

SIGNATURE REQUIRED PRIOR TO ELECTRONIC FILING OF TAX RETURN(S)

Re: 2021 Individual/Business Tax Return Preparation Engagement Letter

January 2022

Dear Client:

This letter is to document the understanding between us as to the scope of services that Kathryn Ayres, CPA, PC, will perform, your responsibilities, and payment terms for the preparation of your 2021 Income Tax Returns.

PROFESSIONAL SERVICES

- Preparation of Federal, State and City Tax Returns from information you provide.
- Consultation regarding Tax and Financial Planning
- Preparation of 2022 Estimated Tax Vouchers

YOUR RESPONSIBILITIES

- Furnish adequate information and records to prepare complete and accurate tax returns (We will not verify, check, inquire or analyze all of the data submitted. We will assume that all information provided is properly supported by appropriate and required documentation even though such documentation may not be included with the data you provide.) This includes ownership of, or signing authority over, any foreign bank accounts, and the ownership of any foreign financial assets. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge.

PAYMENT & PAYMENT TERMS

- Our fees are not contingent on the results of our service. Our fees are based on a number of factors including, but not limited to, the time spent as well as the complexity of the tax issues.
- Due to increased identity verification procedures now required by the IRS, we may need to adjust fees.
- Our statement will be included with your completed tax return and is payable upon receipt. Amounts not paid within 30 days of invoice are subject to 1.5% monthly service charge.

UNANTICIPATED SERVICES

- Audit – In the event of an audit, we will represent you if you so desire. These services are not included in the tax preparation fee and the additional work will be billed at our standard hourly rates.
- Consultation and Research – Questions throughout the year regarding tax and financial planning issues are included in the tax preparation fee. However, if your questions require additional research and analysis, you will be advised that such services will be billed.
- Responses to Federal, State or City notices or other contacts by a taxing authority are NOT included in the tax preparation fee and will be billed at our standard rates.

DISCLOSURE STANDARDS / PENALTIES

- The Internal Revenue Code and Regulations impose new tax preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. No penalty is imposed if the position taken has a reasonable basis **AND** is adequately disclosed. If we identify a tax position that we believe requires disclosure we will contact you to discuss the issue and explain the alternatives.

DOCUMENTATION

- The burden is on you the taxpayer to have and to maintain required documentation to support income and deductions on your tax return. It is our responsibility to inform you of the requirements and to question that you have the necessary records.
- The tax return is your final responsibility and you are responsible for the disallowance of doubtful or inadequately supported deductions.

TAX PREPARATION STANDARDS

The IRS has implemented a comprehensive enforcement strategy that includes applying significant examination and collection resources which include new nontraditional enforcement tools (e.g. directed notices and office visits) into the enforcement activities directed at tax preparer compliance.

We request your cooperation and understanding as we adjust our preparation procedures to document compliance. The intent is to protect you and to protect us.

We will use our best professional judgment in preparing your tax returns in the resolution of unclear tax law or conflicting interpretations to reasonably apply tax rules in your favor. When necessary, we will review reporting alternatives with you and file a mutually agreeable position supported by promulgated authority providing a reasonable basis for the position. We assume no liability for any additional IRS assessment of taxes, penalties, and interest if IRS subsequently challenges the position.

EXTENDED FILING SEASON

With the increasing complexity of tax laws, the increasing demand on tax preparer documentation, the additional issues involved in preparation of corporation as well as individual returns, we anticipate that we will need to put more tax returns on extension. We will do our best to timely file your 2021 tax return by April 18, 2022 but we will not sacrifice professional standards or internal review procedures to do so. ***In order to timely file your tax returns, we need all required information no later than Monday, March 28, 2022. The best advice is to get your tax information to us as soon as possible and to complete the organizer and questionnaire as thoroughly as possible.***

TAX APPOINTMENT

I will conduct the majority of tax interviews. I will review and sign all tax returns and will be available to resolve any questions or issues that you have. Please advise us prior to your appointment time if you have a unique situation or question for the 2021 or 2022 tax year.

MANDATORY E-FILING

Effective January 1, 2011, tax preparers are mandated to E-File individual Federal tax returns unless the client elects to file in paper format. Preparers must obtain a signed copy of client's choice and keep the signed copy of the statement on file. We will E-File your 2021 income tax return unless you notify us otherwise and sign the required documentation.

If you agree that the above adequately sets forth your understanding of our mutual responsibilities, please sign this agreement and return to our office or bring with you to your appointment.

Sincerely,

Kathy

Kathryn Ayres, CPA

I (We) have submitted the enclosed tax information for the sole purpose of preparing my (our) tax return. Each item can be substantiated by receipts, cancelled checks, or other documents. This information is true, correct, and complete to the best of my (our) knowledge.

_____ Date _____

_____ Date _____