

Thank you for engaging us to assist you. We will provide you with these services (as checked/circled/printed):

( ) Individual tax preparation: [ ] 2021 [ ] [ ] Federal: [ ] Specific States/Cities:

( ) Business tax preparation: [ ] 2021 [ ] [ ] Federal: [ ] Specific States/Cities:

Here are the terms of our professional relationship:

A. We will prepare our work product based only on information which you give us. You represent that you will provide us information which is complete, true and correct, disclosing all relevant facts. We will restrict our services to only those which are shown above with no continuing obligation to update or provide other services. If you have taxable activity in a state/city other than that specifically listed you are responsible for providing our firm with all necessary information to prepare any additional applicable state(s) or local income tax returns as well as informing us of the applicable states. We will prepare only those returns specifically listed above and do not nor have not determined if you have taxability in those states not listed. We are responsible for preparing only the specific tax returns for the specified reporting agencies listed in this letter. Any other required services, forms or other actions on our part require a separate engagement letter.

B. We are required to obtain a copy of all form W-2's and 1095's before we are allowed to electronically file your return under the rules of IRS circular 230.

C. The mortgage deduction was changed as of January 1, 2018. Residential mortgages are only deductible if the mortgage is used to buy, build, or improve the property it is secured by. The total mortgage debt cannot exceed \$750,000 unless it is grandfathered at \$1,000,000 (as of 12/16/17) as long as the terms of the grandfathered debt have not changed. Equity loans are not deductible unless the mortgage funds are used to buy, build, or improve your personal residence and does not exceed the allowable mortgage debt. To comply with these new rules we need to know any amounts borrowed against your home, the date borrowed and the use of the funds. Without that information we are unable to deduct mortgage interest on new borrowings.

D. **We DO NOT automatically file tax return extensions for clients.** You must notify us in writing, email, or by fax, prior to your filing deadline, that you wish for us to file an extension. The notification should include your estimate of any balance due with the extension. Failure to file an extension may make you subject to various penalties and interest. If your return is extended it does not relieve you from paying any tax due on the due date. **We do charge an additional fee to file extensions** and you agree to pay this fee as stated at the time the extension is filed.

E. The IRS says it is your responsibility that all items of income and expense are properly included and presented on your tax return. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions for three years from the filing date. You acknowledge that you have reported all income for the period of the returns stated above including barter, crypto-currency, consumer to consumer activity, cash based revenues and all other income whether received in-person, in-kind, or electronically. You attest that all information you have provided to us is complete and accurate. You also confirm that you have or will timely file any applicable required W-2 or W-3 with the Social Security Administration and the IRS. **You promise to review the returns carefully before signing and submitting Form 8879.**

F. Business (all entity types), and rental income and expenses are required to be submitted in a **detailed summary format**. This can be handwritten, typed, in excel, or via a print out from a software package. Anything else is deemed to be bookkeeping and is not covered under this agreement.

G. We will, if possible, e-file your returns upon receipt of a signed form 8879. It is possible your e-filing may be rejected, in which case we will prepare returns for paper filing. **There will be an additional charge for re-compiling the returns for paper filing.**

H. You're aware of IRS record keeping and documentation requirements, and you represent that you have the necessary documentation. You understand we won't audit or verify your information. We will rely, without further verification, upon information you provide to us from 3<sup>rd</sup> parties including, but not limited to, K1's, 1099's, 1098's, and receipts and similar items. You attest that all information you have provided to us is complete and accurate to complete your returns.

I. It is possible you may receive a notice for additional tax, or for clarification of items. You promise you will contact us if you receive any communication from any taxing authority. **Additional work required including responding to any inquiries from tax authorities, tax planning, amended returns or audit work will be billed at our regular hourly rates and require a separate signed engagement agreement.**

J. There may be elections and decisions in your return which could be challenged by tax authorities. If we believe we see a grey area, we will discuss it with you but will adopt whatever position you request on your return as long as it is consistent with the codes, regulations, and interpretations that been promulgated. We are required by law to disclose any position on a return for which there is a reasonable probability of challenge. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for any resulting taxes, penalties and interest. Tax law is ever-changing. It is possible that you may be assessed additional tax, interest, or penalties. While we try our best, we are human and occasionally make mistakes. It's an imperfect world.

K. Penalties on underpayment, late filing or failure to file on time are interest on unpaid tax and are your responsibility. If you receive a penalty imposed as the result of our error, we will reimburse you for the penalty or credit your account at our option up to but not exceeding our fees.



L. You understand what was involved in the preparation of your return and acknowledge that the return was prepared with your informed consent. You also agree that we may withdraw from the engagement at any time for any reason. You further agree that if we do withdraw you agree to pay for all work performed up to the date of withdrawal.

M. We will return all the original source documents provided to us. We routinely scan and keep copies of some supporting documents, but we are not the custodian of your records, and you cannot rely upon us to maintain support for your tax return—that is your responsibility. By accepting the return, you acknowledge the return of all original source documents. New Privacy laws were established by the IRS effective January 1, 2009 and we are now prohibited from providing confidential information or copies to anyone other than you without specific, written authorization.

N. From time to time various lenders may request that we sign, for you, some verification of income, employment or tax filing status. Because we were engaged only to prepare your income tax return, without examination, review, audit or verification our insurance carriers as well as the state board of accountancy prohibit us from signing any such document and we suggest that you have them send IRS form 4506 to the IRS to obtain such verification. These returns are not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

O. You acknowledge and agree that we will rely solely on information provided by you to us for the specific returns discussed above for the purpose of preparing this year's tax return and estimated tax payments.

P. Should there be any disagreement of any sort between us, you agree to mediation. If mediation is unsuccessful, you agree to binding arbitration under the rules of the American Arbitration Association. Notwithstanding anything contained herein, both the accountant and the client agree that regardless of where the client is domiciled and regardless of where this agreement is physically signed, this agreement shall have been deemed to have been entered into at the accountants office located in Washington County, in the state of Maryland, USA. Maryland, USA shall be the exclusive jurisdiction for resolving disputes related to this agreement. This agreement shall be interpreted and governed in accordance with the laws of Maryland.

Q. You agree to limit our liability to not exceed the fees we have received for our services. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the tax professionals signature on the tax returns covered by this engagement letter.

R. Advice, suggestions and opinions which are given informally, orally or via email do not have the same force and effect of a formal written opinion and should not be relied upon to the same degree. The IRS says that any advice which you receive from us, either in writing or orally, cannot be used as a defense against the assessment of a penalty.

S. The tax return preparation fee does not include bookkeeping. Fees charged for tax return preparation **do not include audit representation or preparing materials to respond to correspondence from taxing authorities or third parties.** The engagement to prepare your tax return terminates upon delivery of your completed returns and original documents to you.

T. You agree to the reasonableness of how we bill, and you agree to pay our bill upon presentation, at the time of pickup of your returns. **Returns will not be filed with any taxing authorities until your complete balance is received in full.** Any portion of any billing that is outstanding after 15 days and will be assessed a 10% late fee

U. In connection with this engagement, we may communicate with you or others via email or virtual transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed. We cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive 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 no liability for any loss or damage to any person or entity resulting from the use of email transmission, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenue or anticipated profits, or disclosure or communication of confidential or proprietary information.

V. In the case of work product covering more than one party, the undersigned enters into this agreement on behalf of all affected parties (i.e., husband signing for both spouses).

W. If any provision herein is inoperative, the remainder of this agreement shall remain in full force and effect. This agreement is intended as the complete agreement and can only be modified in writing signed by both of us.

X. This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services.

Read, understood and agreed to on \_\_\_/\_\_\_/\_\_\_\_

