

This letter is to confirm our understanding as to the terms, scope, and limitations of the services that we will provide. We will prepare the appropriate return depending on your organization's requirements 2025 U.S. Form 1040 as well as the related state filing requirement.

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 us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, or for resulting taxes, penalties and interest.

You will submit your tax information (as detailed above) to us no later than **twenty days prior** to your filing deadline. If, for some unforeseen reason, your data is not complete at that time, please submit whatever is ready. Be aware that if you submit your data after that date, it may be necessary to apply for an extension to file those returns. Ultimately, you may be subjected to late penalties on your returns because of this delay.

Fee for our services will be at our standard rate of \$200 per hour plus computer charges and out-of-pocket expenses. **Payment for service is due when rendered.** You acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services. By signing this engagement letter, you acknowledge and agree that Taylor's Accounting/365 Tax Strategy has the right to submit the overdue account to collections. Any travel to and from the client's locations will be billed at our hourly rate of \$65. We can estimate a range of your preparation fee upon request.

## COMPLIANCE AND JUDGMENT

Our work in connection with the preparation of your individual tax returns does not include any procedures designed to discover fraud, defalcations, or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as we find necessary for preparing the income tax returns.

You are confirming that you will furnish us with all the information required for preparing the returns. We will use our professional judgment in preparing your returns. Given the magnitude of changes the Tax Act contains, as well as some new concepts introduced in the law, additional stated guidance from the Internal Revenue Service, and possibly from Congress in the form of technical corrections, may be forthcoming. We will use our professional judgment and expertise to assist you give the Tax Act guidance as currently promulgated. Subsequent developments issued by the applicable tax authorities may affect the information we have previously provided, and these effects may be material. Whenever we are 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 will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with codes, regulations, and interpretations that have been promulgated.

## **FOREIGN INVESTMENTS AND ACCOUNTS**

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you may be subject to certain filing requirements with the U.S. Department of the Treasury, in addition to the IRS. Filing requirements may 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).

The filing deadline for the Report of Foreign Bank and Financial Accounts (FBAR) required by the U.S. Department of the Treasury is April 15<sup>th</sup> and follows the federal income tax due date guidance, which notes that if the tax due date falls on a weekend or legal holiday, the form is considered timely filed if filed on the next business day. An automatic 6-month extension is available. Electronic filing of the FBAR is mandatory using the Bank Secrecy Act (BSA) e-filing system for the Financial Crimes Enforcement Network (FinCEN). We must receive a signed consent form from you prior to submitting the foreign reporting form. If we do not receive your signed authorization to file your foreign reporting form, we will not be able to file any of the required disclosure statements on your behalf.

Additionally, the IRS requires information reporting on foreign interests or activities under applicable IRS sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you have any direct or indirect foreign interests that require disclosures to the IRS, you must provide us with the information necessary to prepare the applicable IRS forms.

Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the IRS may result in substantial civil and/or criminal penalties. By your signature below, you agree to provide us with complete and accurate information regarding any foreign accounts that you and/or your entity may have had a direct or indirect interest in, or signature authority over, during the above referenced tax year. The foreign reporting requirements are very complex, so if you have any questions regarding the application of the U.S. Department of the Treasury and/or the IRS reporting requirements to your foreign interests or activities, please ask us for advice in that regard. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

## **SUBSTANTIATING DOCUMENTATION**

It is our policy to keep records related to this engagement for 7 years. However, the firm does 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 possible future use, including potential examination by any government or regulatory agencies.

## **AUDIT AND CORRESPONDENCE**

We are responsible for preparing only the return listed above. Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you. To give our clients peace of mind, we have created our OPTIONAL Audit and Correspondence Program where we will cover any regulatory communication and/or audits for this tax year for a one-time fee of \$200. The Audit and Correspondence Program is only good for the current tax year and the fee is not refundable if you are not audited.

