

**ROBERT L. BORELLI, CPA**

2006 PIONEER COURT · SAN MATEO, CA 94403

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**Engagement Letter for the Preparation of  
2023 Partnership Tax Returns**

Dear Client;

Thank you for selecting my firm to assist you in preparing your partnership tax returns. This letter confirms the terms of our engagement and the nature, timing, and limitations of the services we will provide. You received this letter because I understand that you are the managing partner in charge of tax matters.

I will prepare your 2023 federal and state income tax returns, including Schedules K-1 for the partners, from the information provided. I will perform limited analysis of your accounts, as I deem necessary in my professional judgment, solely for purposes of preparing your tax returns. I may propose adjusting journal entries to your accounts. My analysis cannot be relied upon to discover defalcations or irregularities; however, I will inform you if I do discover such defalcations or irregularities.

Management is responsible for proper recording of transactions in the accounts, safeguarding assets, and for the accuracy of the financial records. **Because you have final responsibility for the tax returns, you should review them carefully before you sign them.** I will use professional judgment in resolving issues when the tax law is unclear or when there is conflict among the authorities.

**NOTICE:** The filing deadline for the tax returns is **March 15<sup>th</sup>, 2024**. In order to meet this filing deadline, I must receive your information in substantially complete form by February 15<sup>th</sup>, 2024.

If an extension of time to file is required, I will use the information available to me to prepare the extension. **An extension, however, provides only a six (6) month extension of time to file (until September 16<sup>th</sup>, 2024), not an extension of time to pay. Taxes paid after March 15<sup>th</sup> will result in penalties and interest (the IRS assesses a K-1 penalty of \$260 or more, per partner per month or fraction thereof for a late filed return).**

You are responsible for reporting foreign activities. By signing, you acknowledge that you will inform me of any income from foreign sources, signatory authority over any foreign accounts, or of any foreign transactions with a related entity. If you are unsure whether income or an account is foreign, please call me. **Note, penalties for failure to report foreign activities are severe.**

Note, California's passage of Senate Bill AB 5 (effective 1/1/2020) makes the presumption most workers are employees, not independent contractors. Misclassifying workers can result in substantial payroll tax, worker's compensation insurance, and general business liability insurance costs; pension liability issues; and **SEVERE** penalties. If you have independent contractors, make sure you are classifying them properly under the new law. Seek advice from legal counsel, preferably a labor law attorney. **We accept no responsibility for misclassified workers.**

**► SIGNATURE REQUIRED ON PAGE 2 (OVER)**

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The IRS is increasing its efforts to make sure taxpayers are properly reporting **virtual currency** transactions. If you own, accept, or use virtual currencies please let us know so we can report them properly on your returns.

Your tax returns may be selected for review by the taxing authorities. If the government selects your return for examination, I will be available to assist you. There will be additional fees for these services.

I generally retain, for seven years, the final work product generated for my clients. After the retention period, the documents are destroyed. I do not keep original documents — they are returned to you after completion of the returns. **It is your responsibility to retain your records for possible future use**, including possible examination by the taxing authorities.

My fees for tax preparation services are based on the amount of time required at my standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. **Tax returns will not be filed electronically nor will paper filed returns be released until fees are paid.**

If this engagement letter correctly expresses your understanding of the nature, scope, and terms of services that I will provide, please sign the enclosed copy of this letter and return it to my office (drop off, email, snail mail, or fax).



**IMPORTANT: WE CANNOT PROCESS OR PREPARE YOUR 2023 TAX RETURN UNTIL WE ARE IN RECEIPT OF THIS SIGNED ENGAGEMENT LETTER.**



Sincerely,

*Robert L. Borelli*

Robert L. Borelli, Certified Public Accountant

▶ Acknowledged:

▶ **SIGNATURE REQUIRED**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name of Partnership: \_\_\_\_\_

Date: \_\_\_\_\_

Best Contact Phone #: \_\_\_\_\_ Cell / home / work  
(CIRCLE ONE)

Email Address (Current): \_\_\_\_\_

**PLEASE RETURN YOUR SIGNED ENGAGEMENT LETTER AS SOON AS POSSIBLE.**