

INDIVIDUAL TAX SERVICES ENGAGEMENT LETTER and AGREEMENT

Filing Season: _____

Taxpayer: _____

Client Ref #: _____

Joint

Taxpayer: _____

Date: _____

Dear Taxpayer: The Internal Revenue Service recommends that as your tax professional, we provide clear terms of engagement with you, our valued client(s). This agreement describes services we, **Beard & Associates, LLC**, a.k.a. **Your Tax Pro**, (B&A) will help you, our valued client, meet your income tax filing obligations (tax returns), the scope of services and range of fees to be charged. If signed by a taxpayer and joint taxpayer, "you or your" refers to both and "client" means "clients." Tax refers to both tax and accounting services. The additional pages and any attachments to this Engagement letter contain important information which is incorporated into this agreement.

Overview: This agreement/engagement letter contains provisions which describe some of the services we will provide to you, conflict of interest, record retention, and our liability to you, notices, your responsibilities, and other administrative services. Please, take time to review this document in its entirety before signing it.

Duration: This agreement /engagement letter is in effect for the income tax filing season beginning on January 1 and expires or ends on December 31 of the calendar year containing the filing season stated in this letter's heading and includes the four immediately previous tax years filing seasons or the date stated in any correspondence received stating otherwise.

Copy of Agreement: By signing this agreement, each of you acknowledges receipt of a copy of this agreement. This and all the attached pages of this agreement are contained in the printed return booklet or electronic transmission of your return.

Privacy policy: Our privacy policy is a separate agreement which is included with this Engagement Letter.

Signing for **Your Tax Pro /
Beard & Associates, LLC:**



Donald I. Beard, EA

Taxpayer

Joint taxpayer

The following pages contain IMPORTANT ADDITIONAL CONDITIONS AND TERMS which are, also, part of this agreement.
Please, do not separate the following six pages from this signature page.

Our Privacy Commitment: (a) Beard & Associates, LLC, does not disclose or share your personal taxpayer information to anyone or other entity unless required to do so by law, without your written permission as required by Section 6103 of the Internal Revenue Code (IRC). (b) By signing this Engagement Letter, you consent to our using your personal, private, taxpayer information in our software, in our working with our software company, and any taxing authority for the completion and electronic filing of your tax return(s). This includes Drake Portals (SecureFilePro) and GruntWorx. (c) Our complete privacy policy & Consent Agreement is a separate agreement included with this Engagement Letter. We encourage you to read this document and our privacy policy and let us know if you have any questions.

Joint Returns/Conflict of Interest: (a) Joint Responsibility: When a joint return is prepared, both taxpayer and joint taxpayer are responsible for the completeness and accuracy of all documents or other information supplied for use in the preparation of the return(s) (e.g. filing status, dependents, and payment of any tax due on the return, etc.). (i) Signature by both taxpayers on this document and/or on return(s) we prepare is a waiver of any conflict of interest. (ii) Each taxpayer is advised that we cannot, for tax preparation purposes; prepare returns based on incomplete or information obtained by a "guess;" and cannot keep "secret" tax return information obtained from the other taxpayer. (b) Adult Children/Other Dependents: We may prepare returns for your "adult" (16 and over) child, dependent children, or other dependents. Information obtained is for return purpose only. (b) Signed Release: Returns we have prepared for your "adult" (16 and over) child(ren) or other adult dependent's may not be released to you without a properly signed release or appropriate court document(s). Please have these documents present before, at the time of preparation, or at the time the return is to be picked-up.

Scope or what we will do for you: (a) We will prepare your individual federal, State of Michigan, local, other state returns, any previous years returns, and amended (1040X) returns using the information you provide. We will file your return(s) electronically when possible. (b) Generally, tax returns are prepared using the most advantageous (i.e. lowest federal tax) filing status. (c) This letter includes all business activities normally reported with the Form 1040; Schedules C, E, F, and single member "disregarded" Limited Liability Companies. (d) We will provide you with a copy of your completed return(s) either in a printed or .pdf format. (e) If your return is eligible to be electronically filed and if you decline to electronically file the tax return(s), you must notify us at registration and sign an Electronic Filing Waiver. You will be responsible for any fees or penalties imposed upon us by any taxing authority and for timely and proper *mailing of your return. (f) You agree to sign necessary forms to complete the returns and cooperate with us in curing any electronic filing problem arising from incorrect information. (g) We will also prepare estimated tax forms as needed. As these are an estimate, we are not responsible for the proper tax due, as each year the information to calculate the tax due changes, or the filing of these forms. (h) Timely payment of any tax due to any governmental authority is your responsibility. We will provide you necessary forms for those payments. (i) Any return information received later than 10 days before the due date of the return(s) or any return information which requires extensive research or additional documentation may require an extension to be filed. (j) Filing an extension is **not** an extension to pay taxes; all tax payments must be made by the filing deadline; if not, you the taxpayer and Joint taxpayer are responsible for any resulting penalties and

interest. **(k)** You are also responsible for any additional fees for the filing of the extension (see the section on Electronic filing).

