

# ALLIANCE TAX AND ACCOUNTING

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## Engagement Letter *2023 Federal and State Tax Returns Preparation*

Thank you for choosing ALLIANCE TAX AND ACCOUNTING to assist you with your 2023 taxes.

This engagement letter sets the scope and terms of our engagement with you and outlines the nature and extent of the services we will provide to you as well as our requirements of you. Please read it carefully, as you will be bound by its terms.

We will prepare your 2023 Federal and State Income Tax Returns and will file them electronically if possible, or will provide paper copies to you for filing. If you choose to or are required to file paper copies, we will provide you with mailing instructions, but you are responsible for the timely mailing of those returns. We are not required to determine whether you must file in any jurisdictions other than those you tell us.

We will depend on you to provide the information we need to prepare complete and accurate Federal and State Income Tax Returns. We will prepare your returns based upon our understanding and interpretation of the tax laws affecting your returns. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. In the event the law is not clear or is unsettled, we will use our best professional judgment in determining the correct treatment of items, but we cannot guarantee that our treatment cannot be challenged by the IRS or other taxing authorities.

As standard practice, we will designate an Executive Member of our firm or your Tax Preparer as a Third Party Designee on your return. This will allow them to discuss your return with the IRS. If you would like to elect out of this practice, please notify us in writing prior to signing your return.

### **Your Responsibilities:**

For us to serve you and to prepare accurate Income Tax Returns, there are matters for which you are responsible. If you fail to carry out these responsibilities, it may result in a delay in preparing your returns, you incurring costs for additional work we might otherwise not be required to do, or our choosing to terminate this engagement. Your responsibilities include the following---

--- Providing copies of all informational returns (1099, W2, K1, for example) you have received, including corrected forms

--- Verifying or obtaining specific documentation required by law for certain deductions and credits, such as Form 1098-T and a financial account statement for the American Opportunity Tax Credit

--- Informing us immediately of any changes that may affect preparation of your Income Tax Returns, including actual or suspected identity theft and changes to or the initiation of tax audits on prior years' returns.

--- Cooperating fully with us on any questions or other needs that arise during preparation of your returns

--- Providing us with the information necessary to prepare your returns within requested timeframes. If information is not provided by the requested date, priority will be given to clients who have returned information by the requested date. Remaining clients will be taken in the remaining order of priority.

### **Our Responsibilities:**

Our responsibility to you includes the following:

--- Preparing your Federal and State Income Tax Returns covered by this engagement letter and filing them electronically by the due date so long as you have provided us with all required information as requested and have signed the E-file consent form before the due date.

--- If you choose not to E-file or your return cannot be E-filed, we will provide you with a paper copy that you can file by the due

date of your return. If you choose not to E-file, you will be required to execute an IRS form stating so.

--- Informing you of problems we may find with prior year returns that could affect your current returns and, if the prior year return was prepared by us, properly amending them at your direction.

--- Only those minimal and short term accounting services that are required to prepare your tax return.

--- Providing you with a copy of each Income Tax Return prepared for your records, on or before the time you sign the E-file consent form or when you receive your paper filing copy from us. Fees will be assessed for additional tax return copies.

### **What is Not Included:**

This engagement letter applies only to services we will perform in preparing the Income Tax Returns within its scope. Our fees for services are determined on this basis and do not include matters outside the scope of this engagement, even if they involve the returns we have prepared, so long as they do not deal directly with preparation and filing. Any work we do on matters outside the scope of this engagement letter may require an addendum or a separate engagement letter and a separate fee arrangement. Such matters may include, but are not limited to any services we provide in the following---

--- If your return is rejected for filing and you learn from the IRS that you have or may have been a victim of identity theft because someone has filed a fraudulent return using your name and Social Security number, working with the IRS to straighten this out can be slow and frustrating. While we understand this would be through no fault of your own, any work you ask us to perform in resolving the matter will be subject to a separate arrangement.

