

**\*\*IMPORTANT\*\***

**SOME OF OUR POLICIES HAVE CHANGED FOR THIS TAX FILING SEASON, PLEASE CAREFULLY READ THE ENTIRETY OF THIS ENGAGEMENT LETTER AND ACKNOWLEDGE WITH YOUR SIGNATURE**

Dear client,

**RE: Individual Tax Returns**

I appreciate the opportunity of working with you and advising you regarding your income tax. To ensure a complete understanding between us, I am setting forth the pertinent information about the services which I propose to render for you.

**Services to be provided**

**From information that you furnish to me**, I will prepare your 2023 federal and state income tax returns and appropriate 2024 declarations of estimated tax. While it is not my responsibility to audit or verify the data you submit, I may ask you for clarification or to furnish me with additional information. I am preparing your tax return(s) based on the information and data you have provided me. The responsibility for providing complete and accurate information is yours.

I will use my professional judgment in resolving questions involving the application of pertinent tax rules and discuss the alternatives available to you when these rules are unclear. I will also be available to consult with you regarding the income tax aspects of proposed or completed transactions and to answer inquiries on specific tax or estate planning matters. I will further be available to compile income tax projections for 2024 and future years based on the current law. Your returns are subject to review by the taxing authorities. In the event of any tax examinations, I will be available upon request to represent you. **There is an additional fee for such representation.** Any resulting tax and interest from an audit or adjustment is your responsibility.

We will provide you with an income tax organizer to help you gather and document the information we will need to prepare your income tax returns. **It is your responsibility to complete the tax organizer with accurate and complete information**, including all worldwide income.

You are responsible for determining your state or local tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, or property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon reading the completed tax organizer, it comes to our attention that you may have an obligation to file additional income tax returns, we will notify you of this and ask you to contact us. If you ask us to prepare these returns, we will confirm this and detail the additional charges for this service.

The Bank Secrecy Act requires the annual reporting of financial interests in or signature authority over foreign bank accounts (including authority comparable to signature authority). Failure to file the Report of Foreign Bank and Financial Accounts (FBAR) can result in the imposition of both civil and criminal penalties, which can be significant. The FBAR is not a tax return, and preparation of same is not within the scope of this engagement. In addition, certain taxpayers related to foreign corporations are required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. Significant penalties are imposed on taxpayers for failure to file Form 5471. If you have questions regarding these filing obligations or wish to engage us to prepare such reports or returns, please contact us to discuss these matters. The Foreign Account Tax Compliance Act (FATCA) requires certain taxpayers holding an interest in any specified foreign financial assets with an aggregate value exceeding \$50,000 to report related information on Form 8938, Statement of Specified Foreign Financial Assets. It is your responsibility to inform us if you hold any interest in assets directly or indirectly in a foreign country. Please contact us if you have any questions on FATCA.

You acknowledge your responsibility to inform us of any bartering transactions, listed transactions or transactions of interest as designated by the IRS. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from your failure to timely notify us, in writing, of all such transactions in order to facilitate the timely preparation and filing of your tax returns.

You are responsible for maintaining documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns as required under tax law. You are responsible for the accuracy of all such documents. You represent that you have such documentation and can produce it if needed to respond to any audit or inquiry by taxing authorities. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from the disallowance of tax deductions due to inadequate documentation.

The original filing due date for your income tax returns is April 15, 2024 for federal and any applicable states. **If I do not have your information by March 5, 2024, it may become necessary to apply for an extension of the filing deadline.** In addition, if there are unresolved tax issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis, an extension may also be necessary. If you are unable to complete and return the tax organizer with other required documentation by March 5, 2024 to allow for the timely preparation of your tax returns, **you must contact us and request that we apply for an extension** of the filing deadline on your behalf. An extension will grant you a new filing due date of October 15<sup>th</sup>, 2024. **I will need all information by August 15<sup>th</sup>, 2024 to allow the necessary time to complete any returns on extension.** Any information received after August 15<sup>th</sup>, 2024 could result in a late filing which could be subject to additional penalties. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations. **All taxes owed are due by April 15<sup>th</sup>, 2024.** Additionally, extensions may affect your liability for penalties and interest or compliance with government or other deadlines. If you anticipate you will be filing an extension and wish for us to prepare an extension for you, it is your responsibility to notify us of your intention to file an extension and in addition to any money being paid with your extension. **An extension is an extension of time to file, not an extension to pay your taxes, all taxes are due by the original filing date.** We are available to discuss this matter with you at your request at our regular hourly fee should the need arise.

