

Dear client:

We are pleased to provide you with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this letter.

OUR RESPONSIBILITIES:

We will prepare your 2017 federal and North Carolina state individual income tax returns based upon information and representations that you provide to us. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information. We will prepare the above referenced tax returns solely for filing with the Internal Revenue Service (IRS) and state taxing authorities. Our preparation of these tax returns is not intended to benefit or influence any third party, either to obtain credit or for any other purpose other than to meet your filing requirements.

We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. It is our duty to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement.

The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement and you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those 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 communication, you agree to provide us with written, advance authority to make that disclosure.

We will not disclose your tax returns and supporting information to third parties outside our firm without your consent, unless we are required to do so under a court order, subpoena or otherwise as commanded by law. We will endeavor to notify you if your materials are being sought by a third person or the courts. If you direct us not to comply with the request for information, in that event you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

We reserve the right to withdraw from this engagement without completing services for any reason, including, but not limited to, if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your returns and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

YOUR RESPONSIBILITIES:

We will provide you with a tax organizer to help you compile and document the information necessary to prepare your income tax returns. It is your obligation to complete the tax organizer using accurate and complete information, including information related to income from all sources outside the United States of America. Alternatively, you may submit your tax information in a format other than the tax organizer. We rely upon the accuracy and completeness of both the information you provide in the tax organizer and other supporting data you provide in rendering professional services to you.

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns, as required under applicable tax law and regulations. You are responsible for the adequacy of all information provided in such documents. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by taxing authorities.

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses are supported by necessary records required by the IRS and other taxing authorities.

As part of your federal filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign financial assets, so we may properly advise you regarding your tax filing obligations.

These assets include any ownership interests you directly or indirectly hold in businesses located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signatory authority. Based upon the information you provide; this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include Form 8938, *Statement of Specified Foreign Assets*, and FinCEN Form 114, *Report of Foreign Bank and Financial Accounts* (FBAR). Failure to file required forms can result in the imposition of both civil and criminal penalties, which can be significant. The FBAR is not a tax return and its preparation is not within the scope of this engagement. If you ask us to prepare the FBAR, we will confirm this matter in a separate engagement letter and delineate the additional charges for this service.

You are responsible for complying with tax filing requirements of any other country.

You have final responsibility for your income tax returns. We will provide you with a copy of your income tax returns and accompanying schedules and statements for review prior to filing with the IRS and state taxing authorities. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, *IRS e-file Signature Authorization*, before your returns can be filed electronically. In the event you do not wish to have your income tax returns filed electronically, you will be responsible for signing and timely filing the paper returns with the taxing authorities.

Federal and state tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

The original filing due date for your tax returns is April 17, 2018. **Due to the high volume of tax returns prepared by our firm, the majority of the information needed to complete your tax returns must be received no later than March 2, 2018, so that the returns may be completed by the original filing due dates.**

It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all the necessary information from you on a timely basis. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

This engagement with you for tax return preparation **DOES NOT COVER** the following:

- Preparation of financial statements - if we are to provide, will be covered under a separate engagement letter.
- Procedures designed to discover errors, fraud, or theft.
- Governmental inquiries - responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such inquiry. If you ask us to represent you, we will bill you additional charges for this service.
- Tax planning services – During the course of preparing the tax returns identified above, we may bring to your attention certain available tax saving strategies for you to consider as a possible means of reducing your income taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to any such recommendations, as the responsibility for implementation remains with you, the taxpayer.
- Third party verification requests – We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns, including verification of self-employment.
- Prior-year tax returns - 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. We will be happy to prepare appropriate amended returns as a separate engagement.

Our fees for tax services will be based upon the complexity of the work to be performed, our professional time, plus out-of-pocket expenses. Our fee is dependent on the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the tax returns. We will bill you as of the date we deliver our work product to you. All invoices are due and payable upon presentation. If payment is not received within 25 days from the invoice date, you will be assessed interest charges of 1 1/2% per month (annual percentage rate of 18%) on the unpaid balance. We reserve the right to suspend or terminate our work due to nonpayment of fees.

At the completion of our engagement, the original source documents will be returned to you. Workpapers and other documents created by us are our property and will be retained by us for three years. By signing this engagement letter, you acknowledge and agree that upon the expiration of the three-year period, we are free to destroy our records related to this engagement.

We appreciate the opportunity to be of service to you. Please date, sign, and print your name below and return it to us to acknowledge your agreement with its terms. If you have any questions or need any additional information, please do not hesitate to call.

Very truly yours,

Self & Associates, CPAs, PC

Agreed to and Accepted:

By: _____

Signature

Printed Name

Date: _____