



Tax Resolution Institute

Sample Engagement Agreements

Hourly Fee Agreement Sample

(please verify that any engagement agreement you use including this sample does not violate any of your local State laws):

Date

Client Name

Address

City, State, Zip

CLIENT AGREEMENT

*This is intended to be a legally binding agreement under the laws of State in which company conducts business.
Please read it carefully before signing.*

RETAINER AGREEMENT FOR TAX REPRESENTATION SERVICES

This Agreement is for tax representation services between NAME ("Client", "you", "your") and the Tax Resolution Institute Inc ("we", "our", "us"). The purpose of this document is to reduce this agreement to writing so that we will understand our obligations to each other.

MATTER IN WHICH REPRESENTATION WILL BE PROVIDED

At your request our engagement is limited to the: (1) Preparation of Power of Attorney for federal income taxes due; (2) Assessment of administrative procedures and administrative remedies available; (3) Meeting with Revenue Officers by telephone or in person; (4) Negotiation of a Federal Installment Agreement, as applicable.

SCOPE OF REPRESENTATION

Our responsibility will be to undertake the above matters, to represent the Client and to do everything necessary to properly handle this matter.

CLIENT TO BE KEPT INFORMED

We will keep the Client fully informed of the status of this matter and will provide copies of all relevant correspondence concerning this matter. We will meet (either in person or over the telephone) at any mutually agreeable time to discuss the status of this matter. The Client is urged to communicate any and all concerns or questions which the Client has in connection with this representation and we will endeavor to promptly respond.

NO PREDICTION OF RESULTS

ALTHOUGH WE WILL USE OUR BEST EFFORTS AS CERTIFIED PUBLIC ACCOUNTANTS FOR THE CLIENT TO REPRESENT THE CLIENT IN ACHIEVING THE MOST FAVORABLE POSSIBLE RESULT UNDER THE LAWS OF THE UNITED STATES, WE MAKE NO REPRESENTATION OR PREDICTION THAT ANY GIVEN RESULT WILL OCCUR AS A RESULT OF SUCH EFFORTS.

COOPERATION OF THE CLIENT

The Client agrees that he/she will (A) promptly respond to any oral or written request by us to provide information and (B) diligently assist us in obtaining any information from any third party. The Client understands that failure to diligently assist us in representing the Client could lead to a less favorable result in this matter and to additional representation fees

which would not otherwise be incurred if the Client were to diligently cooperate and assist us.

FEES

The above-described services shall be provided by our firm in consideration of our normal hourly rate in the amount of \$400 per hour. The Client agrees to remit a retainer in the amount of \$4,000 for the services set forth above. In addition, the Client agrees to maintain a minimum retainer balance of \$1,000. If at any time the retainer balance should fall below the \$1,000 minimum, the Client agrees to make payment necessary to replenish retainer account within (3) days of notice. If the Client fails to replenish the retainer account as stated above, all work will cease until payments are made current. Please note that work performed before the IRS and other taxing agencies is document and time sensitive. For this reason it is imperative that the Client stays current with regards to payments and responds upon receipt of requests for information and documents. Because our firm has limited resources, we can only accept a finite number of cases. By agreeing to represent you, we are limiting our ability to represent other clients who may also be in need of our services. All fees paid to us by Client in the form of retainer payment or otherwise are non-refundable. We strongly recommend that Client supports our efforts to complete all work in a professional and timely manner including without limitation, supplying documents requested by the IRS, Client's local state taxing agency, and us; completing and returning forms; and making payments as set forth above. Should the Client fail to complete Client's responsibilities in a professional and timely manner as set forth above, we may at our discretion, cease all work in assisting Client to resolve Client's outstanding matters deeming all payments made by client fully earned and non-refundable. Please note that we bill in tenths (.1) of an hour and our minimum charge for any service (phone call, e-mail, etc.) is two-tenths (.2) of an hour.

OUT-OF-POCKET COSTS

The fees set forth in Paragraph 5 above do not include any out-of-pocket costs advanced by us on behalf of the Client, such as messenger fees, express mail, parking, and the like. These out-of-pocket costs will be advanced by us, will be invoiced to the Client by us, and will be due and payable in the same manner as the professional fees which are invoiced to the Client.

