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Date _____

Dear _____

This letter is to confirm and specify the terms of my firm's engagement with you and to clarify the nature and extent of the professional services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom services are provided to confirm the following arrangements.

We will prepare your 2025 Federal, Pennsylvania state and local individual income tax returns from information and representations that you provide to us. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover illegal or fraudulent activity or other irregularities, should any exist. We will make no audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We will prepare the tax returns solely for filing with the Internal Revenue Service ("IRS") and state and local tax authorities. They are not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper returns. Where deemed necessary, we will render accounting and bookkeeping assistance for preparation of the income tax returns. We will not be responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

Pursuant to standards prescribed by the Internal Revenue Code, we are forbidden from signing a tax return unless we have a reasonable belief that a tax position taken on the return will have a more likely than not probability of being sustained on its merits unless we disclose this tax position on a separate attachment to the tax return. However, under no circumstances may we sign a tax return with a tax position that has no reasonable basis.

This engagement pertains only to the tax year identified above. Our responsibilities do not include preparation of any other tax returns that may be due to any taxing authority. Our engagement will be complete upon the delivery of the completed tax return to you. **You have the final responsibility for the income tax returns. Therefore, you should review them carefully for accuracy and completeness before you sign them.** You will be responsible to file the returns with the taxing authorities.

According to tax regulations your return will be filed electronically with the Internal Revenue Service Center and Pennsylvania Department of Revenue, except for certain circumstances. You must review and sign a completed Form 8879, IRS e-file Signature Authorization form before we can electronically transmit your returns. We are not responsible for the length of time it takes the IRS or State to process your return.

The initial filing due date for your tax return is April 15, 2026. In the event of unresolved tax issues or delays in processing, or If we do not receive all of the necessary information from you by March 31, 2026, it may become necessary to apply for an extension of the filing deadline. 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. All taxes owed are due by the original filing due date.

Additionally, extensions may affect your liability for penalties and interest or compliance with government or other deadlines. If an extension is necessary, we will not be responsible for any tax, interest, or penalties that the taxing authority may levy against you for failure to file your returns on a timely basis.

All of your original records that you provide us to prepare your return will be returned to you after our use. You should retain all the documents, canceled checks and other data in support of information and amounts reported on your tax return. Reference to these items may be necessary in the event the taxing authority audits or challenges your return. Our workpapers, including any copies of your records that we choose 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.

We will attempt to perform services as efficiently and inexpensively as possible. I will have the primary responsibility of preparing and reviewing the tax returns. However, where I consider it to be appropriate, I will engage the services of support staff where necessary to reduce costs.

Our fee for these services will be based upon the amount of time required at the standard billing rate of each CPA or support staff providing services to you, and on value billing when appropriate. My current minimum tax return preparation fee is \$255. An additional \$175 per hour for accounting and tax preparation services, plus out-of-pocket expenses will be added for more complex returns, including those with federal form C,E, and D. We reserve the right to increase our rates periodically.

We would be happy to provide you with an estimate of our services on a particular matter in order to allow you to budget accordingly. We will bill you after we complete your return or other significant project, or if you request to be billed more frequently. However, we expect to be paid upon completion of the returns and prior to the electronic filing of the returns. If your circumstances require that special payment arrangements must be made, you must notify us in advance and obtain our consent. Any balance that remains unpaid for over 30 days after the date of invoice will begin to accrue interest at 1 1/2% of the previously outstanding balance per month (18% per annum, compounded monthly) with a

minimum monthly charge of \$2.50. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for the costs of collection including attorneys' fees.

We reserve the right to suspend or terminate our work due to nonpayment, to your noncompliance with any of the terms of this engagement. In the event that our work is suspended or terminated as a result of non-payment or noncompliance, you agree that we will not be responsible for your failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against you resulting from your failure to meet such deadlines. However, you will receive an invoice for any services or out of pocket costs which we have provided prior to such suspension or termination.

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

In the event that any portion of this engagement letter is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this engagement letter.

If there are other tax returns you expect us to prepare, such as gift and/or property, or other services you would like us to provide, please feel free to make changes or notations in the spaces below. It is our policy to initiate services after we receive the executed engagement letter. If the foregoing fairly sets forth your understanding of the terms of our engagement, please sign the enclosed copy of this letter in the space indicated and return it to our office. The original is for your records.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

Megan Richter CPA LLC
Certified Public Accountant

Comments or additional requests:

Federal & PA Returns for _ _ _ _ _

Accepted **by** ☒ _____ Date _____
Taxpayer

Spouse Date _____