

Taxaway Business Policies

Client Engagement Letter

Consistent with maintaining good business practices, this explains my services and guarantee, as well as disclosing my privacy policy in writing as required by law. Before tax preparation commences I will provide to the client an office copy to be signed, those terms to also apply to all future engagements so annual signing is not necessary unless there are substantive changes. I will sign the client copy that prints out with the tax return every year.

Penalty and Interest Guarantee

As further detailed in the Client Engagement Letter, clients are reimbursed for penalties and interest that are assessed as a result of any preparation errors. This does not apply to any tax positions taken that the IRS/state may challenge, of which would be discussed with clients. The tax that is assessed is the responsibility of the client since that would have been the tax liability as originally calculated. This guarantee applies only to tax returns for which the client has paid for the preparation service. Clients are obligated to notify me as soon as possible to allow corrective action which may avoid such assessment. The penalty/interest coverage covers the assessment to the date of the first notice and does not extend to future late penalties or interest, such as if the client sets up a payment plan with the IRS/state.

Retention of Client Records

Tax returns are backed-up on secure electronic media and retained for six years. The worksheets used by my tax software to enter data and generate tax calculations remain the work property of Taxaway, except for those that are required to be filed with the tax return or that provide supporting details, which will be part of the client's copy.

IRC Section 7216 / Privacy Policy / Consent to Disclose

The Internal Revenue Code governs preparers in areas of tax preparation and related services, particularly with the §7216 requirement of informing clients of any affiliations. My privacy policy is that none of your tax information is shared with outside third parties. My Intuit ProSeries software, RightSignature online signing, and Dropbox cloud storage are not regarded as third parties in this context; and neither are the applicable taxing authorities naturally.

If you request that your tax return be submitted to a third party such as a mortgage lender, you will need to either manually sign a consent to disclosure form or affirm by email, with the IRC required wording, which I can provide to you. However, it's more expeditious for you to just receive a pdf file of the tax return directly from me and avoid the delay in signing and returning the consent form. Massachusetts law governs security of your personal information; therefore any pdf files sent will also be password-protected or uploaded to a secure Dropbox folder.

Communications

You can reach me via text, email and phone calls.

1) Texts are fine for 'I'm running a bit late' or 'please call me'...simple one liners. I won't respond to tax questions via text because there is rarely a quick answer to "I have a quick tax question," and texting a detailed tax answer doesn't provide the same benefits as emails or calls.

2) Emails I find are most effective because you can send at any time of day or night, and are best for complex issues that may be referenced months later or for ongoing conversations. And if same ongoing conversation, please use the same email chain, not a series of separate emails. (Likewise if a new topic, appropriate to start a new email.)

3) Calls are best for an immediate Q&A when a live conversation can better address the questions vs back and forth with an email. I answer calls when in office and not with a client, else it goes to voicemail and I return the call as soon as I can.

Client's preference is to what form of communication though; with one exception above, I will respond!

Delivery of Client's Tax Return

Remote tax preparation clients will access a password-protected Dropbox folder in which they can download a pdf copy of their tax return (and/or receive a mailed tax return.) Clients meeting in-office and receiving a printed copy of their tax return, upon request can also have a pdf copy uploaded to Dropbox, and there is no charge for this.

As a complimentary service, these pdf copies will remain available in Dropbox for six years for current clients (ie, clients who have had or are having their tax return prepared during that filing season). Unless any client requests removal from Dropbox for extra security, the returns remain accessible with the same download link. Clients are advised not to rely on this backup storage as their sole source for their tax returns, but also to download them to their own computer. Client acknowledges Dropbox not Taxaway is responsible for the cloud server and whatever liability might result from a security breach. When a printed tax return is mailed to a client, it will be mailed via USPS Priority Mail (which provides tracking) for a nominal charge, and client acknowledges the relevant responsibility of USPS not Taxaway for any mail delivery security issue as applicable.

I will maintain prior clients' tax data files for six years, and three years of pdf copies in their Dropbox folder, if those were created at the time. Otherwise if a prior client requests a pdf copy, reprinting data to a pdf file and uploading to a secured Dropbox folder will involve a small service charge.

For any clients requesting I scan and upload copies of any tax forms that I have retained (forms that had withholding) which the client has lost or misplaced, may involve a small service charge. Any clients requesting a paper client copy to mailed to them, naturally a small service charge to cover postage and handling is involved.