--- Responding on your behalf to an IRS notice that states that you may have failed to report income on your return and proposing that you must pay additional income tax plus interest and penalties, unless the under reporting was caused by an error of ours on the previously prepared return. Please note that we make and retain copies of all documents you provide to us for preparing your returns.

--- Representing you during an IRS audit of a return we have prepared or representing you in an effort to abate penalties you may incur for filing a return late, paying taxes late, or failure to make sufficient estimated tax payments.

--- Responding to IRS or states concerning questions about your return

--- Amending this or other returns; except to correct an error made by us in the preparation of those returns

--- Preparing returns for any other persons without a separate engagement letter with them (or their natural or legal guardians, if a minor)

--- Tax planning; other than as it relates to preparation of current returns that may affect future returns.

--- Detecting errors, fraud, embezzlement or other improper acts or information. In the event that we do encounter questionable items concerning your returns or information provided to us, we will contact you about the matter.

--- Preparation of returns required to be filed by an IRA Plan, Use and/or Sales Tax Return, Foreign Bank and Financial Accounts Reporting (FBAR), Free Application for Federal Student Aid (FAFSA), Trust Preparation, **and new for 2023 and beyond;**  
**preparation**  
**and filing of the Beneficial Owner Information Report (BOIR) for any and all state registered entities.**

### **Record of Retention**

It is our policy to retain copies of Income Tax Returns we prepare and associated records in paper or electronic form for a period no shorter than that required by law, regulators, or other third parties. After that, we may delete or destroy such records or we may retain all or a portion of them beyond that time. If you require copies of such records in the future, we may, by our discretion, charge you for any costs incurred in producing them.

You should retain copies of your Income Tax Returns and all substantiating documentation for at least seven (7) years after your returns have been filed. You may have to retain copies longer or indefinitely to the extent that something you do today, such as stock purchases or other investments, could affect any future tax year.

### **Conflict Waiver - Joint Return**

If this engagement is for preparing a joint Income Tax Return for you, this means that each of you are our client. Although we do not anticipate any conflict of interest, you understand and agree, by signing this engagement letter, that neither of you has a right

of privacy from the other with respect to any matter known to us in preparing your returns, that we can contact either of you for information or questions, and that either of you can give instructions regarding preparation of your return. In the event we determine a potential conflict of interest exists, we will notify both of you.

### **No Third-Party Reliance**

You agree that the Income Tax Returns prepared by us are solely for filing with the appropriate tax authorities, preparing a Free Application for Federal Student Aid (FAFSA), and for no other purpose without prior written consent. In particular, no third parties other than tax authorities with whom these returns are filed are permitted to rely upon our preparation of these returns for any purpose. You agree to hold us harmless and indemnify us for any expenses or claims resulting from any such third-party claims.

### **Our Fees**

Our fees for the services covered by this engagement letter will be based upon the number and types of forms and schedules necessary to prepare your return plus standard billing rates for additional time. Invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

### **Termination of Engagement**

Except as otherwise stated in this engagement letter, this engagement to prepare your 2023 Tax Returns will conclude with the delivery of the completed returns to you (if paper-filing), or your signature and our subsequent submittal of your tax return (if E-filing). If you have not selected to E-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

We will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove accuracy and completeness of a return.

You may terminate this engagement at any time, for any reason. If you do so, we will return your original records. You will be responsible for paying for any work that has been done by us or expenses incurred by us to that point.

We may terminate this engagement at any time if, in our professional judgment, circumstances are such that a continuation of this engagement would not be in the best interests of both parties. We will explain to you what you must do to file or extend your return, but we are not required to explain our reasoning to you. You will be responsible for paying for any work that has been done by us or expenses incurred by us to that point.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to us in the envelope provided.

We appreciate your confidence in us. Please call (636)477-0829 if you have questions.

Sincerely,

Robert A Woodsmall, Manager, and Darrell Hackmann, Manager  
ALLIANCE TAX AND ACCOUNTING

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

Accepted By:

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Taxpayer

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Spouse

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Date