



# MMB

MURRAY, MENSCH & BROOKS, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

We appreciate your choosing Murray, Mensch & Brooks, P.C. to prepare your income tax return. Open communication is a vital factor in any relationship. Our goal is to communicate with you in a manner that keeps you well informed. Considering this goal, we want to outline what you can expect from us, and what we will expect from you in preparing your individual income tax returns.

## **What you can expect from us:**

- Our bill to you will be based on time spent preparing your tax return. This includes any meetings and telephone calls, as well as time spent on actual preparation and review. We use standard billing rates, which we believe are comparable practitioners in this area. Our goal is to prepare your return as efficiently as possible, while maintaining the accuracy that quality service requires.
- We will prepare your tax return from the information you furnish. We will not audit or verify your information but we may ask you to clarify some points. We will be diligent in keeping current with tax law and use it to your best advantage.
- Our normal tax services do not include compiling information. However, we can compile and organize your data as an additional service.
- We will be available to answer your inquiries on specific tax matters and to consult with you on income tax planning, at our standard billing rate.
- Should you ever be audited, we will be available to assist you if you desire. This is a separate service and will be billed at our standard rates for this type of work.
- LLC, corporation, entity owners – if you have any changes in address or ownership, we can file your updated FINCEN Beneficial Ownership Information report due 30 days after the change occurs as an additional service, as requested. The work to complete the report will be invoiced at our standard billing rate. It is your responsibility to inform us of any changes that need to be reported and MMB will not be held liable for late filing penalties, if they were to occur.
- We endeavor to prepare your tax return with the utmost accuracy. However, if an error on our part results in additional taxes, we will be responsible for penalties and interest which may be assessed. The additional tax due is your responsibility.
- We shall use our best judgment to resolve issue and questions in your favor where the tax law may be unclear, provided there is a reasonable basis for doing so. If there are conflicting interpretations of the tax law, we shall explain to you the possible positions

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that may be taken on your Tax Return. We shall follow the position you request, provided there is a reasonable basis for such position, and that such position is consistent with our understanding of the relevant case law, as applicable. If the IRS, state or local tax authorities later contest the position taken, additional tax, penalties, and interest may be assessed. These fees, as well as the tax deficiency, will be your responsibility.

### **What we will expect from you:**

- You will provide us with all relevant and necessary information affecting the return. Please remember that the more organized you are, the less time it will take us to prepare your return.
- You will retain records and documentation of any deductions and business expenses. You are responsible for ensuring that personal expenses are segregated from business expenses and that expenses such as travel, meals and entertainment, vehicle use, gifts, and related expenses are supported by necessary records required by the IRS and other tax authorities.

Please be aware that if you are audited, you can expect the IRS to ask for written documentation on travel, meals and entertainment, business use of autos and computers, and they will likely ask about bartering transactions. We are relying on you to be able to verify any information you supply us. Failure to keep adequate records or to substantiate items upon audit can lead to the imposition of a negligence penalty.

- LLC, corporation, entity owners – the ultimate responsibility of completing the FINCEN Beneficial Ownership Information report for new LLC's that is due 30 days after LLC creation is on you, as the client. You are responsible for informing us of all entities that are newly registered with a Secretary of State so we can file the correct forms timely. Any penalties related to information not provided timely to our office will not be paid by Murray, Mensch and Brooks, P.C.

Any information changes reported on the BOI after the initial filing will require an updated BOI to be filed **within 30 days** of any change in information. This will include address changes, officer changes, ownership changes, and identification number changes. Please plan on either filing an updated BOI form or keeping our offices updated with ALL business changes moving forward so we can file updated BOIs timely to avoid penalties assessed by FinCEN. Again, it is your ultimate responsibility to inform our office of changes so we can file the appropriate forms timely. Any penalties related to late information change reporting not provided timely to our office will not be paid by Murray, Mensch and Brooks, P.C.

