

# D J DUFFY, INC.

2629 HIGHWAY 70, MANASQUAN, NJ 08736  
TEL: (732) 528-7110 FAX: (732) 528-7348  
INFO@DJDUFFYINC.COM

January, 2021

Dear Client:

Thank you for making use of our Secure Firm Portal to upload your tax return information to us. This ensures the fastest, most secure way to transmit your tax documents for the preparation of your income tax return.

Please note, all documents must be in .pdf format to be transferred properly. Sending documents in a format other than .pdf will delay the processing of your return. Adobe offers free tools for both PC and mobile to convert different file types to .pdf format:

For Mobile: <https://acrobat.adobe.com/us/en/mobile/scanner-app.html>

For PC: <https://www.adobe.com/acrobat/online/convert-pdf.html>

Please review our engagement letter, complete the intake form, and upload your tax documents to the portal. Do not upload any documents until you are able to submit all documents. This may cause errors or a delay in filing your return.

Feel free to request an appointment either by phone or Zoom to review your return prior to completion. However, our appointment times are limited and this may delay your filing.

When your return is complete, you will receive two emails from us. The first will allow you to review and electronically sign your returns, after an IRS-mandated identity verification. The second contains our electronic invoice, with the ability to pay by either credit card or e-check. Both are secured with 256-bit AES encryption to secure your confidential information. You may download a copy of the returns during the e-signature process.

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When your e-signature and payment are received, we will electronically file your tax returns. Once your returns are confirmed and accepted by the IRS and State(s), we will mail paper copies of your tax returns to the address on file.

Please contact us if you have any questions or concerns. Thank you for the opportunity to be of service.

Sincerely,

**D J DUFFY INC**

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## CURRENT CLIENT INTAKE FORM

Name

Please detail any changes to your contact (email, phone, address, etc.) or bank info below:

There have been no changes to my contact or banking information from my last Tax Return.

Please indicate any amounts received for EIP ("Stimulus") Payments in 2020 or 2021:

First Payment: \$ \_\_\_\_\_ Second Payment: \$ \_\_\_\_\_

I did not receive any EIP/"Stimulus" Payments in 2020 or 2021.

Would you like us to schedule a conference by either phone or Zoom to discuss your return before completion (*note: this may delay filing as appointments are limited*)?

Yes, I'd like to schedule an appointment to discuss before the return is sent to me.

No, I will contact the office, if necessary, after viewing the completed return.

Please include any additional information below:

The documents I am uploading include everything necessary to prepare my tax returns.

I have read and agree to the terms of the income tax preparation engagement letter.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### *FIRM USE ONLY*

Update in OfficeTools

Info Updated

No Change

Sync with Lacerte & QuickBooks

Info Synced

No Change

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January 2021

Dear Client:

We are pleased to provide you with the professional services described below. This letter, confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

## ***Engagement Objective and Scope***

We will prepare your required federal and state tax returns for the year ended December 31, 2020.

We will not prepare any tax returns other than those identified above, without your written request, and our written consent to do so. We will rely upon the completeness and accuracy of the information and representations you provide to us to prepare your tax returns. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service ("IRS") and applicable state and local tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

This engagement is limited to the professional services outlined above.

## ***Firm Responsibilities***

Unless otherwise noted, we will perform our services in accordance with the U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

We will prepare your tax returns based upon your filing status (single, married filing jointly, married filing separately, head of household or qualifying widow[er] with dependent child) as reflected in your income tax returns for last year. If your filing status has changed, you wish to change your filing status, or you have questions about your filing status, please contact us.

### Arguable positions

We will use our judgment to resolve questions in your favor where a tax law is unclear, provided that we have a reasonable belief that there is substantial authority for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of tax reference materials. Tax reference materials include but are not limited to, the Internal Revenue Code (“IRC”), tax regulations, Revenue Rulings, Revenue Procedures, Private Letter Rulings, court cases, and similar state and local guidance. If the IRS, state or local tax authorities later contest the position selected, additional tax, penalties, and interest may be assessed. We assume no liability, and you hereby release us from any liability, including but not limited to, additional tax, penalties, interest, and related professional fees.