We will prepare your returns based on your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[er] with dependent child) as reflected in your income tax returns for last year. If your marital status has changed, you want to change your filing status, or you have questions about your filing status, please contact us immediately.

We will use our judgment to resolve questions where a tax law is unclear if there is reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or there are conflicting interpretations of the law by authorities [e.g., IRS and courts], we will explain the positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the current tax code, regulations, and their interpretation. If the IRS or state tax authorities later contest the position taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability for such positions and you hereby release us from any resulting additional tax, interest, and penalties or other fees and assessments.

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the income tax returns. We will request your approval before rendering these additional services. Our engagement does not include any procedures designed to discover fraud, theft, or other irregularities, should any exist.

We reserve the right to withdraw from this engagement without preparing your income tax returns in the event you disagree with our recommendations regarding tax return filing and reporting obligations, tax return positions to be taken, or disclosures to be made in the returns.

Our engagement does not include tax planning services, which are available as a separate engagement. During the course of preparing the tax returns identified above, we may bring to your attention certain available tax saving strategies (such as available credits, deductions, or deferrals) for you to consider as possible means of reducing your income taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to any such recommendations, as the responsibility for implementation remains with you, the taxpayer.

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request that we assist you in responding to such inquiry. In that event, we would be pleased to discuss providing assistance to you under the terms of a separate engagement letter for that specific purpose. You agree that you will not and are not entitled to rely on any advice unless it is provided in writing.

Please note the following:

If your tax return contains a Federal Form Schedule C, you maintain supporting documentation for all numbers appearing on this schedule, including (but not limited to) mileage logs, meals and entertainment receipts and travel documentation.

If your tax return contains a Federal Form Schedule A with charitable contributions, you maintain supporting documentation in accordance with IRC 170 and IRS Publication 526 to support all such listed charitable contributions, both cash and non-cash.

If your tax return contains the Earned Income Tax Credit, you maintain support for all of the information reported on Federal Form 8867, which is utilized to determine your eligibility for the tax credit.

**Fees**

Fees for the services described in this letter will be based on standard billing rates for the type of services involved including any additional out-of-pocket costs that may be incurred. **My fees are payable upon presentation of the completed product.** Please note that any bills that are not paid within 30 days will be subject to a 10% late fee for each portion of a month the bill remains outstanding.

**Privacy Policy**

It has always been our policy to keep all information we collect from you confidential from all sources. We restrict access to all nonpublic personal information about you to members of our company who need to know that information to provide services to you. We do collect nonpublic personal information about you from the following sources:

- Information we receive from you on tax preparation organizers, worksheets, Federal and State tax reporting forms, and from other documents we use in tax preparation or related services.
- Information about your transactions with us and others.
- Information we may receive from outside agencies such as banks and brokerage houses.

We do not disclose any nonpublic personal information about our clients or former clients, except as permitted, required or approved by you in writing as listed below:

- Requirements to comply with federal, state, or local law.
- Requirements to comply with national, state, or local licensing rules.
- Requirements to disclose information in response to legal subpoenas.
- Items you permit or request us to disclose, as authorized by you in writing with signature.
- Information you authorize us to disclose by signing this engagement letter to electronically file your return.
- Information that you authorize us to disclose by signing this engagement letter, which states that you are our client, without disclosure of financial or other personal information.

**Agreement**

Please sign the statement at the bottom of this letter and return it with your tax information to acknowledge your agreement with the above terms and that you have prepared or reviewed your organizer.

I appreciate the opportunity to work with you.

Respectfully,

Handwritten signature of Steven A. Phillips in black ink, followed by the text "CPA".

Steven A. Phillips, CPA

I understand and agree to the foregoing arrangements. With respect to any supporting documentation required by the taxing authorities, which has not been furnished to you, my tax preparer, such as for travel, mileage, entertainment deductions and charitable contributions, etc., please be advised that I have such documentation and will provide it to you upon request.

\_\_\_\_\_  
Taxpayer's Printed Name

\_\_\_\_\_  
Taxpayer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse's Printed Name

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date