

2022 Annual Engagement Letter Individual Tax Return

Date: _____

Client Name(s) _____

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

Tax Preparer Responsibilities

1. We will prepare your 2022 Federal Individual Income Tax Form 1040 and resident 2022 State and any applicable resident Local Income Tax Returns from information you furnish us. We will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some of the information. We are not responsible for returns prepared by other preparers. We may furnish you with tax organizers and questionnaires to help you gather and organize the necessary information for us, in order to keep our fee to a minimum. ***If you have taxable activity in a state or locality other than your resident state or locality you are responsible to inform us (additional State or Local Returns):***_____. We will prepare only those state and local returns specifically listed above.
2. ***We are responsible for preparing only the specific individual income tax forms for the specified reporting agencies listed in this letter. Please note that we are not handling any other tax filing requirements such as, but not limited to, sales tax, LST tax, real estate tax, per capita, occupational, etc. 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.***

Taxpayer Responsibilities

3. 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 an aggregate 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 8938 with this Form 1040. ***If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required Income Tax related forms and penalties may be due, for which we have no responsibility. 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 without separate written authorization.***
4. If you and/or your entity have a financial interest in any foreign accounts, you may also be responsible for filing Form FinCen 114 required by the U.S. Department of the Treasury on or before June 30th of each tax year. US citizens are required to report worldwide income on their US tax return.
5. 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; foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business; U.S. transferor of property to a foreign corporation. Additionally, recent Form 1040 changes require that you report any activity you may have in cryptocurrency including mining, sale, barter, staking, etc. By your signature below, you accept responsibility for informing us if you believe that you fall into one of the above categories and you agree to provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

13. It is our policy to keep records related to this engagement for a minimum of three years. However, we do not keep any original client records, so we 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 three years for possible future use, including potential examination by any government or regulatory agencies. Prior to each tax filing season we send client organizers to most of our clients as a convenience to assist them with gathering their tax information. If you move or do not wish to receive an organizer, please notify us or we will send the organizer to the address we used on your prior year's tax return.
14. Billings become delinquent if not paid upon receipt of your tax return. If billings are not paid within 60 days of the invoice date, at our election, we may stop all work at our discretion until your account is brought current, or we may withdraw from this engagement. You acknowledge and agree that we are 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 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.
15. 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 us for errors and omissions. The one-year period will begin upon the delivery or filing of the tax returns covered by this engagement letter.
16. From time to time various third parties may request that we sign, for you, some verification of income, employment or tax filing status. Because we were engaged only to prepare your income tax return, without examination, review, audit or verification our insurance carriers as well as the state board of accountancy prohibit us from signing any such document and we suggest that you have them send IRS Form 4506 to the IRS to obtain such verification.
17. As a result of potential delays, once again, in the release of the Forms 1095 (for documenting health insurance coverage), please complete the separate questionnaire for compliance with the individual insurance mandate of the Affordable Care Act. We will rely without independent verification on the information you have provided on the questionnaire to determine your eligibility for credits, application of penalties and reconciliation of any advance credit payments where applicable.

Income Tax Return Drop Off and Pick Up Instructions

For your convenience our secure drop box located at the main entrance ramp, will be available for our clients to drop off tax information. Please follow the instructions below. If you need assistance or have questions, please feel free to call the office, (717) 774-8129.

We appreciate your patronage and thank you for being our valued client!

Drop Off:

1. Please have your items in an envelope with the completed Client Information Worksheet, your signed copy of the Annual Engagement Letter and contact telephone number.
2. **During office hours** a secure drop box will be located at the main entrance ramp (rear of building). If you do not have everything in a secure envelope, there will be clear plastic folders available to place your documents in before dropping in the box. The drop box will be checked regularly.
3. **After hours** please place your tax documents through the mail slot in the door.

Pick Up:

1. We will notify you by telephone when your return is ready for pick up.
2. When you arrive please call (717) 774-8129. We will gather your information and have you come into the office to sign your documents.
3. Payment for tax preparation is due at the time the return is picked up. We accept checks and cash only.

Office Hours January 1 – 31, 2023

Monday – Friday
8:00 AM – 5:00 PM

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### Tax Season Hours – February 1 through April 15, 2023

Monday – Thursday  
8:00 AM – 6:30 PM

Friday  
8:00 AM – 5:00 PM

Saturday  
9:00 AM – 1:00 PM