Please Initial: Taxpayer _____ & Taxpayer _____

Prior Years Returns: If we are preparing a prior year tax return or amending a prior year tax return regardless of who prepared it, the terms of this agreement apply, except as to electronic filing of ineligible amended returns. In such event, payment of any tax due and interest and penalty, if any, is your responsibility.

Fee Estimates and payment: Federal and state tax law and the forms needed to comply with the law have become increasingly complex in recent years. As a result: **(a) Professional fees:** Professional fees for our services are based on our professional status, knowledge of the tax law and years of experience and the nature and complexity of your tax return(s), forms, schedules, worksheets, research, bookkeeping, and other matters required to properly satisfy **your** tax return filing requirements. Every client has unique needs and filing requirements; therefore, individual preparation fees will differ. **(b) Fee estimates:** If we provide a verbal estimate of our fee, **the final fee** will depend on the nature and complexity of your tax return(s), forms, schedules, worksheets, research, bookkeeping, and related services. **(c) Fees Due:** **Our professional fees are due in full at the time your tax return(s) are completed and prepared for filing. The preparation fee paid includes two hours of time to cure any problem identified by the IRS after the return is filed.** **(d) Notice to You:** Notice to you by telephone, fax, e-mail shall be sufficient notification that the return is completed. **No returns will be released or filed until payment in full and a properly signed Form 8879 and other signature forms have been received.** **(e) Returned payment:** If any payment made by any method is returned, for any reason, the payment **will not be resubmitted** and an additional fee of \$40.00 will be added to your bill. **(f) Return completion estimates:** If we provide a verbal estimate of the time necessary to complete your return; this is just that, an estimate. The final (actual) length of time to complete your return will depend on the real completeness and complexity; research needed, how many times we have to clarify or obtain information from you, and how many returns are ahead of yours. Our method of operation is to complete the returns in the order they are logged in by us.

Filing Status/Client Representations: **(a) Client's representation(s):** You represent that all information supplied to us to determine proper filing status such as marital status, citizenship/residency status, dependents and deductions, income, tax payments and the like, are complete, truthful, and accurate; **(b) Joint Returns:** When a joint return is prepared, both parties are responsible to sign the return, for the completeness, accuracy of the return, amount of tax and accuracy of information and documents supplied. If the Joint Taxpayer does not sign any tax return form in our presence, the form presented to us will be assumed as signed by the Joint Taxpayer and you agree to hold ***Beard & Associates, LLC*** present and future employees harmless in accepting the signed form. **(c) Conflict of Interest:** Signing of a Joint return prepared by us and/or this agreement constitutes a waiver of any conflict of interest by each and disclosure by us of other available filing status options. Each is advised to consider this aspect and if necessary, obtain their own advice/counsel as to their individual tax situation. Each party to a joint return represents to us that they are lawfully married and if appropriate, a U S citizen or a lawful U.S. resident. **(d) Client's Responsibility:** You agree that you will review all documents we prepare for accuracy prior to filing.

NOTICES and LIMITED LIABILITY: **(a) Taxing Authorities Notice:** In the event you receive any notice(s) from any taxing authority affecting return(s) we prepare or any other return(s), we expect you to bring

us the first notice(s) within seven (7) calendar days. **i)** Failure to do so terminates any liability we may have. **ii)** We will assist you in responding to such notice. **iii)** depending upon circumstances there may be a fee for service. **(b) Affordable Health Care Act (ACA):** In the event you receive any notice(s) from ACA, the Exchange, or your Insurance Companies concerning any topic relating to your tax return we will assist you in responding to such notice. FAILURE TO PROVIDE US WITH THE FIRST NOTICE within 7 calendar days of your receipt terminates any liability we may have.