### Confidentiality

If the tax returns prepared in connection with this engagement are filed using the married filing jointly filing status, both spouses are deemed to be clients of the firm under the terms of this Agreement. Both spouses acknowledge that there is no expectation of privacy from the other concerning our services in connection with this Agreement. We are at liberty to share with either of you, without prior consent of the other, documents and other information concerning the preparation of your tax returns.

### Estimated tax payments

You may be required to make quarterly estimated tax payments. We will calculate these payments for the 2021 tax year based upon the information you provide to prepare your 2020 tax returns (the “safe harbor” rule). Updating recommended payments to more closely reflect your actual current year’s income is not within the scope of this engagement.

### Tax planning services

Tax planning services are not within the scope of this engagement. During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer.

### Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry.

### Third-party requests

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns. We do not communicate with third parties or provide them with copies of tax returns.

## ***Client Responsibilities***

### Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold our firm harmless from any liability including but not limited to, additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

### Personal expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by documentation and records required by the IRS and other tax authorities.

### State and local filing obligations

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You acknowledge that the scope of our services under this Agreement does not include any services related to your compliance with tax obligations other than those identified in the *Engagement Objective and Scope* section of this Agreement.

### U.S. filing obligations related to foreign investments

Based on the information you provide; you may have additional filing obligations including but not limited to:

- Ownership of or an officer relationship with respect to certain foreign corporations (Form 5471);
- Foreign-owned U.S. corporation or domestic disregarded entity (Form 5472);
- Foreign corporation engaged in a U.S. trade or business (Form 5472);
- U.S. transferor of property to a foreign corporation (Form 926);
- U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A);
- U.S. person with interests in a foreign partnership (Form 8865);
- U.S. person with interests in a foreign disregarded entity (Form 8858); or
- Statement of specified foreign assets (Form 8938).

You are responsible for informing us of all foreign assets owned directly or indirectly, including but not limited to financial accounts with foreign institutions, other foreign non-

account investments, and ownership of any foreign entities, regardless of amount. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you.

Based upon the information you provide, we will use this data to inform you of any additional filing requirements, which may include FinCEN Form 114, *Report of Foreign Bank and Financial Accounts* (“FBAR”). The FBAR is not a tax return and its preparation is not within the scope of this engagement.

Failure to timely file the required forms may result in substantial civil and/or criminal penalties. By your acknowledgement, you agree to provide us with complete and accurate information regarding any foreign investments in which you have a direct or indirect interest, or over which you have signature authority, during the above referenced tax year.

The foreign reporting requirements are very complex. If you have any questions regarding the application of the reporting requirements for your foreign interests or activities, please ask us and we will respond in writing. Only advice that is in writing may be relied upon. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

#### Foreign filing obligations

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

#### Ultimate responsibility

You have final responsibility for the accuracy of your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, *IRS e-file Signature Authorization*, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

#### ***Timing of the Engagement***

We expect to begin our services upon receipt of this acknowledged Agreement and all documents requested by our office or required to prepare your tax return.

Our services will conclude upon the earlier of:

- the filing and acceptance of your 2020 tax returns by the appropriate tax authorities and mailing or delivery of non-electronically filed tax returns (if any) to you for your review and your filing with the appropriate tax authorities,

- written notification by either party that the engagement is terminated, or
- one year from the execution date of this Agreement.

***Extensions of Time to File Tax Returns***

The original filing due dates for your tax returns are April 15, 2021 for federal and New Jersey. **Due to the high volume of tax returns prepared by our firm, you must provide the information needed to prepare the tax returns no later than April 1, 2021. Failure to do so may result in the inability to complete your returns by the original filing due dates.**

It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. **All taxes owed are due by the original filing due date.** Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

***Penalties and Interest Charges***

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

***Professional Fee***

Our fee is based upon the complexity of the work to be performed, and our professional time. In addition, our fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the tax returns.

We require that all outstanding invoices be paid prior to releasing the completed tax returns. We do not release incomplete tax returns.

\* \* \* \* \*

We appreciate the opportunity to be of service. Receipt of your tax information and client intake form is deemed constructive acceptance of this Agreement, unless you notify us otherwise in writing. We will not undertake any work in the absence of your acceptance of this agreement.

Very truly yours,

**D J DUFFY INC**