Stage 2 COLLECTION Engagement Letter

[Date]

[Client's Name]

[Client's Address]

[City, State, Zip]

Dear [Client's Name],

Subject: IRS Collection Case Representation for 2020 and 2021

Following our comprehensive review and analysis of your tax situation for the years 2020 and 2021, I am writing to confirm the arrangement for our services to represent you in your ongoing IRS Collection Case. This letter serves as our engagement agreement, defining the scope of our representation, the associated fees, and other pertinent details.

**Power of Attorney, 7216 Authorization:**

We will prepare and subsequent to your signing the Power of Attorney (POA) and Letter 7216, we will post the Power of Attorney to the IRS system electronically. We will retain the Letter 7216 in our files as it allows us to employ computers while handling of your case.

**Services:**

Our representation will involve communicating directly with the assigned Revenue Officer or other Collection personnel. The scope of our services includes, but is not limited to, negotiating payment plans or settlements, submitting forms or documentation, and ensuring that your rights as a taxpayer are upheld throughout the process.

In the initial phase of this engagement we recommended and you concurred that we will seek relief from the IRS collection actions by preparing **[select or enter appropriate wording]**

*an Offer in Compromise Based on Doubt as to Collectibility. This would allow you to settle with the IRS for an amount you can afford rather than the amount IRS believes is due.*

**[OR]**

*an Installment Agreement, Partial Pay Installment Agreement, or Currently Not Collectible status. These programs typically stop enforced collection action and allow time for payment of amounts due.*

**[OR]**

*Other appropriate wording*

**Caveat:**

None of the services can be relied upon to detect errors, irregularities or illegal acts that may exist. However, we will inform you of any such matters that come to our attention.

**Extent of Representation:**

Unless otherwise specified, we will represent you through the initial administrative level of the Internal Revenue Service.

**Ultimate Decision:**

The Internal Revenue Service decides the outcome of all requests made before it. Despite our best efforts, we have no control over their final decision and accordingly, we have made no guarantees to you regarding the outcome.

The Internal Revenue Service may or has already filed a Notice of Federal Tax Lien, which is a public notice to creditors that the Internal Revenue Service has a lien against your property. We will explore removal of any lien filings once it appears appropriate. Lien removal may occur automatically once the tax debt is resolved. If our assistance is needed to remove a lien that is a separate engagement.

**Fees:**

For this phase of our representation engagement, a fee of **$N,n00** is estimated, which covers all in-person meetings, telephone calls, and written correspondence with the IRS officials. If not already paid, please consider this letter as your invoice for the retainer. Should non-local travel time or expense be required it will be separately billed to you at our standard rates.

All retainers and fees for services are earned when paid. Because most of our services are performed at the beginning of each engagement, no refunds are given. All invoices are due upon presentation. Failure to pay either the retainer request or invoices shall cause our firm to immediately stop providing services without further notice.

**Possible Appeal:**

If it becomes necessary to appeal the decisions or actions of the Collection Division to the IRS Independent Office of Appeals, we are prepared to extend our services to cover this process. Should such an extension be required, an additional fee of **$N,n00** will be applied.

**Timely Response to Information Requests:**

Any obligations on our part shall become null and void if you fail to provide us with information on a timely manner or if you provide us with false and misleading information. All unpaid fees shall become immediately due. Timely manner is defined as **\_\_N\_** business day(s) from the request date.

Any controversy, dispute, or questions arising out of, or in connection with this agreement or our engagement shall be determined by arbitration conducted in accordance with the rules of the American Arbitration Association, and any decision rendered by the American Arbitration Association shall be binding on both parties to this agreement. The costs of any arbitration shall be borne by you.

Our office must receive this letter regarding our offer to provide services within **\_\_N\_** business day(s) of the date of this letter to remain valid.

Please indicate your acceptance of the above understanding by signing below and upload to Client Portal back as soon as possible to: **[Enter Client Portal Link Here]**.

Please sign and return the enclosed copy of this letter to acknowledge that you understand and agree to these terms. This agreement will remain in effect unless it is terminated in writing.

Thank you for entrusting **[Our Firm]** with this responsibility. I look forward to assisting you in resolving your tax collection case.

Sincerely,

[Your Name] [Your Title]

Acknowledged and Agreed:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Client's Name] [Date]