Please Initial: Taxpayer _____ & Taxpayer _____

Document/Return Retention: **(a)** Copies of Federal, State, and local income tax returns we prepare are retained by us generally in an electronic format for a period of four(4) years from the due date of timely filed tax returns for the current tax year, or two years after we complete an amended or "late filed return" after which time they will be destroyed in a secure manner; **(b)** We provide you with a printed copy or a .pdf of your tax returns and your tax information documents when the tax returns are completed; **(c)** We may retain copies of you tax information documents for our records; **(d)** It is your responsibility to maintain the required copies of your income tax return and all supporting material. **(e) IRS and other authorities recommend you retain your income and expense records including tax returns for at least fifteen (15) years, or as long as you own the property whose information was used as supporting documentation, a deduction, or credit on this year's return. We recommend you keep your tax returns and supporting documentation forever in a safe location.** Different documents and different returns have different retention requirements, please, see the appropriate IRS publication for authoritative information; **(f)** You agree that we may retain copies of the tax information documents and other tax information you supply for our records; **(g)** Additional copies of your return may be obtained from us. We reserve the right to charge for supplying copies, a minimum charge of up to \$50.00 for a return, and \$5.00 per page for source documents (i.e., 1099-MISC, W-2s) which were supplied to us. Documents supplied to us in an electronic format are not source documents and are part of our work papers.

Client Responsibility: **a)** You agree that you are responsible for providing us with accurate, complete, and truthful information needed for us to prepare your tax returns, including your and all dependents citizenship, marital status, records, and the like, and that you will review all documents we prepared with us prior to filing. **i)** You agree to provide us with any and all necessary information to substantiate your dependency deduction. **ii)** You agree to provide copies of receipts and other documents for income, expenses, credits, and deduction verification as requested. **iii)** You agree to provide photo identification of you and your joint taxpayer, if applicable, such as a government issued I.D. Card, driver's license and/or a passport, as well as social security cards for yourself, joint taxpayer, and any dependents if applicable. **iv)** If you are not a US Citizen, we will ask to see your Visa, Passport, and/or green card. **v)** Any information received, such as license or passport numbers, will not be disclosed by us to anyone else unless required by law or to electronically file your return. **b) Substantiation:** Over the last few years one of the ways that a return has become more complicated is with the expansion of the Form 8867, Due Diligence Check List. **i)** The Check List is IRS's way of making sure that we, the professional preparer, substantiate that the child you declare as a dependent is your child by birth or placement in your care by a court of law. **ii)** They also want substantiated that no one else can declare the child as a dependent and **iii)** that you are eligible for Earned Income Tax Credit (EIC or EITC), Child Tax Credit (CTC), Additional Child Tax Credit (ACTC), American Opportunities Tax Credit (AOTC), and Head of Household (HOH) filing status. **iv)** You agree to supply us with the necessary information and documentation needed for us to lawfully complete the Due Diligence Check List (Form 8867).

Electronic Filing: IRS has requirements (rules) relating to who is required to file returns electronically. We (*B&A/Your Tax Pro*) meet IRS's requirements and must file your returns electronically. If you do not wish to have your return filed electronically you must notify the receptionist upon completion of this Engagement Letter and you will receive a "Waiver for Electronic Filing" which you will need to sign prior to the preparation of your return. If the waiver is not signed, we are prohibited from preparing the return to be filed by paper, by us, or anyone else. We expect that there will not be any changes to the return. B&A's liability is terminated for any paper filed return or modification of a paper filed return when the return, signed or unsigned, leaves this office. All sections relating to electronic filing will vary as the IRS gives us the ability to file previous years returns electronically.

Power of Attorney/Audit Assistance: Nothing in this agreement appoints any employee or representative of *Beard & Associates, LLC*, as your attorney-in-fact or legal representative for any purpose with any tax authority. If audit assistance or other representation becomes necessary, we would be happy to assist when you sign the separately required forms and fee agreement on our then current terms and hourly rate.

Client satisfaction/Fee payment: (a) We, as a policy, will not release tax returns we prepare without them being signed and paid in full for our services; (b) If you are dissatisfied with our service and withdrawal your materials from us, we will return all original documents you provided to us upon your signing a receipt for them and an Engagement Termination Document. A document given to us by electronic transmission, or in a pdf, jpeg or photo copy or other electronic format is not an original document; (c) Payment for an incompletely prepared return is due at the time your materials are given to you; (d) You agree that we may decline to complete your tax return(s) at our discretion and if so, we will return all documents received from you, release you from any liability for fees due to us and have no further liability to you. All unpaid for returns or work remains our property. (e) If after signing and paying for the tax return you question or disagree with the manner in which your return was completed, you agree to give us the opportunity to i) explain why we did your return the way it was done, ii) if you still are not satisfied you may take the return and your materials to a CPA or Enrolled Agent for review. In such an event you will return to us with a written explanation of any disagreement allowing us to review the comments and take appropriate action if any is required. iii) If you take your return to any unenrolled or unlicensed fulltime, hobbyist, or relative for review, B&A is not obligated to recognize the objection or make any correction of your return.

