers understate their tax liability. You acknowledge that any such understated tax, and imposed interest and penalties, are your responsibility, and that we have no responsibility in that regard.

We will provide questionnaires and worksheets to guide you in organizing the information we need to prepare your returns. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. Your use of the questionnaires and worksheets will help keep the tax return preparation fee to a minimum.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive information from you, it may be necessary for us to pursue an extension of the due date of your returns, if available, and we reserve the right to suspend our services or withdraw from this engagement. Should it be necessary for us to suspend or withdraw from this engagement, you will be responsible for payment for all services rendered at our established hourly rates.

Our work in connection with the preparation of your income tax returns does not include any procedures guaranteed or designed to discover errors, misrepresentations, fraud, theft, illegal acts, defalcations or other irregularities, should any exist, and you agree that we have no responsibility to do so. However, we will inform you of any such acts that come to our attention, unless they are clearly inconsequential. If we discover information that affects your prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue.

All of your original records that you provide to us to prepare your tax return will be returned to you after our use. A copy of your income tax returns will also be provided to you. If you e-file your returns, this copy will be in a PDF format, otherwise a hard-copy will be provided. Our working papers, including any copies of your records that we chose to make and the tax organizer that you complete, are our property and will be retained by us in accordance with our established records retention policy. This policy states, in general, that we will retain these working papers for a period of three years. After this period expires, these files may be destroyed. We will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

You agree that in the event your return cannot be completed by the due date, it may be necessary for us to apply to extend the due date. Extensions are required when we do not receive information needed to prepare the return on a timely basis, unresolved tax issues, or due to staffing availability. Applying for an extension of time to file may extend the time available for a taxing authority to undertake an audit of your return or may extend the statute of limitations. Additionally, extensions may affect your liability for penalties and interest or compliance with government deadlines.

In preparing your tax return, a staff person will assemble the initial data from the documents you provide to us. Other staff personnel may contact you to obtain additional information. To the extent we render any accounting and/or bookkeeping assistance, it will be limited to those tasks we deem necessary for the preparation of the returns and billed at our hourly rates.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. Unless we have a reasonable belief that any tax position in your return will be sustained on its merits, a preparer penalty will be imposed on us unless that position has a reasonable basis and is adequately disclosed in the return. And, while we might be able to avoid a preparer penalty by adequately disclosing a return position, you might not have to disclose the position in order to avoid applicable taxpayer penalties. If we determine that we would be subject to a preparer penalty by delivering your return to you, you agree to either adequately disclose that position on your return or change the position to one that would not subject us to penalty. If you do not choose to change your position or adequately disclose so as to eliminate, in our sole opinion, our exposure to the preparer penalty, we, in our sole discretion and at any time, may withdraw from the engagement without completing or delivering tax returns to you. Such withdrawal will complete our engagement, and you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of our withdrawal.

Certain communications involving tax advice between you and our firm may be privileged and not subject to disclosure to the IRS. By disclosing the contents of these communications to anyone, or by turning over information about those communications to the government, you may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communications, you agree to provide us written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, if permitted, we will notify you of any requests prior to responding. You may, within the time permitted for our firm to respond to the request, initiate such legal action as you deem appropriate to protect information from discovery. Unless you promptly initiate such action after we notify you at your last known address, we will release the information requested. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your directions to us to assert the privilege.

If this is a joint return, each spouse is considered our client. You each acknowledge that there is no expectation of privacy from the other concerning our services in connection with this engagement, and we are at liberty to share with either of you, without prior consent of the other, any and all documents and other information concerning the preparation of your returns. You also acknowledge that unless we are notified otherwise in advance and in writing, we may construe an instruction from either of you to be an instruction on your joint behalf. Absent a contrary written instruction in the future, from either or both of you, we will communicate with either or both of you at the address on your 2016 federal return.

This engagement does not include responding to inquiries by any governmental agency or tax authority. Should you receive an inquiry, you may request that we assist you in responding to such inquiry. Your returns may be selected for examination by the taxing authorities. Any proposed adjustments are subject to certain rights of appeal. If your tax return is selected for examination or audit, you may request that we assist you or represent you. In the event of such examination, audit, inquiry, or proposed adjustment, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

Our fees for tax services will be based upon complexity of the work to be performed and our professional time to complete the work. Additionally, this fee is dependent on the availability, quality and completeness of your records. We also bill for any out-of-pocket expenses incurred on this engagement, including computer processing charges. Hourly rates vary from \$135 to \$250 per hour depending on the individual providing the services. We reserve the right to increase or decrease our fees based on the value of the services rendered. All invoices are due and payable upon presentation unless you make other agreed upon arrangements. There will be a late charge of \$30 plus 1.5% per month (18% APR) added to all fees paid more than 30 days from the date of service. Should it become necessary for my firm to incur attorney's or other collection agency fees in order to collect on your unpaid invoice, you will be responsible for reimbursing us for our costs of collection, including attorney fees.