***Our tax preparation fee does not include responding to inquires or examination by taxing authorities. If you decline to opt into our Audit and Correspondence Program, any letters you receive from the state or IRS, office visits, telephone consultations, and/or emails through the current tax year is subject to our tax rate of \$200 per hour.***

## **COMMUNICATION**

In connections with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions, including password protecting tax returns and other confidential documents. However, 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, we cannot guarantee or warrant that emails from us will be properly delivered to and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or the unauthorized use or failed delivery of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we 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 sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

We may from time to time, and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your information to such third parties secure from unauthorized access, no completely secure system for electronic data transfer has yet been devised. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

## **ARBITRATION/MEDIATION**

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes, except that under all circumstances the arbitrator must follow the laws of Colorado. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

If the above fairly sets for your understanding, please sign the enclosed copy of this letter and return it to us. Please note that you are affirming to Taylor’s Accounting your understanding of, and agreement to, the terms and conditions of this engagement letter by any one of the following actions: returning your signed engagement letter to our firm, returning your income tax information to us for use in the preparation of your returns, the submission of the tax returns we have prepared for you to the taxing authorities, or the payment of our return preparation fees.

We are pleased to have you as a client and look forward assisting with your tax needs!

Sincerely,

Jason Taylor

Taylor’s Accounting  
365 Tax Strategy

**Were you required to file 1099’s for 2025?**

*YES – I was required to file 1099’s and filed with appropriate regulatory agency.*

*NO – I was not required to file 1099’s for 2025*

**Did you have any foreign investments, property, accounts?**

**YES**

**NO**

**Would you like to Opt in to the Audit and Correspondence Program for \$200?**

*YES – Please enroll me in the Audit and Correspondence Program for an additional fee of \$200.*

*NO – I do not wish to enroll in the Audit and Correspondence Program for my 2025 Tax Return. I understand any letters received from taxing authorities, office visits, telephone consultations, and/or emails are subject to the hourly tax rate.*

Approved:

\_\_\_\_\_  
Client – Signature

\_\_\_\_\_  
Client Spouse (if applicable) – Signature

\_\_\_\_\_  
Client – Printed

\_\_\_\_\_  
Client Spouse (if applicable) – Printed

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## Basic Information

Taxpayer \_\_\_\_\_ Phone Number \_\_\_\_\_  
Spouse \_\_\_\_\_ Phone Number \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_  
County \_\_\_\_\_ Zip \_\_\_\_\_  
Taxpayer SSN \_\_\_\_\_ Birthdate \_\_\_\_\_ Occupation \_\_\_\_\_  
Spouse SSN \_\_\_\_\_ Birthdate \_\_\_\_\_ Occupation \_\_\_\_\_  
Taxpayer Email \_\_\_\_\_ Spouse Email \_\_\_\_\_

Bank Information (for direct deposit of refund checks) Checking \_\_\_\_\_ Savings \_\_\_\_\_  
Routing Number \_\_\_\_\_ Account Number \_\_\_\_\_

Taxpayer Driver's License Number \_\_\_\_\_ Expiration \_\_\_\_\_ Issued \_\_\_\_\_  
Spouse Driver's License Number \_\_\_\_\_ Expiration \_\_\_\_\_ Issued \_\_\_\_\_

## Completed Return

How would you like to receive your completed return? PDF \_\_\_\_\_ Hard Copy \_\_\_\_\_ Both \_\_\_\_\_

## Health Insurance

Do you have Health Insurance? Yes \_\_\_\_\_ No \_\_\_\_\_  
If purchased through the exchange, bring Form **1095-A** \_\_\_\_\_

## Crypto

Do you have a Crypto Currency Account? Yes \_\_\_\_\_ No \_\_\_\_\_

**If yes, please bring in Form 8949.**

Have you been assigned a PIN by the IRS? What is your 2024 PIN \_\_\_\_\_

### Dependents

| Name  | Relationship | Birthdate | SSN   | Months In House |
|-------|--------------|-----------|-------|-----------------|
| _____ | _____        | _____     | _____ | _____           |
| _____ | _____        | _____     | _____ | _____           |
| _____ | _____        | _____     | _____ | _____           |
| _____ | _____        | _____     | _____ | _____           |
| _____ | _____        | _____     | _____ | _____           |

