Individual Income Tax Preparation—General Engagement Letter for Work with Christina Sharkey, CPA, EA

Client Name:

I appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, I am setting forth pertinent general information about the services I will perform for you, and what is expected of you in return. This letter is considered to encompass all work we discuss, either verbally or via email. You are assumed to have read the agreement and I am requesting a signature to ensure that we agree upon its terms. If you have a question about anything, please do not hesitate to ask.

Tax Services General Description of Work:

I will prepare your federal and state (if applicable) income tax returns from information you furnish me. To assist you in gathering and organizing the necessary information required for the preparation of your income tax returns, I will ask questions I deem relevant. Providing me with clear responses and paperwork will help to ensure that we are not overlooking important information that may be necessary for complete and accurate returns. I sometimes require phone or nonwritten communication as a way to be more efficient and/or avoid miscommunication. If emailed questions would require lengthy responses, or if communicating via email becomes too onerous, I reserve the right to request a verbal method. Efficiency and time maintenance are critical components to my successful as a tax professional.

I must receive *ALL* information to prepare your returns at least 1 week before the return deadline to ensure that your returns will be completed in a timely manner (*may be longer for complex returns).* If I have not received all of your information by that date, I cannot guarantee that your returns will be completed before the deadline. If I am unable to complete the returns, I will assume that you want me to prepare an extension of time to file your returns; however, you will need to provide me with an authorization before I can file the extension on your behalf. (If an extension is still an option) You should keep in mind that this would be an extension of time to file, and not an extension to pay any tax owed.

I assume no liability for late filing or late payment penalties if the failure to file is because of your lack of communication. I also assume no liability when information is imparted to me at an unreasonably slow pace. **I ask for the 1 week lead up to avoid excess "last minute"work, and expect anyone filing during the week of the due date to respond to emails within 8 hours maximum. For returns within 10 days of the due date (April/ July or October) , I will respond within 6 hours maximum, 9AM to 9PM EST, 7 days.**

You are confirming that you will furnish me with all the information required for preparing the returns. This includes, but is not limited to, providing me with the information necessary to identify (1) all states and foreign countries in which you “do business” or derive income (directly or indirectly) and (2) the extent of business operations in each relevant state and/or country. I will not audit or verify the data you submit, although I may ask you to clarify it or furnish me with additional data. You should retain all the documents, books, receipts, and records that form the basis of your income and deductions, as these types of records may be necessary to prove the accuracy and completeness of the returns to a taxing authority. The bookkeeping of a business, include a very small business, rental property, or sole proprietorship, is the responsibility of the business owner through the year, and should not be done only for the purpose of tax preparation. It should be a daily, weekly, monthly, or quarterly task, dependent on the business’ level of activity.

Please note that the Internal Revenue Service (“IRS”) considers virtual currency (e.g., Bitcoin) as property for U.S. federal tax purposes. As such, any transactions in, or transactions that meet, virtual currency is subject to the same general tax principles that apply to other property transactions. *If* you had virtual currency activity during the tax year(s) concerned, you may be subject to tax consequences associated with such transactions, and may have additional foreign reporting obligations in some cases. You agree to provide me with complete and accurate information regarding and sale or redemption transactions in virtual currency during the applicable tax year.

I will meet my professional judgment in preparing your returns, as well as in any advice given. Whenever I am 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), I will explain the possible positions that may be taken on your return. In accordance with my professional standards, I will follow whatever position you request, as long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If a taxing authority should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. I assume no liability for any such additional penalties or assessments. In the event, however, that you ask me to take a tax position that in my professional judgment will not meet the applicable laws and standards as promulgated, I reserve the right to stop work and shall not be liable for any damages that occur as a result of ceasing to render services.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of their tax liability. Taxpayers may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) that the relevant facts affecting the item's tax treatment were adequately disclosed on the return. You agree to advise me if you wish disclosure to be made in your returns or if you desire me to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in my opinion, there is "substantial authority" for the position proposed to be taken on such issue in your returns.