If we elect to terminate our services for non-payment or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs incurred on your behalf.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this engagement letter. Our liability for all claims, damages and costs arising from this engagement is limited to the total amount of fees paid to us by you for the services rendered under this agreement.

In the event that we become obligated to pay any judgment or similar award, agree to pay any amount in settlement, and/or incur any costs as a result of any inaccurate or incomplete information that you provide to us during the course of this engagement, you agree to indemnify us, defend us, and hold us harmless as against such obligations, agreements and/or costs.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the term set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If the tax services and terms outlined are in accordance with your understanding of our engagement, **please sign this letter on the line below designated for your signature and return the original of this executed letter with a completed copy of the enclosed Organizer and your supporting documentation. You should keep a copy of this letter and your completed Organizer for your records.**

If this firm does not receive from you the original of this letter, in fully executed form, but receives from you a completed copy of the enclosed Organizer and/or supporting documentation, then such receipt by this office shall be deemed to evidence your acceptance of all of the terms set forth above. If however, this office receives from you no response to this letter, then this office will not proceed to provide you with any professional services and will not prepare your income tax returns.

**Please return the Organizer, even if you did not complete it. It is helpful to us for organizing your information and determining if anything is missing.**

We want to express our appreciation for this opportunity to be of service to you.

To:

Jennifer A. Jones, CPA, Ltd.  
10615 Judicial Drive, Suite 701  
Fairfax, VA 22030  
703-352-1587

From:

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

\_\_\_\_\_

The foregoing is in accordance with my understanding of your engagement to provide tax services for the 2016 federal and resident state(s) income tax returns. The terms described in this letter are acceptable and are hereby agreed to.

AGREED TO AND ACCEPTED:

(Both spouses must sign for the preparation of a joint return)

Accepted By:

Taxpayer \_\_\_\_\_

Accepted By:

Spouse, if applicable \_\_\_\_\_

Date \_\_\_\_\_

|             |             |           |                      |
|-------------|-------------|-----------|----------------------|
| <b>2016</b> | <b>1040</b> | <b>US</b> | <b>Tax Organizer</b> |
|-------------|-------------|-----------|----------------------|

**Jennifer A. Jones, CPA, Ltd.**  
**10615 Judicial Drive Suite 701**  
**Fairfax, VA 22030**  
 Telephone number:  
**Fax number: (703) 352-1587**  
**E-mail address: (703) 352-1927**  
**jenny@jajonescpa.com**

**Tax Return Appointment**  
**Date:**  
**Time:**  
**Location:**

**This tax organizer will assist you in gathering information necessary for the preparation of your 2016 tax return. Please enter all pertinent 2016 information.**

NOTE: If you claim the earned income credit, please provide proof that your child is a resident of the United States. This proof is typically in the form of: school records or statement, landlord or property management statement, health care provider statement, medical records, child care provider records, placement agency statement, social service records or statement, place of worship, Indian tribal office statement, or employer statement.

NOTE: If your child is disabled, please provide one of the following forms of proof of disability: doctor statement, other health care provider statement, or social services agency or program statement.

**CLIENT INFORMATION**

|                               | Taxpayer                   | Spouse |
|-------------------------------|----------------------------|--------|
| First name and initial . . .  |                            |        |
| Last name . . . . .           |                            |        |
| Title/suffix . . . . .        |                            |        |
| Social security number . . .  |                            |        |
| Occupation . . . . .          |                            |        |
| Date of birth (m/d/y) . . . . |                            |        |
| Date of death (m/d/y) . . . . |                            |        |
| 1=blind . . . . .             |                            |        |
| Home phone . . . . .          |                            |        |
| Work phone . . . . .          |                            |        |
| Work extension . . . . .      |                            |        |
| Cell phone . . . . .          |                            |        |
| E-mail address . . . . .      |                            |        |
| Address                       | In care of . . . . .       |        |
|                               | Street address . . . . .   |        |
|                               | Apartment number . . . . . |        |
|                               | City . . . . .             |        |
|                               | State . . . . .            |        |
|                               | ZIP code . . . . .         |        |

**DEPENDENTS**

|                                | Dependent No. | Dependent No. |
|--------------------------------|---------------|---------------|
| First name . . . . .           |               |               |
| Last name . . . . .            |               |               |
| Title/suffix . . . . .         |               |               |
| Date of birth (m/d/y) . . . .  |               |               |
| Date of death (m/d/y) . . . .  |               |               |
| Date of adoption (m/d/y) . . . |               |               |
| Social security number . . .   |               |               |
| Relationship . . . . .         |               |               |
| Months lived at home . . . .   |               |               |
|                                | Dependent No. | Dependent No. |
| First name . . . . .           |               |               |
| Last name . . . . .            |               |               |
| Title/suffix . . . . .         |               |               |
| Date of birth (m/d/y) . . . .  |               |               |
| Date of death (m/d/y) . . . .  |               |               |
| Date of adoption (m/d/y) . . . |               |               |
| Social security number . . .   |               |               |
| Relationship . . . . .         |               |               |
| Months lived at home . . . .   |               |               |

Please enter all pertinent 2016 information. If you have attached a government form for an item, check the box and do not enter a 2016 amount.

