

# Eleanor Terrell CPA

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January 24, 2022

Subject: Preparation of Your 2021 Tax Returns

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Believe it or not another tax season is fast approaching. We hope this letter finds you safe and healthy. As we approach the upcoming tax season during these unpredictable times, we wanted to send out our yearly engagement letter early to let you know we are still here and ready to handle your tax needs. The questionnaire we send out will be mailed sometime in January 2022.

Thank you for choosing Eleanor Terrell CPA to assist you with your 2021 taxes. We are pleased to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide regarding the preparation of the income tax return(s) and tax planning services. Please review, sign, and return to us upon receipt.

We will prepare your (and your dependent(s), if applicable) 2021 federal income tax return and tax returns for the state in which you deemed yourself a resident in 2021. If you have taxable activity in another state(s), you are responsible for providing our firm with all the information necessary to prepare any additional applicable state and local income tax returns, as well as informing us of the applicable states and local municipalities. This engagement pertains only to the 2021 tax year and our responsibilities do not include preparation of any other tax return years that may be due to any taxing authority.

We will prepare the returns from information that you furnish to us. It is your responsibility to provide all the information required for the preparation of complete and accurate returns. **We will not audit or otherwise verify the information you submit.** To the extent we render any services, it will be limited to those tasks we deem necessary for the preparation of the returns only. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare the returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive this information from you, as noted above, by **SATURDAY, MARCH 26, 2022**, it may be necessary for us to pursue extensions of the due date of the returns. If the appropriate amount of tax is not paid by the original due date of the returns, you may be subject to late filing penalties on your 2021 income tax returns, and, if applicable, underpayments of estimated tax penalties.

Throughout the year 2022, we may be called upon to provide tax planning advice or services. Our ability to provide you with appropriate guidance will be entirely dependent on the timeliness, accuracy, and completeness of the relevant information you provide to us. If such services are requested by you, all of the terms, conditions and representations of this engagement letter shall apply.

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. We will adopt whatever position you request on your return as long as it is consistent with the codes, regulations and interpretations that have been circulated. If the Internal Revenue Service should later contest the positions taken, there may be assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.



Our fees for this engagement are not contingent on the results of our service. Rather, our fees for this engagement will be based on a number of factors, including but not limited to, the time spent as well as the complexity of the services we will perform. In addition, you agree to reimburse us for any out-of-pocket costs incurred in connection with the performance of our services.

Our fees and costs will be billed monthly, and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1.5% per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. 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 attorney's fees.

If we do not receive this letter from you, in fully executed form, but we receive supporting documentation requested therein, then such receipt by this office shall be deemed to evidence your acceptance of all of the terms set forth in this letter. If we do not receive any response to this letter, we will not proceed to provide any professional services, and we will not prepare the tax returns.

This engagement letter is contractual in nature, and includes all of the relevant terms and conditions that will govern the engagement for which it has been prepared. The terms and conditions of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms and conditions set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties. If any provision of the letter is declared invalid or unenforceable, the remaining provisions shall remain in effect.

We look forward to providing our services to you. If you have any questions concerning the terms of this engagement, contact our office at (302)628-1515. If you agree with the terms of this engagement letter please sign below and return it to us. These engagement terms will apply until either you or we cancel them.

Sincerely,

ELEANOR TERRELL CPA  
Eleanor Terrell CPA

(Both spouses must sign for preparation of joint returns.)

Accepted By:

\_\_\_\_\_  
Taxpayer

\_\_\_\_\_  
Spouse

\_\_\_\_\_  
Date

*Eleanor Terrell, C.P.A.*  
*Professional Association*  
Certified Public Accountant

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American Institute of  
Certified Public Accountants

January 27, 2022

MORE THAN YOU EVER WANTED TO KNOW ABOUT VIRTUAL CURRENCIES

Dear Client,

In 2014 the IRS issued Notice 2014-21 which deals with transactions involving Virtual Currencies. Virtual Currencies include digital and cryptocurrencies such as Bitcoin, Ripple, Litecoin, etc. The notice made clear that virtual currencies are to be treated as property, not as foreign currency, under the income tax code. Thus, all sales, exchanges, redemptions, and transactions involving all virtual currencies are taxable.

The IRS is taking a harsh position on taxpayers who have not reported their airdrop acquisitions, sales, trades, and redemptions of Virtual Currency. The IRS is reminding taxpayers of the consequences of not reporting their Virtual Currency transactions, which can run into penalties and interest, and given enough non-reported income, criminal prosecution for tax evasion. There is no statute of limitations for income that is not reported on a taxpayer's timely filed return. As such, if you have ever purchased, held, acquired, gifted, sold, traded, or transacted in any way with Virtual Currency, we are recommending you acquire documentation of your transactions.

Please indicate on whether or not you used virtual currency for the 2021 Tax Year

Yes or No

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Sign

If yes, please include the Virtual Currency documentation with your 2021 Tax information

ELEANOR TERRELL  
CERTIFIED PUBLIC ACCOUNTANT

DATE \_\_\_\_\_

NAME \_\_\_\_\_

S.S.# \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

SPOUSE'S NAME \_\_\_\_\_

S.S.# \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE: WORK \_\_\_\_\_ HOME \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

DEPENDENTS FOR 2020 TAX RETURN:

NAME \_\_\_\_\_ S.S.# \_\_\_\_\_ DATE OF BIRTH \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DO YOU WANT DIRECT DEPOSIT IF GETTING REFUND? YES \_\_\_\_\_ NO \_\_\_\_\_

**\*REQUIRED INFORMATION:**

BANK NAME \_\_\_\_\_

ROUTING # \_\_\_\_\_

ACCOUNT # \_\_\_\_\_

DO YOU HAVE ANY CHANGES TO YOUR FILING STATUS IN 2021? \_\_\_\_\_

DID YOU GET MARRIED, SEPARATED OR DIVORCED IN 2021? \_\_\_\_\_

DID YOU PAY COLLEGE TUITION FOR YOURSELF, SPOUSE OR DEPENDENT IN 2021? \_\_\_\_\_

DID YOU HAVE CHILD CARE EXPENSES IN 2021? \_\_\_\_\_

DID YOU PAY ANY ESTIMATED TAXES IN 2021? \_\_\_\_\_

**I am in receipt of the engagement letter and the privacy policy. I have read, understand, and accept the conditions.**

Signature \_\_\_\_\_

Date \_\_\_\_\_