

**Susan M. Walla, CFP<sup>®</sup>, EA**  
**925 Harvest Dr., Suite 170**  
**Blue Bell, PA 19422**

Client Name(s): \_\_\_\_\_:

Tax Year: **2023**

If the following conforms with your understanding of the terms of our engagement, as stated below, please sign this letter where indicated. **Read, understood and accepted by:**

\_\_\_\_\_  
Taxpayer Signature

Date \_\_\_\_\_

\_\_\_\_\_  
Spouse Signature

Date \_\_\_\_\_

This letter is to confirm our understanding of the terms of our engagement and the nature and extent of the income tax services we (I or my assistants) will provide. We will prepare your individual income tax returns for the current tax year. We will not audit or verify the data you submit, but we may ask you to clarify some of the data. Additional research or consultation fees (currently \$240/hr) and/or additional bookkeeping fees (currently \$120/hr) may be added to your bill if your records are not in good order.

You must provide all the information needed to complete your returns. You must disclose all income including tips, barter earnings, home occupation, hobby income & prizes. Please note that all US citizens and resident aliens are REQUIRED to report worldwide income. We will complete your state, city or local income tax returns, but you have the final responsibility of determining whether all the necessary state and local returns have been filed.

All paid tax preparers, including enrolled agents, are required by the IRS to electronically file current-year tax returns. An additional fee may be charged for paper-filed federal and state returns. By signing this, you authorize us to file federal, state and local extensions as needed.

You should keep all documents, receipts, canceled checks and other records to prove the items of income and expense claimed on your return. You accept responsibility for totals provided to us without documentation. The IRS can disallow charitable deductions without receipts. No deduction will be allowed for clothing and household items not in "good used condition or better". The IRS requires all cash donations be supported by either a bank record or written communication from the charity. For donations over \$250, the letter must be received up to the date you file including extensions.

The government can also disallow business meal expenses unless you provide contemporaneous records. Employees (PA only) should obtain a letter from their employer(s) yearly to substantiate their claim. You must keep a journal for items with mixed personal and business use (i.e. mileage, computer, etc.). With respect to all business deductions, including home office, you acknowledge that they qualify and are necessary.

If no cost basis is provided for assets sold during the year, we will assume the basis is zero. It is your responsibility to prove the cost basis of your assets; we may charge an additional fee if we are retained to calculate the basis.

Where applicable, the First-Time Homebuyer Credit taken on 2008 tax year returns is an interest-free loan to be paid back to the IRS over a period of 15 years. It is your responsibility to provide and keep accurate records regarding the repayment schedule and be willing to follow IRS guidelines pertaining to the credit.

Minimum essential health insurance coverage for all US Citizens is not mandatory for 2023, but some States require it. Taxpayers who have obtained their health insurance from the "marketplace" to receive a premium tax credit must provide Form 1095-A in order to prepare their tax returns. It is your responsibility to provide these documents for any taxpayers or dependents that are covered.

You may be eligible for certain credits. To determine eligibility for education credits, you must provide Form(s) 1098-T, 1099-Q (if applicable), and receipts. Those claiming the Earned Income Tax Credit must provide proof per IRS requirements. If no proof is provided, it is assumed that you are not eligible to receive these credits or deductions.

*There are no privileged communications between an Enrolled Agent and a taxpayer in the preparation of an income tax return. Any work papers used to prepare your returns, as well as communications between us, can be subpoenaed by the IRS in a legal action against you.*

Because you have the final responsibility for the information on the tax returns, we strongly advise that you review them carefully before filing. The tax preparer and the taxpayer (each taxpayer, on a joint return) must sign and date the returns before mailing, scanning or faxing Form 8879 before e-filing. We will give you a paper copy of the returns which you should keep for at least four years after the date it is filed.

Your records provide the backup and support for your tax returns. Our records and files are our property and are not a substitute for your own records. Our firm destroys our client files and all pertinent work papers after a retention period of at least three years, after which time these items may no longer be available. Catastrophic events or physical deterioration may result in our firm's records being unavailable.

All clients receive a hard copy of their tax returns. We offer an additional electronic version of the tax return for a fee (currently \$20 for CD, \$30 for Flash drive, \$15 for PDF) which is prepared for you before the return has been filed. After your tax return has been filed and marked as final, we will charge a minimum of \$40 for additional copies of your tax return. We will not provide you with copies of prior-year returns if you are not a current-year client.

We can only disclose your information to you. Therefore, we do not forward your tax information to a third party (mortgage company, bank, relative, etc.).

The IRS may charge penalties for underpayment of estimated tax or for late tax payment. You are responsible for telling us of any events during the year which may affect your tax liability, and for paying all estimated taxes by the due date. At the time an extension is filed, you are responsible for the payment of any anticipated tax balance due. We may file an extension if your tax information is not received by March 16<sup>th</sup> or within a sufficient time frame to complete the tax return, whichever is earlier. Missing support documents will stop preparation of your returns until all issues have been resolved. Because of their complexity, extensions will be filed for clients who receive K-1 forms after March 31.

Fees for our services will be at our standard fee schedule. A nonrefundable deposit (currently \$150 prior to March 16<sup>th</sup> and \$250 after March 16<sup>th</sup>) may be charged to retain our services even if a tax return is not eventually filed. The amount of the non-refundable retainer does not constitute an estimate or limitation on the total fees and costs to be incurred. We may bill for work in progress or at the completion of the engagement. Any preparation services that are canceled following the initial interview will be billed for time spent at our current professional hourly rate. A separate fee may be charged for additional consultations or meetings (currently \$240/hour). Fees are subject to change without notice. Our invoices are payable upon receipt. A finance charge will be added to unpaid balances after 30 days. An outside collection agency may be retained within 180 days of non-paid invoices.

If a question arises interpreting tax law, and a conflict exists between the taxing authorities' interpretation of the law and other supportable positions, we will use our professional judgment in resolving these issues. Whenever possible, we will resolve said questions in your favor. If your return is audited by the taxing authorities, we are available to represent you for an additional fee. We are also available to represent you before the Collections Division of the Internal Revenue Service for an additional fee.

By signing this letter, you acknowledge that the following situations are required to be disclosed to the IRS and may result in the filing of additional tax forms:

- ❖ You have ownership rights or signature power over a foreign bank account. You may be required to go to [fincen.gov](http://fincen.gov) and file FinCEN Form 114.
- ❖ You have foreign financial assets. You may need to file Form 8938 with your 1040 tax return.
- ❖ You gave any individual a gift in excess of \$17,000. You may need to file a gift tax return.
- ❖ You employ household workers (nanny, housecleaner, healthcare provider). You may be required to issue form W-2 to the worker.
- ❖ You received tip income which was not reported to your employer. You may be required to file form 4137.
- ❖ You are in business and you paid any individual \$600 or more. You may be required to file form 1099-NEC.
- ❖ You are the owner of an LLC or Corporation. You may be subject to BOI reporting at [fincen.gov](http://fincen.gov).