### W-2 Wages - Please bring in your W-2 forms

| Employer | Box 1 | Box 2 | Box 4 | Box 6 | Box 17 | Box 19 |
|----------|-------|-------|-------|-------|--------|--------|
| _____    | _____ | _____ | _____ | _____ | _____  | _____  |
| _____    | _____ | _____ | _____ | _____ | _____  | _____  |
| _____    | _____ | _____ | _____ | _____ | _____  | _____  |
| _____    | _____ | _____ | _____ | _____ | _____  | _____  |

### Interest and Dividend Income Amount Please bring in your Dividend 1099's

| Interest Income | Amount | Dividend Income | Total | Qualified |
|-----------------|--------|-----------------|-------|-----------|
| _____           | _____  | _____           | _____ | _____     |
| _____           | _____  | _____           | _____ | _____     |
| _____           | _____  | _____           | _____ | _____     |

Do you have a foreign bank account?                      Yes                      No                      Please bring in last statement

### Mutual Fund Dividends - Please bring in your 1099's

| Payer | Dividends | Qualified Dividends | Capital Gain |
|-------|-----------|---------------------|--------------|
| _____ | _____     | _____               | _____        |
| _____ | _____     | _____               | _____        |
| _____ | _____     | _____               | _____        |

## Other Income

2023 State Refund Received in 2024 \_\_\_\_\_  
 Unemployment Income \_\_\_\_\_  
 Partnership Income- Attach K-1 Prizes, \_\_\_\_\_  
 Awards, Lottery \_\_\_\_\_  
 Royalties \_\_\_\_\_

|                | Payer | Amount | Fed W/H | State W/H |
|----------------|-------|--------|---------|-----------|
| Pension Income | _____ | _____  | _____   | _____     |
|                | _____ | _____  | _____   | _____     |
|                | _____ | _____  | _____   | _____     |
|                | _____ | _____  | _____   | _____     |
|                | _____ | _____  | _____   | _____     |

Social Security Income- Taxpayer \_\_\_\_\_ Spouse \_\_\_\_\_

## Medical Expenses (These expenses must exceed 7.5% of your Gross Income)

1. Hospitalization Insurance Premiums \_\_\_\_\_
2. Prescription \_\_\_\_\_
3. Transportation, Miles for Medical \_\_\_\_\_
4. Medical Equipment, Eye Glasses, etc. \_\_\_\_\_
5. Doctors, Dentists, and Hospital payments \_\_\_\_\_
6. Long Term Care Insurance \_\_\_\_\_ # of Policies \_\_\_\_\_
7. HSA Contributions-Please bring Form 1099-SA \_\_\_\_\_

## Taxes Paid

1. Real Estate Taxes on Home \_\_\_\_\_
2. State Income Tax Withheld \_\_\_\_\_
3. Ownership Tax on Cars \_\_\_\_\_
4. Sales Tax paid on Auto Purchase \_\_\_\_\_

## Interest Paid- Please bring in Form 1098

- |  | Bank Name               | Amount |
|--|-------------------------|--------|
| 1. Home Mortgage Interest 1 <sup>st</sup> Mortgage                           | _____                   | _____  |
| Additional Loan Information:   | Purchase Price of House | _____  |
|  | Original Loan Amount    | _____  |
|  | Current Loan Amount     | _____  |
| 2. 2 <sup>nd</sup> Mortgage Interest   | _____                   | _____  |
| What were these funds used for?  | _____                   |        |
| 3. Did you refinance this year? If yes, what is the length of new loan _____ |                         |        |
| <b>If yes, please bring a copy of the closing disclosure!</b>                |                         |        |

### Other

1. Alimony/Maintenance \_\_\_\_\_  
 List recipients SSN \_\_\_\_\_ Date of Divorce \_\_\_\_\_
2. Solar Energy Expenses - New windows, insulation etc. \_\_\_\_\_

