

# Coladonato CPA

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January 15, 2019

Husband & Wife Test  
10 Your Road  
Paoli, PA 19301

Subject: Preparation of Your 2018 Tax Returns

Husband & Wife Test:

Thank you for choosing Coladonato CPA to assist you with your 2018 taxes. This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide.

We will prepare your 2018 federal and state income tax returns. We will depend on you to provide the information we need to prepare complete and accurate returns. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. An Organizer is enclosed to help you collect the data required for your return. The Organizer will help you avoid overlooking important information. By using it, you will contribute to the efficient preparation of your returns and help minimize the cost of our services.

We will perform accounting services only as needed to prepare your tax returns. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. We will inform you of any material errors, fraud, or other illegal acts we discover.

The law imposes penalties when taxpayers underestimate their tax liability. Call us if you have concerns about such penalties.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on your behalf, the alternative you select.

Our fee is based on the time required at standard billing rates plus out-of-pocket expenses. Invoices are due and payable upon presentation. All accounts not paid within thirty (30) days are subject to interest charges to the extent permitted by state law.

We will return your original records to you at the end of this engagement. Store these records, along with all supporting documents, canceled checks, etc., in a secure location in case these items are needed later to prove accuracy and completeness of a return. We retain copies of your records and our work papers for your engagement for seven years, after which these documents will be destroyed.

Our engagement to prepare your 2018 tax returns will conclude with the delivery of the completed returns to you (if paper-filing) or your signature and our subsequent submittal of your tax return (if e-filing). If you have not selected to e-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, sign the enclosed copy of this letter in the space indicated and return it to us in the envelope provided.

Thank you for the opportunity to be of service. If you have any questions, contact our office at (610)407-4571.

Sincerely,

Anthony Coladonato  
Coladonato CPA

(Both spouses must sign for preparation of joint returns.)

Accepted By:

\_\_\_\_\_  
Taxpayer

\_\_\_\_\_  
Spouse

\_\_\_\_\_  
Date

**\*\*\* IMPORTANT COMPLIANCE QUESTIONS TO ANSWER:**

**1) Foreign Bank / Investment Accounts - Please Read and respond YES or NO:**

During this past year, did you have a foreign (Non USA) bank account, retirement account, business interest or control over a business bank account which had a value of \$10,000 or more at any point in time last year, in a foreign country?

YES \_\_\_\_\_ NO \_\_\_\_\_

If the answer is YES, you are required to file a FBAR (Foreign Bank Account Reporting) filing this year. Let us know if you need assistance in filing the necessary FBAR tax reports for you.

**2) For PA Resident Clients / PA USE TAX. Please Read and respond appropriately:**

During this past year, have you made purchases via Amazon, in Delaware, or Other venues in which you have not paid PA 6% sales taxes?

YES \_\_\_\_\_ NO \_\_\_\_\_

If the answer is YES, you are required to remit the PA Sales/Use Tax calculated on those purchases. Please provide us with the information needed to properly report PA purchases which have not been taxed at the time of purchase. We will report those purchases, and the related additional PA Use Tax to be included when preparing your PA Income Tax Return.

**3) If there are any CHANGES we should know about, please indicate them on the attached Personal and Dependent Information checklist.**