WAGES, SALARIES AND TIPS

Employer name:

Form with 5 rows for entering employer names.

Table with 2 columns: 2016 Amount, 2015 Amount. Includes a shaded area for 'Attach Forms W-2'.

INTEREST INCOME

Payer name:

Form with 5 rows for entering payer names.

Table with 2 columns: 2016 Amount, 2015 Amount. Includes a shaded area for 'Attach Forms 1099-INT'.

DIVIDEND INCOME

Payer name:

Form with 5 rows for entering payer names.

Table with 2 columns: 2016 Amount, 2015 Amount. Includes a shaded area for 'Attach Forms 1099-DIV'.

PENSIONS, IRA AND GAMBLING INCOME

Payer name:

Form with 5 rows for entering payer names.

Table with 2 columns: 2016 Amount, 2015 Amount. Includes a shaded area for 'Attach Forms 1099-R & W-2G'. Below the table are labels for 'Winnings not reported on W-2G' and 'Total gambling losses'.

OTHER GOVERNMENT FORMS - INCOME

- Form 1099-B - Sales of stock (also include transaction history)
Form 1099-MISC - Miscellaneous income
Form 1099-K - Merchant card and third party network payments
Form 1099-S - Sales of real estate (also include closing statements)

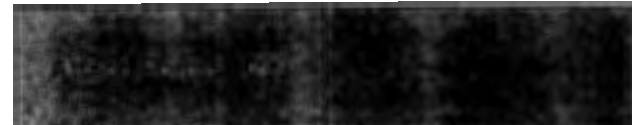


- Form 1099-G - State tax refunds



Taxpayer:

- Form SSA-1099 - Social security benefits
Form 1099-G - Unemployment compensation
Form 1099-Q (529 Plan)
Form 1099-QA/5498-QA (ABLE Accounts)



Spouse:

- Form SSA-1099 - Social security benefits
Form 1099-G - Unemployment compensation
Form 1099-Q (529 Plan)
Form 1099-QA/5498-QA (ABLE Accounts)



**2016 1040 US Tax Organizer**

**MISCELLANEOUS INCOME**

Taxpayer: Alimony received .....  
 Spouse: Alimony received .....  
 Other: \_\_\_\_\_

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**RETIREMENT PLAN CONTRIBUTIONS**

Taxpayer: Traditional IRA contributions (1=maximum).....  
 Roth IRA contributions (1=maximum) .....  
 Self-employed, SEP, SIMPLE, & qualified plan contributions (1=maximum).....  
 Spouse: Traditional IRA contributions (1=maximum).....  
 Roth IRA contributions (1=maximum) .....  
 Self-employed, SEP, SIMPLE, & qualified plan contributions (1=maximum).....

| 2016 Amount | 2015 Amount |
|-------------|-------------|
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**OTHER GOVERNMENT FORMS - DEDUCTIONS**

Form 1098-E - Student loan interest .....  
 Form 1098-T - Tuition and related expenses.....

|                   |  |
|-------------------|--|
| Attach Forms 1098 |  |
|                   |  |

**AFFORDABLE CARE ACT**

Form 1095-A - Health Insurance Marketplace Statement.....  
 Form 1095-B - Health Coverage.....  
 Form 1095-C - Employer-Provided Health Insurance Offer and Coverage.....

|                   |  |
|-------------------|--|
| Attach Forms 1095 |  |
|                   |  |
|                   |  |

**ADJUSTMENTS TO INCOME**

Taxpayer:  
 Self-employed health insurance premiums.....  
 Educator expenses.....  
 Other adjustments to income:  
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 \_\_\_\_\_

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Alimony paid - Recipient name & SSN.....  
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Spouse:  
 Self-employed health insurance premiums.....  
 Educator expenses.....  
 Other adjustments to income:  
 \_\_\_\_\_  
 \_\_\_\_\_

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Alimony paid - Recipient name & SSN.....  
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**MEDICAL AND DENTAL EXPENSES**

Prescription medicines and drugs.....  
 Doctors, dentists and nurses.....  
 Hospitals and nursing homes.....  
 Insurance premiums.....  
 Long-term care premiums - taxpayer.....  
 Long-term care premiums - spouse.....  
 Insurance reimbursement.....  
 Out-of-pocket lodging and transportation expenses.....  
 Number of medical miles.....  
 Other: \_\_\_\_\_  
 \_\_\_\_\_

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**TAXES PAID**

State income taxes - 1/16 payment on 2015 state estimate.....