TERMINATION OF AGREEMENT

The Client may terminate this agreement at any time for any reason whatsoever, but such termination shall not affect the obligation to pay for any services already rendered or costs already advanced up to the date and time of the termination. We may terminate this Agreement at any time if the Client fails to pay fees when due under the terms of this agreement or fails to cooperate in any other way, or for other legal or just cause. Upon termination of this Agreement for failure to pay fees, we will return to the Client any of the Client's original documents. Upon termination of this Agreement following the payment of all costs and fees, the Tax Resolution Institute Inc will return all documents to which the client is entitled.

We maintain the right to terminate representation for your failure to cooperate and/or your failure to make payment of any fees and/or costs as provided for under the terms of this agreement. Failure to respond within 48 hours of request will result to no responsibility.

Invoices will be mailed monthly (or sooner) and are due when received. If we have not received payment within 7 days of our invoice, all work will be suspended until your account is brought current. Accounts past due more than 30 days will be charged interest and administrative costs at 1.5% per month.

In the event that any provisions or partial provision of this Agreement shall be held to be void, voidable, or unenforceable, the remaining portions hereof shall nevertheless remain in full force and effect.

Each party, by affixing his signature below, does further represent that, prior to entering into this agreement; he consulted with an attorney at law of his own choice, who explained the provisions of this agreement to his personal satisfaction.

This contract, consisting of Paragraphs 1 through 10, is our entire agreement. Any prior or contemporaneous agreements, understandings and representations are merged and superseded by these written terms. Any modification or waiver shall be in writing. Client has been advised that time is of the essence with respect to this matter.

Please sign, date and return this Agreement along with Forms 2848 Power of Attorney. Please return signed form along with a retainer check in the amount of \$4,000 to the address listed above promptly so that we may begin working on your case.

Sincerely,

Your Name, Name of Firm

Acknowledged

By: ***Client Name***

Because delinquent taxpayers typically do not know the full extent of their tax issues and therefore additional work beyond the scope of work discussed in an initial consultation with the taxpayer often becomes necessary, it is usually preferable to enter into an agreement based upon collecting hourly fees as opposed to a fixed fee agreement. Sometimes clients are more comfortable entering into a fixed fee agreement knowing what they will pay in advance. This type of agreement can too be implemented but if you enter into a fixed fee agreement you must ensure that you specifically describe the work that is to be completed and make it clear that any additional work that becomes necessary to complete will be done so either under a separate agreement, and/or for an additional cost which can either be an additional fixed fee or done so on an hourly basis based upon your regular published fees. Below you will see a sample of a fixed fee agreement.

Fixed Fee Agreement Sample

(please verify that any engagement agreement you use including this sample does not violate any of your local State laws):

Date

VIA Email: email

Name
Street
City, State, Zip

Dear **Taxpayer**,

This document is being furnished to **Name** ("you", "your") in order to ensure that you have a full understanding of terms of our engagement. For this reason **Your Company** insists that you read this letter carefully.

Your Company will provide to you our services a follows:

Please note that the items listed below represent the general services necessary to complete the majority of tax resolution cases. It is possible that additional services be required to resolve unforeseen matters that may arise in a client's case. Should subsequent matters not listed below arise with your tax case, you agree to pay, in addition to the amount set forth in this agreement, for additional work necessary to resolve your matter(s). **Your Company** will contact you to discuss said matters as well as any applicable fees associated with additional work to be completed by **Your Company**.

Based upon the information you have provided us, the services or a subset of the services described below are deemed appropriate to resolve your case. In the event that the information you provided us is incomplete, inaccurate or the circumstances of your case change, you authorize **Your Company** to employ additional services necessary to achieve the optimal resolution to your case.

Obtaining Transcripts: If necessary, *Your Company* with your consent will contact the Internal Revenue Service ("IRS") and when appropriate the State in which you pay tax in order to acquire, examine, decipher and evaluate all applicable tax transcripts relating to your Individual and/or Business tax matters for the periods *beginning year through ending year*.

Preparation of Tax Returns: *Your Company* will prepare your Federal and when applicable State type of tax returns for the periods *beginning year through ending year*. Your Company will prepare your returns based upon the above-mentioned transcripts and information you provide us via documents and tax organizers.

Protection Against Collection Activity: Assuming that there is no active collection activity, *Your Company* will make a best effort attempt to keep the taxing agencies involved with your case from levying your bank account, garnishing your wages, garnishing your income (3rd Party Levy), or seizing your assets for the entire tenure of your engagement with us. If bank levies and/or wage garnishments are already in place, we will make a best effort attempt to have them removed and/or reduced.

