

2024 SAMPLE TERMS AND CONDITIONS ADDENDUM

[FIRM NAME]

[Firm Address]

[City, State ZIP]

[Phone Number]

[Email]

This Terms and Conditions Addendum ("Addendum") is incorporated into the Engagement Letter between [FIRM NAME] ("firm," "we," "us," or "our") and the client ("you" or "your") dated _____, 2024. This Addendum, together with the Engagement Letter, constitutes the entire agreement between the parties with respect to this engagement and supersedes all other oral and written representations, understandings, or agreements relating to this engagement.

Additional Provisions

Disputes

If any dispute arises among the parties, you agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and firm both agree that any dispute over fees charged by the firm to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the AAA. Such arbitration shall be binding and final. BY AGREEING TO ARBITRATION, YOU ACKNOWLEDGE UNDERSTANDING THAT YOU ARE GIVING UP THE RIGHT TO SUE IN COURT AND HAVE A JURY TRIAL.

The arbitration shall take place in [County, State]. The arbitration will be governed by the laws of the state of [State].

In the event that we prevail in any dispute, you shall reimburse us for our costs, expenses, and reasonable attorney's fees. Any award by the arbitrator(s) shall be accompanied by a written explanation of the factual and legal basis for the award.

Confidentiality

Both parties agree that they will not disclose any confidential material provided by one party to another to any third party without written consent, except as provided for by law or regulations. Client may provide third parties with copies of the firm's work product if client provides us with written consent to do so, and only in complete, unaltered form.

Both you and your confidential information, to the extent disclosed to us, will be protected by professional ethics and privileges. We will not disclose any information about you unless we have your approval or are required/permitted by law. You authorize us to use financial and other information that you provide to us in the normal course of our work in connection with this engagement to improve our professional services.

We may disclose your tax return information to other members of our firm involved in the preparation of your returns. We may also disclose your tax return information to third parties to the extent necessary to process, prepare, and e-file your tax return.

Records Management

In accordance with our firm's current record retention policy, we will retain our working papers for your engagement for 7 years. All of your original records will be returned to you at the end of this engagement. After 7 years, our working papers will be destroyed. If you need access to our working papers, you agree to compensate us for the time it takes to retrieve, copy, and provide this information to you.

Physical deterioration or catastrophic events may shorten the storage period of your records. We suggest you keep a copy of any original records that we return to you.

All work papers and files related to your engagement are the property of the firm. By signing the Engagement Letter, you acknowledge and agree that in the event of our withdrawal from the engagement, we shall be entitled to retain all work papers and files until our billings are paid in full. You also acknowledge and agree that we may retain copies of all work papers and files upon completion of the engagement.

IRS Representation

In the event you are contacted by the IRS or other taxing authority, you should contact us. We will not represent you in an IRS audit unless specifically agreed to in a separate engagement letter for that purpose. If we represent you before the IRS, we will prepare the necessary forms to request a power of attorney.

In the event of an audit, requests by the IRS or other tax authorities for information, or any other government or third-party notices, we will perform additional work and bill for such services at our standard hourly rates. Our fees to represent you will be billed separately from our preparation fees and will be based on the time required at our standard billing rates plus out-of-pocket expenses.

Communication and Confidentiality Notice

In connection with this engagement, we may communicate with you or others via email or other electronic methods. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, we cannot guarantee the security of any information sent electronically. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement.

In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Due to these risks, you agree that we may conduct client communications via alternative methods, such as our secure client portal, upon your request.

Use of Electronic Signatures

Both parties consent to the use of electronic signatures. Electronic signatures will be deemed to be valid and legally binding upon the parties in the same manner as original signatures.

Electronic Document Storage

Our firm may maintain electronic copies of documents in our files that were produced during the course of this engagement. Original paper documents will be returned to you at the completion of the engagement. Our policy is to store copies of your documents for a period of time, after which we will destroy the copies. It is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

Subpoena or Other Release of Documents

In the event we are requested by subpoena or other legal process to produce our documents, workpapers, or to testify at a deposition or trial in connection with services we performed for you, you agree to compensate us for all time we expend in connection with such response at our standard hourly rates, and to reimburse us for all out-of-pocket expenses incurred in that regard.

Third-Party Service Providers

We may use third-party service providers to assist us in providing our services to you, including firms in or outside the United States. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your information. You may request information about our use of service providers at any time.

Tax Planning Services

Our engagement does not include tax planning services unless specifically stated in the Engagement Letter. During the preparation of your tax returns, we may bring to your attention potential tax strategies, but our engagement does not include researching these strategies unless you specifically engage us to do so. If you wish to engage us for tax planning services, we will prepare a separate engagement letter for those services.

Changes in Engagement

We reserve the right to withdraw from this engagement at any time. We will notify you in writing of our decision to withdraw. Similarly, you may terminate this engagement at any

time. Both parties agree to sign a termination notice in the event that either party decides to prematurely terminate this engagement.

Should our engagement be terminated by either party, we will return your original records to you. We will bill you for any time and expenses incurred up to the date of termination, even if we have not completed the tax returns or services. You agree to pay these fees promptly upon termination of the engagement.

Fees and Billing

Our fees are based on several factors, including the time spent by our personnel, the complexity of the engagement, and the level of skill required. Unless otherwise stated in the Engagement Letter, additional services provided beyond the scope of the Engagement Letter will be billed separately at our standard hourly rates.

Invoices are due and payable upon presentation. We reserve the right to suspend or terminate our work for non-payment of fees. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, or for any other damages or consequences of our suspension or termination.

A late charge of 1.5% per month will be assessed on any balance that remains unpaid after 30 days from the date of the invoice. If a payment is not received by the due date, you agree that our firm may stop all work until the account is brought current.

Indemnification

You agree to indemnify and hold harmless our firm and any of its personnel from any claims, liabilities, costs, and expenses relating to our services under this engagement, except to the extent finally determined to have resulted from our gross negligence or willful misconduct.

Our liability to you for any and all claims, losses, costs, and expenses of any nature whatsoever shall not exceed the total fees paid by you to our firm for the services provided under this engagement. This limitation will not apply to the extent prohibited by applicable disciplinary rules, statutes, or case law.

Force Majeure

Neither party shall be liable for any delay or failure to perform any obligation under this Agreement (except for a failure to pay fees) if the delay or failure is due to unforeseen events that are beyond the reasonable control of such party, such as strikes, blockade, war, terrorism, riots, natural disasters, outbreaks of infectious disease, epidemic or pandemic, or in the event of government intervention, provided that such party gives prompt written notice of such condition and resumes its performance as soon as possible.

Insurance Coverage

We maintain the following insurance coverage: professional liability, general liability, worker's compensation, and employer's liability insurance. Coverage details are available upon request.

Independent Contractor

Our services are provided as an independent contractor and not as your employee, agent, or partner. We will determine the method, details, and means of performing our services.

Assignment

Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld.

Severability

If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue to be valid and enforceable.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the state of [State], without giving effect to any choice or conflict of law provisions.

Entire Agreement

This Agreement, consisting of the Engagement Letter and this Addendum, sets forth the entire understanding between the parties and supersedes all prior agreements,

arrangements, and communications, whether oral or written, with respect to the subject matter hereof. No amendment or modification of this Agreement shall be binding unless it is in writing and signed by both parties.

Acknowledgment

Your signature on the Engagement Letter incorporating this Addendum confirms your acceptance of these terms and conditions.

[FIRM NAME]

By: _____

[Preparer Name], [Title]

[Firm Name]

[Email]

[Phone]

ACKNOWLEDGED AND ACCEPTED:

Client Signature

Print Name

Title (if applicable)

Date