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**Miscellaneous Questions**

If any of the following items pertain to you or your spouse for 2016, please check the appropriate box and provide additional information if necessary.

**PERSONAL INFORMATION**

Yes

No

- Did your marital status change during the year?
- Did your address change during the year?
- Could you be claimed as a dependent on another person's tax return for 2016?

**DEPENDENTS**

- Were there any changes in dependents?
- Were any of your unmarried children who might be claimed as dependents 19 years of age or older at the end of 2016?
- Did you have any children under age 19 or full-time students under age 24 at the end of 2016, with interest and dividend income in excess of \$950, or total investment income in excess of \$1,900?

**INCOME**

- Did you receive unreported tip income of \$20 or more in any month?
- Did you cash any Series EE U.S. savings bonds issued after 1989 and pay qualified higher education expenses for yourself, your spouse, or your dependents?
- Did you receive any disability income?
- Did you have any foreign income or pay any foreign taxes?

**PURCHASES, SALES AND DEBT**

- Did you start a business or farm, purchase rental or royalty property, or acquire an interest in a partnership, S corporation, trust, or REMIC?
- Did you purchase or dispose of any business assets (furniture, equipment, vehicles, real estate, etc.), or convert any personal assets to business use?
- Did you buy or sell any stocks, bonds or other investment property in 2016?

|      |      |    |                         |
|------|------|----|-------------------------|
| 2016 | 1040 | US | Miscellaneous Questions |
|------|------|----|-------------------------|

- Did you sell or do you plan to sell any dividend generating stocks or mutual funds during the first 60 days of 2017?
- Did you purchase, sell, or refinance your principal home or second home, or did you take a home equity loan?
- Did you purchase a home in 2016 and you were overseas on official extended duty?
- Did you make any residential energy-efficient improvements or purchases involving solar, wind, geothermal or fuel cell energy sources?
- Did you have any debts cancelled or forgiven?
- Does anyone owe you money which has become uncollectible?

**RETIREMENT PLANS**

- Did you receive a distribution from a retirement plan (401(k), IRA, SEP, SIMPLE, Qualified Plan, etc.)?
- Did you make a contribution to a retirement plan (401(k), IRA, SEP, SIMPLE, Qualified Plan, etc.)?
- Did you transfer or rollover any amount from one retirement plan to another retirement plan?
- Did you convert part or all of your traditional, SEP, or SIMPLE IRA to a Roth IRA in 2016?
- Did you convert a traditional, SEP, or SIMPLE IRA (or other qualified retirement plan) to a Roth IRA in 2010, and defer the taxable amount of the conversion to tax year 2016 and 2017?

**EDUCATION**

- Did you receive a distribution from an Education Savings Account or a Qualified Tuition Program?
- Did you, your spouse, or a dependent incur any tuition expenses that are required to attend a college, university, or vocational school?

**ITEMIZED DEDUCTIONS**

- Did you incur a loss because of damaged or stolen property?
- Did you work out of town for part of the year?

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**Miscellaneous Questions**

Did you use your car on the job (other than to and from work)?

**ESTIMATED TAXES**

Did you apply an overpayment of 2015 taxes to your 2016 estimated tax (instead of being refunded)?

If you have an overpayment of 2016 taxes, do you want the excess applied to your 2017 estimated tax (instead of being refunded)?

Do you expect your 2017 taxable income and withholdings to be different from 2016?

**MISCELLANEOUS**

Do you want to electronically file your tax return?

Do you want to allocate \$3 to the Presidential Election Campaign Fund?

Does your spouse want to allocate \$3 to the Presidential Election Campaign Fund?

May the IRS discuss your tax return with your preparer?

Did you have an interest in or signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?

Did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust or did you have an interest in any foreign assets or accounts?

Was your home rented out or used for business?

Did you have a medical savings account (MSA), a Medicare + Choice MSA, or acquire an interest in an MSA or a Medicare + Choice MSA because of the death of the account holder? Or, were you a policyholder who received payments under a long-term care (LTC) insurance contract or received any accelerated death benefits from a life insurance policy?

Did you incur moving expenses due to a change of employment?

Did you engage the services of any household employees?

Were you notified or audited by either the Internal Revenue Service or the State taxing agency?

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**Miscellaneous Questions**

Did you or your spouse make any gifts to an individual that total more than \$13,000, or any gifts to a trust?

Were you (or your spouse) the beneficiary of COBRA premium assistance for any month during 2016?