Installment Agreement: Assuming you are in “Current Compliance”, *Your Company* will negotiate with the IRS and when applicable the State in which you owe back taxes, a monthly installment plan in which you make payments based upon your ability to pay (which may be nothing if you qualify for Currently Non Collectible [“CNC”] status).

Installment Agreement (FOR OFFERS ONLY): Assuming you do not qualify for an Offer in Compromise or you choose not to proceed with an Offer in Compromise and you are in “Current Compliance”, *Your Company* will negotiate with the IRS and when applicable the State in which you owe back taxes, a monthly installment plan in which you make payments based upon your ability to pay (which may be nothing if you qualify for Currently Non Collectible [“CNC”] status).

Abatement of Penalties: If the facts of your case warrant so, *Your Company* will negotiate to remove penalties when applicable.

Preparation of an Offer in Compromise: If *Your Company* determines you qualify as an Offer in Compromise candidate, we will prepare and submit an “Offer in Compromise” to the IRS on your behalf for your current tax liability. If the offer is rejected and you consent to proceed with the services of *Your Company* as they relate to the appeal of your offer, you will pay *Your Company* additional fees to warrant the time necessary to file and argue the appeal.

YOUR COMPANY WILL AT ALL TIMES MAKE A BEST EFFORT ATTEMPT WITHIN THE CONFINES OF THE LAW TO OBTAIN THE BEST RESULT POSSIBLE TO YOU, HOWEVER, AT NO TIME DOES ***YOUR COMPANY*** MAKE ANY PREDICTION OR REPRESENTATION THAT ANY GIVEN RESULT WILL OCCUR AS A RESULT OF OUR EFFORTS.

Client Responsibilities

Current compliance: you agree to make and maintain payments and continue to file returns as required by any agreements, settlements, and/or compromises that are made with the Taxing Agencies involved in your case, or as is required by law.

Client representation: You agree that *Your Company's* representation of you is conditioned upon you continuing to remain current on all future tax liabilities as they become due. Failure to stay current with any and all tax liabilities will be cause for termination of this agreement, as it would greatly affect our ability to adequately represent you.

Taxing agency correspondence: Working with the taxing agencies is both time and document sensitive. You agree to respond within five (5) working days with all items requested by *Your Company*, and the taxing agencies involved with your case.

Agreement execution: You agree and acknowledge that *Your Company* has advised you of your obligation to fully and accurately disclose the nature, source and extent of your income, expenses, assets and liabilities. Providing inaccurate information may jeopardize the outcome of your case.

Time is of the essence: *Your Company* must respond to tax notices quickly to in order to avoid additional complications to your case. Every notice you receive must be forwarded to us right away.

Time estimates: When requested by you **Your Company** will provide estimates of the time it should take to resolve your tax matters. In some instances, the period of time it takes for cases to be completed becomes extended due to factors that are out of our control including without limitation taxing agency delays.

Corresponding with IRS and if applicable the State in which you owe tax: For the tenure of our representation of you, you must not talk to, meet in person, or have any other correspondence with any taxing agency relating to your case without our consent.

Fees for services provided: Our work is typically completed on a retainer basis. **Your Company** will estimate a fee for the services to be rendered at the time of our engagement. We typically require anywhere from Fifty percent (50%) to one hundred percent (100%) of the estimated amount be paid prior to the commencement of services. The estimate of our fee is not binding as some cases become more complicated and time consuming than anticipated when the estimate was made. Fees are based on the value of the services rendered considering the expertise required in addition to expended time.

Out of pocket costs: The fees set forth below do not include any out-of-pocket costs advanced by us on behalf of the Client, including without limitation messenger fees, express mail, parking, and travel. The above-mentioned out-of-pocket costs may be advanced by us at our discretion and will be invoiced by us to the Client. The reimbursements of these costs by the Client to us are due and payable upon request.

Non-refundable retainer payments: **Your Company** strongly recommends that you contribute to and support our efforts as requested by us. Failure to do so may result in our withdrawal from a matter and all retainer payments and other payments collected by us will be deemed fully earned and non-refundable.

If you fail to meet the responsibilities listed above *Your Company* reserves the right to terminate this agreement or apply additional fees to compensate for additional work necessary to obtain a resolution to your case.

