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Name(s) _____ Year: 2020

I am pleased to confirm my understanding of the arrangements for your income tax return(s). This letter confirms the services you have asked my firm to perform and the terms under which I have agreed to do that work. Please read this letter carefully because it is important to both my firm and you that you understand what you can and cannot expect from my work. In other words, I want you to know the limitations of the services you have asked me to perform. If you are confused at all by this letter or believe I have misunderstood what you need, please call me before you sign it.

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 me. The Internal Revenue Service imposes penalties on taxpayers, and on me as a return preparer, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, I ask all clients for whom I prepare tax returns to confirm the following arrangements.

Tax Preparer Responsibilities

I will prepare only your 2020 Federal and **Specific State(s):** _____ Individual Income Tax Form 1040 and related Federal and **Specific State(s)** individual Form 1040 income tax return schedules from information you furnish me. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. I will not audit, review, compile or otherwise verify the data you submit although I may ask you to clarify some of the information. I may furnish you with tax organizers and questionnaires to help you gather and organize the necessary information for me, in order to keep my fee to a minimum. To the extent I render any accounting and/or bookkeeping assistance, including but not limited to telephone calls, letters, emails and third party consultations, it will be limited to those tasks I deem necessary for preparation of the return and will be billed at my standard billing rate of \$200 per hour, billed in ¼ hour increments.

If you have taxable activity in a city and/or state other than that specifically listed you are responsible for providing my firm with all information necessary to prepare any additional applicable state(s) or local income tax returns as well as informing me of the applicable states. I am 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 my part require a separate engagement letter. In the absence of written communications from me documenting such services, my services will be limited to and governed by the terms of this engagement letter. My services are not intended to determine whether you have filing requirements in taxing jurisdictions other than the one(s) of which you have requested in above.

I DO NOT automatically file tax extensions for clients-you must notify me in writing, email or fax if you wish me 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. My fee does not include responding to inquiries or examination by taxing authorities. However, I am available to represent you and my fees for such services are at my standard rates. You will be billed separately for time and expenses involved. You agree to immediately notify me upon the receipt of any correspondence from any agency covered by this letter. These services are covered under this engagement letter.

Please do not respond to or click on any links from emails purportedly from the IRS-the IRS never initiates correspondence via email and any such emails are attempts to steal your identity. The IRS will not call you and request payments without first notifying you via US Postal Service mail. If you receive a call, a letter or an email

from someone purporting to be from the IRS please take the name and number or upload a copy and call me, I will be happy to verify the contact.

I will use my professional judgment in preparing your returns. Whenever I am 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), I will explain the possible positions that may be taken on your return. I will adopt whatever position you request on your return so long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be assessments of additional tax plus interest and penalties. I assume no liability for such additional penalties or assessments.

Taxpayer Responsibilities

When a self-employed taxpayer reduces taxable income 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 the potential negative effects on future social security benefits for you, your spouse and any dependents.

Please note that any person or entity subject to the jurisdiction of the United States (includes 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 a value exceeding \$10,000 in a foreign country, shall report such a relationship. Although there are some 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). For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority. 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 8939 with this Form 1040. In addition, you are also responsible for filing Form FinCen 114 required by the US Department of the Treasury on or before **April 15th** of each tax year. **If you do not provide my firm with information regarding any interest you may have in a foreign account, I will not be able to prepare any of the required disclosure statements and penalties may be due, for which I have no responsibility. In the absence of such information being provided I will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization. US citizens are required to report worldwide income on their US tax return.**

In addition, currently the Internal Revenue Service, under IRC §6038 and §6046, requires information reporting if you are an officer, director or shareholder with respect to certain foreign corporations (Form 5471); foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472); U.S. transferor of property to a foreign corporation (Form 926)); and, for taxable years beginning after March 18, 2011, if you hold foreign financial assets with an aggregate value exceeding \$50,000 (Form 8938) . These code sections describe the information required to be reported on the respective forms, which are due when your income tax return is due, including extensions. Therefore, if you fall into one of the above categories you may be required to file one of the above listed forms. Failure to timely file may result in substantial monetary penalties. By your signature below, you accept responsibility for informing me if you believe that you fall into one of the above categories and you agree to provide me with the information necessary to prepare the appropriate form(s). I assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

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. If you have any questions as to the type of records required, please ask me 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. I am not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. I will rely, without further verification, upon information you provide to me from 3rd parties including, but not limited to, K1's, 1099's, 1098's, and receipts and similar items.

I am required to obtain a copy of Form W-2 and Form 1095 before I am allowed to electronically file your return under the rules of IRS Circular 230.

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.

