



## 2020 Tax Return Engagement

Client Name(s) \_\_\_\_\_

*We are pleased you have chosen us to prepare your income tax return(s). This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from us. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe we have misunderstood what you need, please call to discuss this letter.*

The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements. We will prepare your 2020 Federal and Idaho Income Tax returns for the individuals and/or entities that have been noted above. We will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some of the information.

### ADDITIONAL STATES

***We are responsible for preparing only the returns listed specifically in this letter. If you have taxable activity in a state other than Idaho, please tell us the state(s) here:*** \_\_\_\_\_ . It is your responsibility to inform us of additional state tax returns that need to be prepared. If you have income tax filing requirements in a given state but do not file that return there could be possible adverse ramifications such as an unlimited statute of limitations, penalties, etc. Please inform us if you would like us to investigate to determine each state where you have an income tax filing requirement. This investigative service will not be covered under this engagement letter but will instead be covered under a separate engagement letter with a separate billable charge.

### FOREIGN INCOME/ FOREIGN ASSETS

If you have derived income from a foreign country, we will use the foreign country income information which you provide to calculate any applicable federal or state foreign tax credit or other affected federal or state income tax items. However, you are responsible for meeting any foreign country income tax or other foreign country reporting requirements. If you own assets of greater than \$10,000 in a foreign country, there may be additional reporting requirements, which carry heavy penalties. You accept responsibility for informing us if you are subject to this additional reporting requirement. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required income tax related forms, and penalties may be due, for which we have no responsibility.

### ADDITIONAL SERVICES

You may request that we perform additional or prior year services not contemplated by this engagement letter. If this occurs we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional and prior year services may necessitate that we issue a separate engagement letter to reflect the obligations of both parties. In the absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this engagement letter. Our fee does not include responding to inquires or examination by taxing authorities. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate engagement letter. You must notify us if you would like us to file an extension for you. We do not automatically file extensions.

### BINDING AGREEMENT

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on the heirs, successors and assigns of you and us. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. You acknowledge that you have reported all income from all sources you have received whether in-person, in-kind, or electronically. We will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, K-1's, 1099's, 1098's, receipts, and similar items. We will use our professional judgment in preparing your returns. 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 reasonably request on your return so long as it is deemed and considered consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service

should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments. If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we 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 we incur, including legal fees, that are a result of attempts to protect any communication as privileged. In addition, 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. We recommend that you contact us before releasing information to a third party. We will use our best reasonable efforts to file all returns by the filing deadline, yet some returns may require the filing of an extension. We cannot file automatic extensions on your behalf. Should you require an extension on your tax return, please notify us in a timely manner and include the amount of tax you wish to pay with your extension. Failure to file a timely filed extension and pay an appropriate level of tax by the deadline to the various taxing agencies may result in penalties and interest, for which Core Accounting is not responsible. Core Accounting and client agree that this agreement shall be interpreted, governed and enforced in accordance with the laws of Idaho.

#### RECORD RETENTION

It is our policy to keep records related to this engagement for four years after which they are destroyed. However, we do not keep any original client records, so we 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 use, including potential examination by any government or regulatory agencies. Prior to each tax filing season we send client organizers to most of our clients as a convenience to assist them with gathering their tax information. If you move or do not wish to receive an organizer, please notify us or we will send the organizer to the address we used on your prior year's tax return. In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential to you. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these devices during this engagement. From time to time during our relationship, you may seek our advice with regard to potential investments. However, we are not investment advisors. Accordingly, we suggest that you seek the advice of qualified investment advisors appropriate to each investment being considered.

#### PAYMENT

Billings become delinquent, and late fees assessed if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at our discretion we may stop all work until your account is brought current, or we may withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement.

#### DURATION

In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, the client and the accounting firm have discussed and have agreed on the fair allocation of risk between them. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm's total fee for services rendered under this agreement. The client and the accounting firm intend and agree that this limitation applies to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the tax professional's signature on the tax returns covered by this engagement letter.

*We appreciate the opportunity to serve you. Please date and sign this letter to acknowledge your agreement with and acceptance of your responsibilities and the engagement terms. It is our policy to initiate services after we receive this signed letter.*

Sincerely,

*Core Accounting and Consulting*

I have read the above terms of the engagement letter and agree with the terms of this engagement:

Client Signature \_\_\_\_\_

Date \_\_\_\_\_

*If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement will be affected, and all other provisions remain in full force and effect.*