Headings: Headings used in this agreement are for convenience of reference only and shall not constitute a part of this agreement for any other purpose or affect the construction of this agreement.

Fees

The cost for these services will be \$_____, assuming that the information you provided us thus far is complete and accurate, that you do not add additional work and that you are at all times cooperative and timely regarding our request for information. **Your Company** will require an initial payment in the amount of \$_____ prior to commencing work. The remaining balance of \$_____ shall be due and payable as follows: Three (3) post-dated check(s), or the ACH Automatic Debit Authorization in the amount of \$_____ each, dated 30 days apart from one another, starting 30 days after initial payment is made.

Your Company reserves the right to increase the fees stipulated herein if we have not been retained within 7 days from the date of this Agreement. All work completed by us that exists outside the scope of work set forth above or is necessary to complete due to the lack of cooperation by you will be completed at hour standard hourly rates which range from hourly rates per hour. All retainer payments as well as other payments for services paid to Your Company are earned when paid; no refunds will be furnished. All invoices are due upon receipt. Failure to pay either retainer requests or to submit payment as per the agreed upon payment schedule stated above, shall cause our firm to immediately stop providing services without further notice.

I acknowledge that **Your Company** has or will advise me that the dischargeability of this liability in Bankruptcy may or may not be possible.

By signing and dating below you understand and agree to the terms of this agreement. Please mail or scan and send this signed and dated agreement, along with the Powers of Attorney, your retainer deposit in the amount of \$ _____ and the 3 post-dated checks(s) or the ACH Automatic Debit Authorization.

Please do not hesitate to call us if we can assist you with any other matters or if you have any questions regarding this agreement.

Sincerely,

**Tax Resolution Specialist
Your Company**

READ, UNDERSTOOD, AGREED TO,
AND COPY RECEIVED BY CLIENT
Client Name

Date

Tax Engagement Agreement Sample

(Please verify that any engagement agreement you use including this sample does not violate any of your local State laws):

Date

Name

Company Name

Address

City, State

Subject: TAX RETURN PREPARATION ENGAGEMENT

Dear **Name**:

(YOUR COMPANY) is pleased to provide you with the professional services described below. This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

Scope of Engagement

We will prepare the following federal and state income tax returns for you for the tax year ended December 31, (TAX YEAR) and all subsequent years:

U.S. Individual Income Tax Return
Resident State Income Tax Return (if applicable)

We will only prepare the returns listed above unless given authorization by you to prepare additional returns. We will prepare your tax returns based on 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 some of the information. We will prepare the tax returns solely for filing with the Internal Revenue Service (“IRS”) and applicable state and local taxing authorities. The above mention returns are not intended to benefit or influence any third party, either to obtain debt or equity financing or for any other purpose other than the purpose intended by the taxing authorities.

As a result, you agree to indemnify and hold our firm including without limitation any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Your Responsibilities

You are responsible for determining your state or local tax filing obligations with all state and local tax authorities, including, but not limited to income, franchise, sales, use, and property taxes. You agree that it is your sole responsibility to research and conform to all filing obligations. If it comes to our attention that you may have an obligation to file additional tax returns for which we have not been retained to

prepare, we will notify you and ask you to contact us. If you ask us to prepare additional returns, additional fees will be charged to reflect this service.

The Bank Secrecy Act requires the annual reporting of financial interests in or signature authority over foreign bank accounts (including authority comparable to signature authority). Failure to file the Report of Foreign Bank and Financial Accounts (“FBAR”) can result in the imposition of both civil and criminal penalties, which can be significant. The FBAR is not a tax return, and preparation of same is not within the scope of this engagement. If you have questions regarding this filing obligation or wish to engage us to prepare such reports, please contact us to discuss these matters. As of now, these forms are due on the 30th day of June each year.

You acknowledge your responsibility to inform us of any bartering transactions, listed transactions or transactions of interest as designated by the IRS. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from your failure to timely notify us, in writing, of all such transactions in order to facilitate the timely preparation and filing of your tax returns.

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 tax law. You are responsible for the adequacy of all such documents. You represent that you have such documentation and can produce it if needed to respond to any audit or inquiry by taxing agencies. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from the disallowance of tax deductions due to inadequate documentation.

Unless we are otherwise advised, you confirm that expenses such as meals, travel, entertainment, vehicles use, gifts, and related expenses are supported by necessary records required by the IRS. At your request, we are available to answer your questions and advise you on the types of records required. You agree that you will not and are not entitled to rely on any advice unless it is provided in writing.

