

# 2019 Tax Preparation Engagement Letter



Thanks for the opportunity to serve you! This letter confirms our understanding of the terms, objectives, nature and limitations of the services we'll provide. The engagement between you, Wymer Brownlee and our associated entities (hereinafter collectively "Wymer Brownlee") will be governed by the terms of this letter. Please read carefully because it's important we agree about what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you've asked us to perform. If there's any confusion or we've misunderstood your needs, please call us before signing. Our staff will work diligently to complete your return in a timely manner. We appreciate your patience.

This engagement letter represents the entire agreement regarding the services described herein, and supercedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on your heirs, successors and assigns. The Internal Revenue Service ("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 for whom we prepare tax returns to confirm the following arrangements.

## **Tax Preparer Responsibilities**

Wymer Brownlee will prepare your 2019 federal and requested state income tax returns from information you furnish to us under the following terms and conditions, and for the fees as described below. We will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some of the information. Our work in connection with the preparation of your tax documents or returns does not include any procedures designed to discover or uncover any fraud, defalcations, irregularities, or any other misrepresentations of the information. We will prepare the tax returns solely for filing with the IRS and state and local tax authorities. They are not intended to benefit or influence any third party, either to obtain credit or for any other purpose. As a result, you agree to indemnify and hold harmless our firm and any of its principals, shareholders, officers, directors, employees, agents or assigns with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party. We are responsible for preparing only the specific individual income tax forms 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. In the absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this engagement letter.

## **Client Responsibilities**

It is your responsibility to carefully examine and approve your completed tax returns before signing them for electronic filing or to be mailed to the tax authorities. It's also your responsibility to provide all information required for the preparation of complete and accurate returns. We'll begin preparation of your return after you've provided all required information. In addition, it's your responsibility to maintain, in your records, the documentation and canceled checks necessary to support the data used in preparing your tax returns and form the basis of your income and deductions. This includes but is not limited to auto, travel, entertainment, and charitable contributions for three years from the filing date. If you have any questions as to the type of records required, please ask. It's our policy to keep records related to this engagement for four years, after which they may be destroyed. We will return all of your original records to you each year when services of this engagement are complete. You acknowledge that you've reported all 2019 income received via barter, crypto-to-currency, consumer-to-consumer activity, cash-based revenues and all other income you received whether in-kind, in-person or electronically. You also confirm you have or will timely file applicable W-2 and W-3 forms with the Social Security Administration and IRS for business employees or home-workers.

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 3rd parties including, but not limited to, K1s, 1099s, 1098s, brokerage or investment advisory statements, receipts and other similar items. We'll use our professional judgment in preparing your returns. Whenever we're aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we'll use professional judgment in resolving such questions. Unless otherwise instructed by you, we'll resolve such questions in your favor whenever possible. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

### **Business Owners**

When a self-employed taxpayer reduces taxable income through tax deductions, there is also a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his or her dependents. You acknowledge and agree to the current tax reduction and also potential negative effects on future social security benefits for you, your spouse and any dependents. Additionally, new state laws regarding the collection of sales tax by online sellers require separate registration, collection, filing and payment with many states at very low activity levels. We were not engaged to, nor did we, determine whether individual state sales tax rules apply to your business. Determination of such is your responsibility unless we have a separate written engagement letter to do so. Failure to register and file with an appropriate state may expose you to severe penalties.

### **Fees**

Wymer Brownlee's fee for the services provided hereunder is based upon the complexity of the work to be performed and our estimate of the professional time to complete such work, plus out-of-pocket expenses. Additionally, this fee depends upon the availability, quality, and completeness of your records. You agree that you'll deliver all records requested by our staff to complete this engagement in a timely manner. In the event your records are not submitted in a timely manner, or are incomplete or unusable, we reserve the right to charge additional fees and expenses for bookkeeping or compilation services required to provide an adequate accounting. If this occurs, we will contact you to discuss the matter and anticipated delays in completing our engagement prior to rendering further services.

Payments for billings are due upon receipt of the invoice. Wymer Brownlee's fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you and our fees for such services will be billed separately. Billings become delinquent if not paid within 30 days of the date of delivery. Past-due invoices will be assessed interest charges of 1.25% per month. We reserve the right to suspend or terminate our work for non-payment of fees. You acknowledge and agree that we are not required to continue work in the event of your failure to pay in a timely manner for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result 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.

### **U.S. Filing Obligations Related to Foreign Investments**

It's your responsibility to inform us if you directly or indirectly hold any interest or signatory authority in any assets located in a foreign country whether or not you receive a 1099. Based upon the information you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). Failure to file required forms can result in the imposition of both civil and criminal penalties, which can be significant. These are not tax returns and their preparation is not within the scope of this engagement. If you ask us to prepare these forms, we will confirm in a separate engagement letter and delineate the additional charges for this service.

As part of your federal income tax return, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. In some but not all cases, this filing obligation may overlap your FBAR filing obligations. You are responsible for informing us of all foreign investments so we can properly advise you as to your FBAR and income tax return filing obligations.

### **Foreign Filing Obligations**

You're responsible for complying with any other country's income reporting and tax filing requirements. We have no responsibility to discuss these issues with you. If you have specific questions regarding your tax filing obligations, please contact us to schedule an appointment.

### **Extensions of Time to File Tax Returns**

We DO NOT automatically file tax extensions for clients; you must notify us in writing (email or fax) if you wish us to file an extension, and 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. Additionally, if your return is extended, it does not relieve you from paying any tax due on the due date or 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 make you subject to various penalties and interest.

### **Tax Planning Services**

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 to consider as a possible means of reducing 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.

### **Privacy**

Privacy laws were established by the IRS effective Jan. 1, 2009, and we are prohibited from providing confidential information or copies to anyone other than you without your specific, written authorization. If we're asked to disclose privileged communication, unless we are required by law, we will not provide such disclosure until you've 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 communication as privileged. In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend you contact us before releasing information to a third party.

Attached to this Engagement Letter is a listing of all parties authorized by you to release to and receive confidential information from Wymer Brownlee. It's your responsibility to advise Wymer Brownlee in the event this list changes due to termination, corporate ownership alterations, divorce, or for any other reason.

Additionally, any and all documents transmitted to you via email or any other electronic means will be encrypted to protect your privacy. However, you acknowledge and understand that even though these documents will be encrypted, they're still subject to being hacked or stolen, although such a threat is believed to be unlikely. You always have the option of accepting delivery of your documents by picking them up at our office. If you choose to have your documents transmitted via email or other electronic means, you hereby accept the risk of the documents being hacked or stolen and hereby release Wymer Brownlee from any and all liability associated with such hacking or theft.

**Termination**

We reserve the right to withdraw from the engagement without rendering services for any reason, including but not limited to, documents requested by our office are not provided in a timely manner to our firm. Further, we reserve the right to withdraw from this engagement without completing the returns if you fail to comply with the terms of this engagement letter, if 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, or if we determine professional standards require our withdrawal for any other reason. Within thirty (30) business days of the written notice of termination, Wymer Brownlee will return all client-provided documents.

**Limitation of Liability**

The parties to this agreement confirm that Wymer Brownlee's liability associated with any claim against it shall be limited to the fees received for any service giving rise to the claim. You and Wymer Brownlee further agree that this limitation shall apply to any and all liability or cause of action against Wymer Brownlee, 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 Wymer Brownlee for errors and omissions. The one-year period will begin upon the date that services were performed or, in the case of tax return preparation, the date of the tax professional's signature on the tax returns covered by this engagement letter.

**Additional Services Available**

Please know that Wymer Brownlee provides many other financial and wealth management services in addition to tax preparation and analysis. Our holistic approach, encompassing both tax planning and wealth management, allows our team to utilize their professional expertise and comprehensive resources to provide a unique solution to the needs of our clients. Should you desire to learn more about any of these additional services, please ask your tax preparer, or call your local Wymer Brownlee office.

We sincerely appreciate the opportunity to serve you. Please date and sign below to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

**Neither I, nor my spouse, hold any interest or signatory authority directly or indirectly in any assets located in a foreign country.** Initial: \_\_\_\_\_

**Did you make any payments in 2019 that would require you to file 1099s?**  Yes  No

**If so, did you file those yourself or will Wymer Brownlee file them for you?**  WB  Self

**Did you or anyone included on your return obtain health insurance through the Marketplace?** If yes, we will need Form 1095-A.  Yes  No

**Did you receive, sell, send, exchange, or otherwise acquire financial interest in any virtual currency in 2019?**  Yes  No

It is our policy to initiate services ONLY after we receive this signed engagement letter.

**I have read, understand, and accept the conditions contained in this client information and disclosure agreement as stated above.**

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Client Printed Name: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Spouse Printed Name: \_\_\_\_\_