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. 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. To comply with these new rules we need to know any amounts borrowed against your home in 2020, the date borrowed and the use of the funds. Without that information we are unable to deduct mortgage interest on new borrowings in 2020.

In the interest of facilitating my services to you, I utilize a secure web portal. My use of this portal must comply with my standards of use, and as owner of the portal I retain the right to limit and deny use of the portal for inappropriate purposes. Access to files maintained on the portal will be terminated no later than 30 days after the earlier of your or my termination of services under this agreement or April 15, unless I am notified in writing of your desire to extend your tax return. All confidential information sent to you and you can forward any required documents to third parties. I cannot send documents to third parties. The portal used is provided by Drake Tax Software and is called Drake Portals. Drake Portals comply with IRS privacy and security regulations. Documents will be sent through the secure Drake Portal system. While I will use my best efforts to keep such communications secure in accordance with my obligations under applicable laws and professional standards, you recognize and accept that I have no control over the unauthorized interception of these communications once they have been sent and you consent to my use of these devices during this engagement.

New privacy laws were established by the IRS effective January 1, 2010 and I am now prohibited from providing confidential information or copies to anyone other than you without your specific, written authorization. To comply with these new regulations I provide all copies of all returns to you in the secure web portal. Your use of this portal is limited to lawful income tax related documents in compliance with my written portal usage policy and will be maintained and accessible solely in accordance with my policy for no more than 30 days after any notification of termination of services by either party, after which point it will be electronically deleted. My portal policy is available on request and is posted on my website. In the interest of maintaining service quality and timeliness, I may use a 3rd party service provider to assist me in the use of technology to facilitate compliance with disclosure and storage of your tax information. The provider has established procedures and controls designed to protect client confidentiality and maintain data security.

If I am asked to disclose any privileged communication, unless I am required to disclose the communication by law, I will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that I 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. I recommend that you contact me before releasing information to a third party.

From time to time various third parties may request that I sign, for you, some verification of income, employment or tax filing status. Because I am engaged only to prepare your income tax return, without examination, review, audit or verification my insurance carrier as well as the state boards of accountancy for Colorado and Texas prohibit me from signing any such document and I suggest that you have them send IRS Form 4506 to the IRS to obtain such verification.

It is my policy to keep records related to this engagement for three years after which they are destroyed. However, I do not keep any original client records, so I will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. Prior to each tax filing season I send client organizers to most of my clients as a convenience to assist them with gathering their tax information. In most cases I will transmit the organizer to you electronically or by uploading to your portal. If you move, change your email address or do not wish to receive an organizer, please notify me or I will send the organizer to the email I used on your prior year's tax return.

From time to time during our relationship, you may seek my advice with regard to potential investments. I am contractually affiliated with Ameriprise and work with an Ameriprise representative. I will be happy to refer you to that representative and consult with you on the recommendations made. However, I will not discuss your tax information with that representative unless **specifically and in writing by separate agreement hired for that purpose**. Unless otherwise specifically agreed to in a separate engagement letter signed by both parties, I will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment.

Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at my election, I may stop all work at my discretion until your account is brought current, or I may withdraw from this engagement. You acknowledge and agree that I am not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event I 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, I shall not be liable to you for any damages that occur as a result of my ceasing to render services. My services will conclude upon delivery of the completed income tax returns discussed above or upon my suspension of services or resignation from the engagement.

In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, 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 apply 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 me for errors and omissions. The one-year period will begin upon the date of the tax professional's signature on the tax returns covered by this engagement letter.

Notwithstanding anything contained herein, both the accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed, the Agreement shall have been deemed to have been entered into at the Accountant's office located at 141 N. Osprey Ct, Canon City, CO 81212, Fremont County, CO, USA. Colorado, USA, shall be the exclusive jurisdiction for resolving disputes related to this Agreement. The Agreement shall be interpreted and governed in accordance with the Laws of Colorado.

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, or may not be delivered to each of the parties to whom they are directed and only to such parties, I cannot guarantee or warrant that emails from this office will be properly delivered and read only by the addressee. Therefore, I specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by me in connection with the performance of this engagement. In that regard, you agree that I 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.

While I am available to provide you with tax and business planning services, it is my policy to put all advice upon which a client might rely into a written communication prior to you relying on such advice. I believe this is necessary to avoid confusion and to make clear the specific nature of my advice. You should not rely on any advice that has not been put into writing for you.

I appreciate the opportunity to serve you. 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 my policy to initiate services after I receive the executed engagement letter. 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.

Accepted By:

Taxpayer

Spouse

Date

Date

(Both spouses must sign for preparation of joint returns.)

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