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 Internal Revenue Service (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 15th 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 meeting the Bank Secrecy Act (BSA) e-filing system for the Financial Crimes Enforcement Network (FinCEN). I must receive a signed consent form from you prior to submitting the foreign reporting form. If I do not receive your signed authorization to file your foreign reporting form, I will not be able to file any of the required disclosure statements on your behalf.

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 me 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 me for advice in that regard. I assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

I will provide you with a PDF copy of the income tax returns and/or FBAR for your review prior to electronic transmission. After you have reviewed the returns, you must provide me with a signed authorization indicating that you have reviewed the returns and that, to the best of your knowledge, you feel they are correct. I cannot transmit the returns to the taxing authorities until I have the signed authorization. Therefore, if you have not provided me with your signed authorization by the applicable due date, I will place your returns on extension, even though they might already have been completed. In that event, you will be responsible for ensuring that any payment due with the extension is timely sent to the appropriate taxing authorities.

You understand and agree that you are responsible for the accuracy and completeness of the records, documents, explanations, and other information provided to me for purposes of this engagement. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before signing. You agree that I am not responsible for a taxing authority's disallowance of deductions or inadequately supported documentation, nor for resulting taxes, penalties, and interest.

Fees

Fees for my services will be at my standard rate of $140/ hour*, effective until 12/31/2020. Payment for service is due when rendered and interim billings may be submitted as work progresses, if that is applicable. I also bill for some additional costs, such as postage and travel time *to you or your place of business*. I do not bill for computer charges, office overhead, or printing your return, unless it is not the first copy provided. I request payment within 10 days of invoicing. I accept cash, checks, and certain electronic payments. For each week, or portion of a week, later than 30 days, I charge 1% simple interest on the amount due.

My fee does not include responding to inquiries or examination by taxing authorities, other than looking over correspondence. It also does not include excessive or complex questions after our engagement ends. I do not "nickel and dime", but I also don't give away my hard-earned knowledge for free. I am available to represent you or advise you, should you need that assistance. My fees for such services are at my standard rates and would be covered under separate engagement letters.

If I perform work for you, I will pursue payment. The same applies if you abandon communication. **With this engagement letter, you are agreeing to pay me for my time, plain and simple.** Per the law and ethics of my trade, I do not charge based on results. I also do not provide free tax refund/ amount due quotes, as my time is valuable and what you pay for.

Confidentiality and Security

Your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. I recommend that you contact me before releasing any privileged information to a third party. If I am asked to disclose any privileged communication, unless I am required to disclose the communication by law, I will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that I incur, including legal fees, that are a result of attempts to protect any communication as privileged. This is a rare situation.

I use 3rd party services to perform my work, including professional tax software and online billing services, both of which are customary to all tax practitioners. I do not share your tax returns with other parties without your explicit consent, and only share your name and email address with my billing software. If you do not wish to be billed electronically, your information is not shared at all. I remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. Although I will meet my 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, you understand that I make no warranty, expressed or implied, on the security of electronic data transfers beyond the due diligence of security protocol.

I expect you to be as vigilant with your data as I am with your data (and mine). You agree not to place your sensitive tax documents directly in an email. Even if you are comfortable doing so, I am not comfortable with you doing so. I have my own security interests to protect, and any lack of vigilance in this area is not acceptable to me.

In connection with this engagement, I will communicate with you via email. I take reasonable measures to secure any correspondence. However, as emails can be intercepted and read, disclosed, or otherwise meetd 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, I cannot guarantee or warrant that emails from me will be properly delivered to and read only by the addressee. Therefore, I specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized meet or failed delivery of emails transmitted by me in connection with the performance of this engagement. In that regard, you agree that I shall have no liability for any loss or damage to any person or entity resulting from the meet 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.

It is my policy to keep records related to this engagement for 5 years. However, Christina Sharkey, CPA, EA does not keep any original client records, such as W2s or 1099s. I 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 needs, including potential examination by any government or regulatory agencies. If you provide all of your documents electronically, the 5-year period still applies.

If the above fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to me.

I am pleased to have you as a client and look forward to a long and mutually satisfying relationship.

Sincerely, ______________________

Christina Sharkey
Principal, Christina Sharkey, CPA, EA

Approved:

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Signature

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Name

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Date