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TAX PREPARATION ENGAGEMENT LETTER

We appreciate the opportunity to work with you. This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared **to return a signed copy of this engagement letter prior to us beginning preparation of your return.**

Our hourly CPA billing rate for tax services will be \$220 this year, as reflected in the engagement letter.

We will prepare your 2020 federal and state income tax returns from information which you will furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We will furnish you with questionnaires and worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping the fees to a minimum.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, cancelled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. **You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.**

Taxpayers are required to maintain all the documents that form the basis of income, deductions, credits and payments shown on the return. In addition, some items have specific substantiation requirements set forth by the IRS (e.g., auto, meals and charitable contributions over \$250, etc.) Business entertainment is no longer deductible for tax purposes. If you have any questions as to the type of records required, please ask us for advice in that regard. Your signature on this letter confirms that we have advised you of the record keeping requirements. 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.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

We will use our judgment to resolve questions in your favor where the tax law is unclear or where there are conflicts between the taxing authorities' interpretation of the law and what seem to be other supportable positions. There may be situations where we are required by law to disclose a position on your tax return. We are not attorneys; therefore, we cannot provide you with a legal opinion on various tax positions. We can, however, advise you of the consequences of different positions. We will adopt whatever position you request on your returns so long as it is consistent with our professional standards and ethics. If you ask

us to take an unsupported tax position or refuse to make any required disclosures, we reserve the right to withdraw from the engagement without completing or delivering the tax returns. Such withdrawal would complete our engagement and you agree to pay our fees based on time expended (at our standard rates) plus all out-of-pocket expenses through the date of withdrawal.

This engagement does not include responding to inquiries by 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. If you ask us to represent you, we will confirm this representation in a separate engagement letter.

Certain individuals may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the U.S. Department of the Treasury. Failure to comply with the filing requirements may result in significant civil and criminal penalties. Unless specifically agreed in writing, we will not prepare, file, or aid with this form.

As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. These assets include any ownership interests you directly or indirectly hold in business located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signature authority. You are responsible for informing us of all foreign assets (including real estate if owned through a foreign entity), so we may properly advise you regarding your U.S. filing obligations. The foreign reporting requirements are very complex. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

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.

The 2020 tax return includes a new question about virtual currency (cryptocurrency). You will need to provide us information related to any virtual currency transactions you engaged in during 2020.

The IRS considers a gift to be any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money's worth) is not received in return. Under federal law, certain gifts are taxable and subject to an annual gift tax exclusion amount, which for 2020 is \$15,000 per taxpayer. You are responsible for informing us if gift tax returns are required to be filed. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

If you received a gift or bequest from a foreign person or trust, you may be required to file a separate IRS Form 3520, Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. If you ask us to prepare this return, we will confirm this in a separate engagement letter.

Your returns will be required to be filed electronically with the IRS. We will load a copy of your return to your Portal for review prior to electronic transmission. The IRS requires that you sign an e-file authorization form indicating that you have reviewed the return, it is correct to the best of your knowledge, and you authorize us to submit it electronically. We cannot transmit any return until we have the appropriate signed authorizations. **If you do not return the signed forms, with payment for services, by 1 pm MST on April 14, 2021, we are not responsible for penalties assessed for late filing or non-payment of tax due.** E-filing of states varies by tax authority. If e-file is not available, paper copies will be provided

to you to sign and mail. **Payment for service is due PRIOR to the electronic filing of your tax return.**

The filing deadline for the tax returns is April 15, 2021. Due to the high volume of tax returns prepared by our firm, the information needed to complete the returns should be received in this office **no later than March 5, 2021**. If we receive your information after this date, we will make every effort to complete your returns without an extension but will give priority service to clients who submitted information timely. This means an extension may be filed on your behalf, depending on our workload.

If an extension of time is required, any tax due with these returns must be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties.

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.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

Our fee for these services will be based upon the amount of time required at standard billing rates of \$220 per hour plus out-of-pocket expenses. The fee is based upon the complexity of the work to be performed and our professional time to complete the work. Additionally, this fee depends upon the availability, quality, and completeness of your records. You agree that you will deliver all records requested by our staff to complete this engagement on a timely basis. All invoices are due and payable upon presentation.

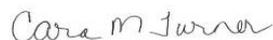
We will prepare the returns solely for filing with the IRS and state and local tax authorities. They are not intended to benefit or influence any third party, either to obtain credit or for any other purpose. As such, we will not respond to any request from banks, mortgage brokers or other lenders for verification of any information reported on these tax returns. Per our Privacy Policy, we are not authorized to disclose your financial or personal data to any third party **without specific written authorization from you**.

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 and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office. If there are other tax returns you expect us to prepare, please inform us by noting so at the end of the return copy of this letter.

We want to express our appreciation for this opportunity to work with you. Please let us know if you have any questions.

Very truly yours,



Cara M. Turner, CPA, MT
President

I would like a bound paper copy of my tax return. **(circle one)**
YES NO

ACCEPTED BY:

Client Signature

Spouse

Date

Date

Comments or additional requests:
