

January 2021

Dear Valued Client:

Please Note: The last page must be signed and returned to us with your tax information in order for us to start your income tax preparation. We ask you to contact us if you are unable to do so.

This letter confirms and specifies the terms of our engagement with you and clarifies the nature of the services we have agreed to perform. This engagement pertains only to 2020 tax returns and does not include any additional returns, including but not limited to prior years or amendments unless previously discussed. The IRS imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients to confirm the following arrangements:

- We will prepare and submit your 2020 Federal, State, and Local income tax returns relying on the information and documents provided to us in a timely fashion. Additional questionnaires and worksheets will be furnished to guide you in gathering the necessary information and to keep our fee to a minimum.
- We are responsible for preparing only the specific individual income tax forms we have discussed or have done so in the past. Our services do not include determining whether you have filing requirements in other taxing jurisdictions, or additional forms or schedules, other than the one(s) we have discussed, or have done so in the past. If necessary, these forms/schedules will be prepared and may incur additional fees.
- We will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some information.
- We will use professional judgement to resolve questions regarding unclear tax law or conflicting interpretations and other supportable positions. Unless otherwise instructed, we will resolve such questions in your favor whenever possible.
- **Great Lakes CPA's has a "1040 Referral Program": For each 1040 referral that ends up becoming a 1040 tax client, we will award you with a payment or credit of \$50. It is a great way to reduce your tax prep fees, while at the same time helping your friends, relatives or colleagues.**
- Note that any person or entity subject to the United States jurisdiction (i.e. individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over bank accounts, securities, or other financial accounts having an aggregate value exceeding \$10,000 in a foreign country, shall report such a relationship. With limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts even if the taxpayer does not have foreign account(s). Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties. Such disclosure includes filing Form 8938 with this Form 1040. ***In the absence of such information being provided, we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms. Subsequent penalties will not be our responsibility.***
- With new privacy laws established by the IRS and effective January 1, 2019, we are prohibited from providing confidential information or copies to anyone other than you without your specific, **written authorization**. To comply with these new regulations, we provide copies of all returns in a secure web portal as discussed below. To maintain service quality and timeliness, we may use a third party service provider to assist us in the use of technology to facilitate compliance with disclosure and storage of your tax information. The third party provider and Great Lakes CPA's have established written procedures and controls designed to protect client confidentiality and maintain data security.
- We will assist you in responding to requests for returns selected for review by the taxing authorities, including but not limited to notices, adjustments, audit, etc. In that event, we will discuss providing this assistance under a separate engagement for that specific purpose. Additional invoices for time and expenses incurred will also be addressed.

- We will not disclose any privileged communication, except those required by law, until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any privileged communication. Your confidentiality privilege can be waived if you discuss the contents of any such communication with a third party, ex. lending institution, friend, or business associate. We recommend you contact us before releasing such information.
- It is your responsibility to maintain the documentation necessary to support the data used in tax preparation, including but not limited to auto, travel, entertainment, and related expenses, and required documents to support charitable contributions for three years from the filing date. If you have any questions as to the type of records required, ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. We will rely, without further verification, upon information you provide to us from third parties including, but not limited to, K1s, 1099s, 1098s, and receipts and similar items.
- You acknowledge that you have reported all 2020 income you received including barter, crypto-currency, consumer-to-consumer activity, cash-based revenues and all other income whether received in-person, in-kind, or electronically. You also confirm that you have or will timely file any applicable Forms W-2 and W-3 with the Social Security Administration and IRS for business employees or home workers.
- ***For tax preparation information received after April 1 and until April 5: We will be adding an “Expedition Fee” of \$100 to you invoice, should require your return to be complete by April 15.***
- For tax preparation information received after April 6: We **DO NOT** automatically file tax extensions for clients. Therefore, you must notify us in writing, email or fax if you wish us to file an extension. **We must receive your confirmation by April 12 in order to file an extension by the April 15 due date.** Be aware that you may incur an additional fee for this service. Failure to file an extension may subject you to various penalties and interest. A filed extension does not relieve you from paying tax liability by the due date or from making quarterly estimated tax payments for the current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may subject you to penalties and interest.
- Per policy, we keep records related to this engagement for three years after which they are destroyed. However, ***since we do not keep original client records***, we will return those at completion of services rendered under this engagement. Upon return, ***you are responsible for retaining and protecting said records for 3-7 years*** for future use, including potential examination by any government or regulatory agencies.
- You acknowledge and agree that we are not required to continue work should you fail to pay on a timely basis for services rendered as required by this letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of the above condition, we shall not be liable for any damages that occur because of our ceasing to render services. Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement.
- During our relationship, you may seek our advice with regard to potential investments. We are not investment advisors unless **specified in writing by separate agreement and hired for that purpose.** We suggest you seek advice of qualified advisors appropriate to each investment being considered. Unless otherwise agreed to in a separate engagement letter signed by both parties, we will not advise you regarding investment viability, consequences, or participation.
- To facilitate our services, we utilize a **secure web portal**. Use of this portal must comply with our standards, and as owners, we retain the right to limit and deny use of the portal for inappropriate purposes. Your access to files maintained on the portal will be terminated no later than 30 days after the earlier of your or our termination of services under this agreement. All confidential information sent to you or third parties (at your direction), as well as the portal, is password protected. While we strive to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these devices during this engagement.
- In recognition of the risks and benefits of this agreement to both parties, the client and the accounting firm have discussed and have agreed on the fair allocation of risk between them. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm's total fee for services rendered under this agreement. The client and the accounting firm intend and agree that this limitation applies to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. 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 professional's signature, or acceptance by the Agency, whichever is later, on the tax returns covered by this engagement letter.

- In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we disclaim and waive any liability or responsibility 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.
- We are not responsible for returns prepared by other preparers. Billing payments are due upon receipt and become delinquent if not paid within 30 days of the invoice date. Delinquent accounts may be subject to collection actions; you will then be responsible for any legal, administrative, and court fees incurred by us during collection. If billings are not paid within 60 days of the invoice date, we may stop all work at our discretion until your account is brought current, or we may withdraw from any current or future engagements.
- **If you request our assistance throughout the year, including (but not limited to) telephone calls, letters, emails, third party consultations on matters unrelated to our direct preparation of your most recent income tax return, or government notices that are not a result of our tax return preparation service, and it requires us to spend more than a negligible amount of time, then you will be billed according to our standard billing rates. At your request, we try to estimate the cost.**
- 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. It shall be binding on the heirs, successors and assigns of you and us. Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter.

***As we have no direct access to your 2020 Stimulus information, please confirm the total amount(s) received from the 2020 Stimulus Direct Deposit/Check**

1st Stimulus Amount \$ _____ 2nd Stimulus Amount \$ _____

*This amount may be found in a letter you received from the White House, and/or from your accessing your banking records. In the event you provide the incorrect amount, we will not be responsible for any corrective notices or actions required to resolve the discrepancy.

We appreciate the opportunity to serve you,

Great Lakes CPA's

I (We) have read the above terms of the 2020 Individual Tax Preparation Engagement Letter and agree with the terms of this engagement.

Date

Taxpayer Signature

Print Name

Date

Spouse Signature (if applicable)

Print Name