#### 3. Child Care Expenses:

| Paid To | Federal ID/SSN | Address | Amount | Phone |
|---------|----------------|---------|--------|-------|
| _____   | _____          | _____   | _____  | _____ |
| _____   | _____          | _____   | _____  | _____ |
| _____   | _____          | _____   | _____  | _____ |

### Sales of Stock or Property

| Description | Date Acquired | Date Sold | Sale Price | Cost  |
|-------------|---------------|-----------|------------|-------|
| _____       | _____         | _____     | _____      | _____ |
| _____       | _____         | _____     | _____      | _____ |
| _____       | _____         | _____     | _____      | _____ |
| _____       | _____         | _____     | _____      | _____ |

### Retirement

|                      |       |       |
|----------------------|-------|-------|
| Payment to IRA       | _____ | _____ |
| Payments to SEP      | _____ | _____ |
| Payments to Roth IRA | _____ | _____ |

### College Education Expenses-Please Bring Form 1098-T

| Student Name | Year in College | School Name | Tuition Expense |
|--------------|-----------------|-------------|-----------------|
| _____        | _____           | _____       | _____           |
| _____        | _____           | _____       | _____           |
| _____        | _____           | _____       | _____           |

Education Related Interest \_\_\_\_\_

Payments to 529 Plans \_\_\_\_\_

### Did you pay quarterly estimates in 2024?

|      | Federal | State |
|------|---------|-------|
| 4/24 | _____   | _____ |
| 6/24 | _____   | _____ |
| 9/24 | _____   | _____ |
| 1/25 | _____   | _____ |



## Rental Income & Expenses- (List each property separately)

Property Address \_\_\_\_\_ Date Purchased \_\_\_\_\_  
 Total Rents Received \_\_\_\_\_ Purchase Price \_\_\_\_\_  
 # of Days Rented \_\_\_\_\_ Date Rented \_\_\_\_\_  
 Hours spent on Rental activity \_\_\_\_\_

**Expenses:**

|                     |                 |
|---------------------|-----------------|
| Advertising _____   | Legal _____     |
| Auto & Travel _____ | Repairs _____   |
| HOA _____           | Supplies _____  |
| Commissions _____   | Taxes _____     |
| Insurance _____     | Utilities _____ |
| Interest _____      | Misc. _____     |

**Appliances/Major Improvements/Etc.**

| Description | Amount | Date Purchased |
|-------------|--------|----------------|
| _____       | _____  | _____          |
| _____       | _____  | _____          |

## Small Business Income & Expenses

If you use a portion of your home for business use, please provide:

Square footage of office \_\_\_\_\_ Square footage of home \_\_\_\_\_

Home Insurance \_\_\_\_\_ Home Utilities \_\_\_\_\_ Home Repairs \_\_\_\_\_

Business Income \_\_\_\_\_ **Bring in Forms 1099-K**

**Expenses**

|                          |                              |
|--------------------------|------------------------------|
| Advertising _____        | Office Supplies _____        |
| Bank Charges _____       | Professional Fees _____      |
| Car Expenses/Miles _____ | Rent _____                   |
| Commissions _____        | Repairs _____                |
| Dues _____               | Supplies _____               |
| Freight _____            | Taxes _____                  |
| Insurance _____          | Utilities _____              |
| Interest _____           | Misc. _____                  |
| Cell Phone _____         | Travel & Entertainment _____ |

Major Purchases (Description) \_\_\_\_\_

|   | Car 1 | Car 2 |     |    |
|---|-------|-------|-----|----|
| 1. Auto expenses: Gas, Ins., Repairs, Lease             | _____ | _____ |     |    |
| 2. Total Miles Driven – 2024                            | _____ | _____ |     |    |
| 3. Business Miles                                       | _____ | _____ |     |    |
| 4. Do you have written evidence to support car mileage? | Yes   | No    | Yes | No |