There are no IRS regulations that require tax preparers to even keep copies of returns, however it would be unprofessional for any tax preparation company not to provide this basic service.

Third-Party Designee / Power of Attorney

Unless you request otherwise, tax returns are prepared with me being the third-party designee. This grants limited authority only, as to being able to ask the IRS/state about filing, acceptance and refund statuses (but not tax issues) for a period ending April 15 the following year.

To allow the IRS/state to discuss with me issues concerning your tax return, I would need a signed power of attorney. This form specifies the tax year and matter for which you authorize me to speak to the IRS/state about your situation.

The IRS has enabled taxpayers to set up their IRS account via irs.gov which will allow them to directly check on their account activity, IRS notices, etc., and to more quickly authorize my representation services when applicable.

Client Representation

Only three categories of individuals are authorized to fully represent clients before the IRS/state: enrolled agents such as myself, CPAs and attorneys. The enrolled agent designation is for someone who specializes specifically in tax law, while the other two professions may or may not specialize in such.

There is no charge for examining and resolving IRS/state notices concerning the filed tax return, as that is part of my tax preparation service. However, if an amended return must be filed due to a client omission or similar reason, there are preparation fees involved.

For situations in which the IRS/state is auditing your return(s), whether in-office or correspondence, this is a separate circumstance apart from the tax preparation. See the [audit fees](#) guideline. A power of attorney form is required to be signed.

Attorney-Client Privilege for Tax Advice

The Internal Revenue Code extends the attorney-client privilege to tax advice between a taxpayer and any federally-authorized tax practitioner (ie., enrolled agent) for noncriminal tax matters before the IRS and noncriminal tax proceedings in federal court brought by or against the United States.

I do not disclose any advice provided under the terms of the consultation or audit representation engagement to the IRS or third parties unless you instruct me to do so by signing a consent to disclosure form. Any disclosure of confidential tax advice by you or me to the IRS or third parties may cause this confidentiality privilege to be waived. However, any IRS investigation requires me to explain the tax preparation services provided to the client and to allow the IRS agents to review the tax return and supporting documents that were provided to me.

If you have engaged my services for audit representation, inform me of any requests by the IRS for information and refrain from communicating with the agency directly; instead notify me immediately so a proper response can be given.

Payment for Services

Payment is generally due upon completion of the tax return preparation; accepted are check, cash, in-office swipe or online payments using debit/credit cards, and online payments using Zelle, Venmo and Paypal,

However, with more tax preparation now being conducted remotely, unfortunately a few clients have been habitually late with their payment for services. At my discretion I may request a partial payment as a retainer before proceeding with preparation, to be adjusted upon completion once the actual preparation fee is determined.

Clients will be responsible for any returned check fee if charged against my account. Generally, a copy of the tax return will not be provided to the client and/or efiled unless payment is rendered first; exceptions granted for prior clients only. However, without a mutual agreement, fees remaining unpaid after 21 days may be assessed a \$15 late fee. For long-distance clients, full or partial payment may be requested before a copy of the return is transmitted to the client for review. While I would never want nor expect the following situation to occur, refusal of payment after the tax return is delivered and/or efiled could lead to a small claims court proceeding.

No-Show Appointments

I don't expect to have to assess this charge, but reserve the right with this notice that a no-show/no-call appointment might result in a \$25 surcharge added to the preparation fee if the no-show was indifferent or not adequately explained and negatively affected other client appointments.

Tax Preparation Fees

Tax preparation fees are generally based upon per form/schedule and per sections of the form, as well as some data entry line charges. This has been determined to be the best measurement of the complexity of the tax return, since often the same tax forms range in complexity. The total fee should be best considered a value of the expertise needed to prepare the tax return, not as a sum of the separate form and line charges. In some situations, there could be an added 'complexity fee' to reflect more involved preparation, data compilation time (ie., numerous or disorganized information received from client), time spent for special research, additional consulting/communication, etc. If a client needs multiple-year tax returns to be prepared, partial payments may be required as the work progresses.

Additional Time/Tax Services

Many tax questions can be (and often are!) presented as "I have a quick tax question" but that doesn't necessarily make the answer "quick".

Some clients throughout the year request further advice, guidance, tax questions that may require time to research or communicate. Most of the time, there is no charge. But if the time required is more extensive, there will be a fee to cover the services of my time and expertise. Just as clients understand their time and experience is valuable in their work, I'm confident they appreciate my years of experience and ongoing education as a valuable resource as well.