Unpaid invoices: (a) Unpaid invoices may have an additional charge of \$40.00 or 1.9%/month for each subsequent invoice or unpaid month; (b) After being 90 days delinquent, we reserve the right to revoke any or all credits, discounts, or other reductions to the full professional fee. These charges may be assessed in addition to other charges. (c) We reserve the right to revoke any discounts or fee reduction given at the time the returns were prepared. (d) We reserve the right after being 90 days delinquent, to submit the fees due to collections.

Extensions: a) Extensions are used to extend the time to file if you lack the paperwork to substantiate a deduction or there is other missing information from the return. An extension is not an extension of time to pay any tax due; b) if you know that you are missing information and will not have the information available in time to timely file the tax return; We suggest that you file an extension and pay an appropriate amount of tax deposit to cover any tax due on the return and our filing fee; c) We,

at our discretion, may or may not file an extension for a tax return within the 72 hours prior to the due date of the return in question without your permission or direction to do so. It is your responsibility to notify us if you desire us to file an extension for a tax return. If we, at our discretion, file an extension, it is your responsibility to have estimates paid to pay any tax due. You will be billed for the preparation, and filing of the extension; **d)** You agree to hold us not liable for any interest, penalty, and other fines etc. placed upon the return as a result of not having the appropriate amount of withholding or estimated tax payment with an extension; and **e)** You agree to hold us not liable for any interest, penalty, and other fines etc. placed upon the return as a result of not having the appropriate amount of withholding or estimated tax payment withheld during the calendar year.

Communications (Notices): **a)** Written notices to us must be sent to the address shown on page #1 or any address we provide you; **b)** Any notices to you shall be sufficient if mailed or delivered to the last address you supply us; **c)** During the period we are preparing your income tax, unless otherwise specified, you give us permission to communicate with you via electronic forms of communication (fax, e-mail, text, & secure drop box) at the address or email address given to us. We will not communicate any personal or financial information via email or text. If we send all or any part of the tax return(s) via e-mail we would ask your cooperation to send the information “zipped” or “encrypted”. You agree not to hold us liable if someone gains illegal or legal access to your e-mail box and gains access to your information and uses it for criminal purposes.

Secure file transfer portal: SecureFilePro or Drake Portal is a secure file transfer service that we are using which allows transfer of documents to or from you through a secure drop box that we setup and control on secure servers maintained by a confidential third party. These documents are encrypted while stored in the “SecureFilePro” box and can only be accessed by you or us. With the signing of this letter, you consent to our using SecureFilePro to communicate with you and transmit your personal and private taxpayer information.

Health Insurance Requirement: **a)** If you receive your health insurance through your employer you are exempted from providing substantiation of health insurance. **b)** If you get your health insurance through the marketplace, we expect you to provide us with any and all documentation requested that shows you and all dependents claimed on your tax return have obtained and maintained health insurance for the tax year in which we are preparing your return. **c)** For the 2015 tax year and after, a form 1095-A will be supplied to you and must be brought in for us to properly and completely prepare your return. **d)** Without one of these forms or an exemption from the Health Insurance Marketplace, we will calculate the return as if you or your dependents did not have health insurance.

Venue: **a)** This agreement is a contract for professional services and is governed by Michigan law, and IS NOT A HOME SOLICITATION CONTRACT. Venue for any action shall be in the appropriate court in OAKLAND County, Michigan, where our principal office is located. **b)** If collection action is commenced by us to collect fees due, you agree to pay an additional amount of \$375.00, plus costs, interest at the rate of 7% or higher, if allowed by law, court costs allowed by the Court and a reasonable actual attorney fee of at least \$425.00 if one is retained.

Definition(s):

a) An Enrolled Agent (E.A.): An E.A. is a designation given by the U. S. Department of Treasury, Internal Revenue Service to those who have proven their knowledge understanding of the Internal Revenue Code, allowing that person to represent any client on any administrative level of the Internal Revenue Service;

b) AFSP Participant: Annual Filing Season Program started in the 2014 income tax filing year. The program allows an unlicensed tax preparer who has demonstrated their knowledge of the Internal Revenue Code and income tax preparation in a given specialty to represent clients whose return they have prepared (signed) before the IRS when they have agreed to the standards of the licensed preparers.

c) *Mailing: a) Mailing is defined as referring to the sending of a tax return to IRS by any of the following methods: Unites States Postal Service Overnight or Priority services; Federal Express, FedEx; United Parcel Service UPS; DHL Express; or other IRS approved service. **b)** It is the recommendation of B&A, based upon experience, that a tax return should be sent to IRS by either electronic filing if not eligible for e-File then use either of the approved private delivery services. We encourage you to not use the United States Postal System.

***** END OF ENGAGEMENT LETTER *****

Please keep all seven (7) pages of the Engagement Letter together

20210103 revised