

# TIMPE CPAs, LLC

## 2020 General Engagement Letter for Individual Tax Return Preparation

(Please read carefully before signing)

Dear Client:

We appreciate the opportunity to work with you. This letter is to inform you, the taxpayer, of the services we will provide you, and the responsibilities you have for preparation of your tax return.

### **Tax Return Preparation**

We will prepare your 2020 federal and state individual income tax returns from information you furnish us. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of the information.

We are responsible for preparing only the returns listed above. Our fee does not include bookkeeping. Nor does our fee include responding to inquiries or examination by taxing authorities. However, we are available to represent you. Our fees for such services are at our standard rates and would be covered under a separate engagement letter.

We do not keep any original client records, so we will return those to you at the completion of this engagement. It is your responsibility to retain and protect the documentation necessary to support the data used in preparing your tax returns for possible future use, including potential examination by any government or regulatory agencies. If you have any questions as to the type of records required, please ask us for advice in that regard. We recommend keeping your documents for at least seven years. We retain copies of your tax returns for five to seven years, after which the documents will be destroyed.

Taxing authorities require us to electronically file all federal and state individual income tax returns (“e-filing”). However, you do have the right to “opt out” of the e-filing program. Please notify our firm immediately should you desire not to have your returns e-filed, so that we may provide you with the form(s) necessary for opting out. Additional processing fee will be charged for non-e-filed returns.

We will provide you with a copy of the income tax returns for your review prior to electronic transmission. After you have reviewed the returns, you must provide us with a signed authorization indicating that you have reviewed the return and that, to the best of your knowledge, you feel it is correct. We cannot transmit the returns to the taxing authorities until we have the signed authorization.

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on your behalf, the alternative you select. If a taxing authority should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

### **Affordable Care Act**

Effective January 1, 2014, all U.S. citizens and other legal residents are required to have minimum essential health insurance coverage. With the addition of the Affordable Care Act filing requirements, anyone who receives a 1095-A, Health Insurance Marketplace Statement, is required to report their health insurance coverage status and complete the additional tax forms.

### **Virtual Currency**

Please note that the IRS considers virtual currency (e.g., Bitcoin) as property for U.S. federal tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions. If you had virtual currency activity during the tax year, you may be

subject to tax consequences associated with such transactions, and may have additional foreign reporting obligations.

### **Report of Foreign Bank and Financial Accounts**

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 in a foreign country having an aggregate value exceeding \$10,000 at any time during the calendar year, shall report such a relationship.

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare the Report of Foreign Bank and Financial Accounts (FBAR) required by the U.S. Department of the Treasury. Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the IRS may result in substantial monetary penalties. By your signature below, you accept responsibility for informing us if you believe that you may have foreign reporting requirements and you agree to timely provide us with the information necessary to prepare the appropriate forms. We assume no liability for penalties associated with the failure or untimely filing of any of these forms.

### **Fees**

Our fees are due and payable upon delivery of the completed returns. **We will not electronically file your tax returns until our fees are paid in full.** If you terminate this engagement before completion, you agree to pay a fee for work completed. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1.5% per month. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for the costs of collection, including attorneys' fees.

By signing below, you acknowledge that you have read, understand, and accept your obligations and responsibilities and that you understand our responsibilities in preparing your tax returns as explained above.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

### **Privacy Policy**

The nature of our work requires us to collect certain nonpublic personal information about you from various sources. We collect financial and personal information from applications, worksheets, reporting statements, and other forms, as well as interviews and conversations with our clients and affiliates. We may also review banking and credit card information about our clients in the performance of receipt of payment. Under our policy, all information we obtain about you will be provided by you or obtained with your permission. Our firm has procedures and policies in place to protect your confidential information. We restrict access to your confidential information to those within our firm who need to know in order to provide you with services. We will not disclose your personal information to any third party without your express permission, except where required by law. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations that protect your personal information from unauthorized access. Please contact us with any questions regarding our privacy policy.