You have final responsibility for your income tax returns. Check them carefully for accuracy and completeness before you sign them.

Our Responsibilities

We will use our judgment to resolve questions in your favor where a tax law is unclear if there is appropriate justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or there are conflicting interpretations of the law by authorities (e.g., IRS and courts), we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the current codes, regulations and their interpretations. If the IRS or state tax authorities later contest the position taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability for and you hereby release us from any such additional tax, interest, and penalties or other fees and assessments.

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the income tax returns. We will request your approval before rendering these services. Our engagement does not include any procedures designed to discover fraud, theft, or other irregularities, should any exist. You agree that you will not and are not entitled to rely on any advice unless it is provided in writing.

We reserve the right to withdraw from this engagement without preparing your income tax returns in the event you disagree with our recommendations regarding tax return filing and reporting obligations, tax return positions to be taken, or disclosures to be made in the returns.

Our engagement does not include tax-planning services, which are available as a separate engagement. 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 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.

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request that we assist you in responding to such inquiry. In that event, we would be pleased to discuss providing assistance to you under the terms of a separate engagement letter for this purpose.

Accountants' Privilege

Internal Revenue Code section 7525 provides a confidentiality privilege covering certain tax advice embodied in taxpayer communications with federally authorized tax practitioners, however this privilege is limited in certain situations.

Timing of Engagement

We expect to begin the preparation of your returns upon receipt of a signed copy of this letter and delivery of all tax documents requested by our office. Our services will be concluded upon delivery, electronic or otherwise to you of your tax returns for your review and filing with the appropriate taxing authorities.

Penalties and Interest Charges

Federal, state and local taxing authorities impose various penalties and interest charges for non-compliance with tax law, including without limitation, failure to file or late filing of tax returns and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all taxes, penalties, and interest charges imposed by taxing authorities.

Affordable Healthcare Act ("ACA")

Health Care Reform (also known as "Obamacare" or ACA) has passed and the result will be additional tax due for many taxpayers. The IRS is the administrator of these new taxes and unfortunately we are now required to do numerous additional calculations. There are two new taxes this year for certain income levels.

In some cases the additional work involved will be minimal and will affect your tax return preparation fees slightly if at all. In other cases where substantial work is necessary, preparation fees may increase substantially. To minimize additional fees, you should provide all requested items in a timely manner.

Fees and Billings

The fees for the services outlined above will be billed monthly (or sooner) at our standard billing rates for each professional performing the work, plus out-of-pocket expenses plus an administrative charge of 3%. Our fee is based upon the complexity of the work to be performed and our professional time to complete the work. Additionally, this fee is dependent on the timely delivery, availability, quality, and completeness of the information you provide to us.

If all necessary information you provide us to complete the return/s is not submitted in a timely manner, or is incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact you to discuss the matter and the anticipated delay in performing our services.

If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet government and/or other deadlines, for any penalties or interest that may be assessed against you resulting from the failure to meet such deadlines, and for any other damages (including, but not limited to consequential, indirect, lost profits, or punitive damages) incurred as a result of the suspension or termination of our work.

Termination and Other Terms

We reserve the right to withdraw from this engagement without completing the services under any circumstance including without limitation your failure to comply with the terms of this engagement letter or as we determine professional standards require. If any portion of this agreement is deemed invalid or unenforceable, such a finding shall not invalidate the remainder of the terms set forth in this engagement letter.

Record Retention Policy

Our records retention policy requires us to return all original records and documents that you have given us to you at the conclusion of the engagement. Your records are the primary records for your operations and comprise the backup and support for your financial reports and tax returns. Our records and files are our property and are not a substitute for your own records. Our firm destroys engagement files and workpapers after a period of 7 (seven) years. Catastrophic events or physical or other deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Electronic Communication

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send data over the Internet. Such communications may include information that is confidential to you. While we will use reasonable efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

We appreciate the opportunity to be of service to you. Please date and sign the enclosed copy of this engagement letter and return it to us to acknowledge your agreement with its terms (a scanned copy via email will suffice). It is our policy to initiate services only after we receive the signed copy of this engagement letter from you.

Regards,

[SIGNATURE]

THE FOREGOING FAIRLY SETS FORTH THE UNDERSIGNED'S UNDERSTANDING

Taxpayer

Spouse

Date