- You will have the final responsibility for the tax returns and, therefore, you should review the returns carefully before signing and filing. The tax law imposes a severe penalty if a taxpayer makes a substantial understatement of tax liability. For individuals, a substantial understatement is one that exceeds the greater of 10% of the tax required to be shown on the return, or \$5,000. The penalty is 20% of the tax underpayment. We will discuss tax positions that may increase the risk of exposure to penalties and

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any recommended tax return disclosures with you before completing the preparation of the returns.

- If the IRS adjusts your taxable income following an audit, penalties will be assessed with interest. These fees, as well as the tax deficiency, will be your responsibility.
- While providing services to you, you may request referrals to products or professionals such as software, attorneys, brokers, or investment advisors. We may identify professional(s) or product(s) for your consideration. However, you are responsible for evaluating, selecting, and retaining any professional or product and determining if the professional or product can meet your needs. You agree that we will not oversee the activities of and have no responsibility for the work product of any professional or the suitability of any product that you separately retain. We will not subcontract any portion of the services without your prior written consent.
- If you provide our firm with copies of brokerage (or investment advisory) statements and/or read-only access to your accounts, we will use the information solely for the purpose described above in preparation of tax returns or providing services agreed upon above. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information.

We will not monitor transactions, investment activity, provide investment advice, or supervise the actions of the entity or individuals entering transactions or investment activities on your behalf. We recommend that you receive and carefully review all statements upon receipt and direct any questions regarding account activity to your banker, broker or investment advisor.

- The law imposes substantial penalties on taxpayers and tax advisors for failure to disclose listed and other reportable transactions on Form 8886, Reportable Transaction Disclosure Statement. In general, reportable transactions are potentially abusive transactions identified by the IRS that have a primary purpose of tax avoidance, including but not limited to listed transactions, confidential transactions, transactions with contractual protection, loss transactions, and transactions of interest (a definition of “reportable transactions” is located at <https://www.irs.gov/instructions/i8886> and includes a link to a summary of listed transactions).

The law imposes substantial penalties on taxpayers and tax advisors for failure to disclose tax shelters on Form 8271, Investor Reporting of a Tax Shelter Registration Number. A tax shelter is defined in Code section 6662((d)(2)(C) as a partnership or other entity, investment plan or arrangement, or any other plan or arrangement if a significant purpose of such partnership, entity, plan or arrangement is the avoidance or evasion of federal income tax.

You agree to advise us of any tax shelters and/or reportable transactions identified in tax reference materials. Unless a reportable transaction is more likely than not to be sustained on its merits, Code section 6662A, Imposition of Accuracy-Related Penalty on Understatements with Respect to Reportable Transactions, requires us to disclose the

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reportable transaction in a separate attachment to the tax return. Similarly, unless a tax shelter is more likely than not to be sustained on its merits, Code section 6662(d)(2)(C)(ii), Imposition of Accuracy-Related Penalty on Underpayments, requires us to disclose tax shelters in a separate attachment to the tax return.

If you do not consent to a required disclosure, we may be unable to prepare your Tax Returns.

You agree to hold our firm harmless with respect to any liability including but not limited to, additional tax, penalties, interest and professional fees resulting from your failure to timely notify us, in writing, of any tax shelters and/or reportable transactions identified in tax reference materials to facilitate the timely preparation and filing of your Tax Returns.

- **Payment for our services is expected upon presentation of the invoice and/or receipt of the completed tax return. Any invoice not paid within 30 days of receipt may be subject to a monthly interest charge of 1.5%.**

- **The first invoice will be 50% of the quoted amount that is due prior to preparation of your 2024 return begins. The remaining 50% of the quoted amount will be invoiced upon completion of the tax return.**

We hope you will feel free to discuss any aspect of this letter. If you fully understand what we will do and what we expect from you, please sign and return one copy to us. This will remain in effect for future years unless amended or terminated in writing by either of us.

Sincerely,

Murray, Mensch & Brooks, P.C.

Agreed:

Sign \_\_\_\_\_

Print \_\_\_\_\_

Date \_\_\_\_\_