Neighborhood Accounting & Tax

November 22, 2026

2026 Tax Year Engagement Letter

DEAR CLIENT:

PLEASE READ ALL OF THIS DOCUMENT. IT OUTLINES YOUR RESPONSIBILITIES AS A CLIENT AS WELL AS OUR RESPONSBILITIES AS YOUR TAX PREPARER. ADDITIONALLY, THERE IS IMPORTANT INFORMATION ABOUT OUR BILLING RATES AND PAYMENT OPTIONS FOR THE UPCOMING TAX SEASON.

You are receiving this letter as either an existing or potential tax preparation client of Neighborhood Accounting and Tax. The following is a general overview of IRS guidelines concerning the responsibilities of both the taxpayer and the tax preparer. This is a disclosure required by the IRS.

Once you have read this letter please sign and return it to us through mail, email, or text. By signing you confirm your understanding of the mutual responsibilities in observing due care in the reporting of information for your income tax return.

CLIENT RESPONSIBILITIES

The client will provide all necessary documentation for us to prepare a complete and accurate income tax return. If you provide incorrect or inaccurate information and subsequently receive correspondence from a taxing authority, there will be an additional charge for our time in resolving this issue either through amended tax returns or related correspondence with the respective taxing authority.

It is the client's responsibility to maintain the documentation necessary to support the data used in the preparation of your income tax return.

It is the client's responsibility to carefully examine and approve your completed tax return before signing the efile forms.

For most taxpayers a physical return will not be filed. We utilize the efile system to ensure timely and secure submission of your tax returns. This process requires the taxpayer to sign efile authorizations allowing Neighborhood Accounting and Tax to efile their return on their behalf. If efile is not an option for your particular return, we will explain why and will provide you instructions for sending in the returns to the proper tax authority.

PREPARER RESPONSIBILITIES

We will prepare your returns using the information that you provide. We will not audit, review, compile or otherwise verify the data that you provide although we may ask for clarification on some items. We will rely on, without further verification, information that you provide to us from third parties including but not limited to K-1s, 1099s, 1098s, W2s and similar items.

Neighborhood Accounting & Tax

We will use our professional judgment in the preparation of your income tax returns. Whenever we are aware of an applicable tax law that is unclear or has conflicting interpretations, we will explain the possible positions you can take on your returns. We will then adopt a mutually acceptable position for filing.

If you choose to opt for a risky "red flag" position, we reserve the right to not prepare your return to protect our company and credentials.

We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

RATES, BILLING, AND OTHER PREPARATION AND FILING INFORMATION

BILLING AND RATE CHANGES

We have kept our rates well below fair market value for many years. In order for us to continue to provide our professional, reliable tax preparation services and expertise we will have to raise our rates by 10% this year. Considering that rate increase we are offering an opportunity for existing clients to maintain their rate from last year. Existing clients can prepay for their 2026 tax return preparation by December 15th. To do this please sign and return this engagement letter to us via email or regular mail and we will issue you an invoice with last year's price. If you do not take advantage of this by then you will be billed at the updated rate when we prepare your 2026 return.

It is standard practice in the tax preparation industry that clients pay for their prepared return prior to receiving a copy of their return for review. At Neighborhood Accounting and Tax, we provide you with a return for review prior to you making payment. However, we do issue an invoice for tax preparation fees at the time we send you that review copy. **The terms of our invoices are "On Receipt" which means that it is due immediately. That said, we do allow three days for you to make payment. This is clearly stated on our invoices.** Once payment is received, we will release the return for filing and provide you with a final copy of the return with a confirmation ID issued by the IRS. Any invoice over three days past due will incur a $50 late payment penalty.

FILING AND CLIENT REVIEW

Once your return has been prepared you will receive an electronic or paper review copy of your return. These will have "REVIEW COPY" watermarks to prevent tax fraud and to make sure you do not inadvertently file them.

Included with these review copies will be efile authorization forms for you to sign and return to us. We keep these for audit purposes to prove that you received and viewed the tax return before it was filed.

In order to file your returns, we must receive signed copies of the efile authorizations and payment for our services. Once we have received both of these, we can efile your returns. You will then receive a receipt for your payment as well as a final copy of your income tax returns.

Neighborhood Accounting & Tax

Our preparation fees do not cover any additional time necessary to respond to inquiries or audits by taxing authorities. If it is due to our error in preparation, then we will respond accordingly at no cost to you.

We appreciate the opportunity to serve you. Please sign, date and return this letter to acknowledge your acceptance of the terms outlined in this letter.

Sincerely,

Larry R Shughart

Client Signature: _____ Date: _____

Client Signature: _____Date: _____

Please provide your preferred email address: _____

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