



LETTER OF ENGAGEMENT FOR INCOME TAX PREPARATION SERVICES

TAX YEAR: 2019

Tax Forms to be Prepared: Federal – 1041; State – AR1002F

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 confirm the following arrangements.

SERVICES TO BE PROVIDED

We will prepare the foregoing tax returns based upon information and representations that you provide to us and will not prepare any other returns absent a subsequent written agreement. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify some of the information. We will prepare the tax returns solely for filing with the Internal Revenue Service (“IRS”) and state and local tax authorities. Our services and work product are not intended to benefit or influence any third party, either to obtain debt or equity financing or for any other purpose. We will not prepare any tax returns except those identified above without your written authorization to do so.

Because our firm is relying on the accuracy and completeness of the information you provide to prepare the tax returns, you agree to indemnify and hold our firm and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns 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.

You agree that you will not and are not entitled to rely on any advice unless it is provided in writing. Our engagement does not include tax planning services which are available as a separate engagement. During the course of preparing the tax returns identified above, we may bring to your attention tax saving strategies to consider as a means to reduce your income taxes in future tax years. However, we have no responsibility to do so, and will take no action with respect to any such recommendations. Responsibility for implementation remains with you, the taxpayer.

YOUR RESPONSIBILITIES

You are obligated to provide us with accurate and complete information required to prepare your tax returns including a trial balance and all required supporting data. You are responsible for reviewing and verifying the accuracy of all financial information provided by you and used by us in the preparation of the tax returns. In addition, you are responsible for reviewing and approving the tax returns we prepare prior to filing. As previously indicated, we will not audit or otherwise verify the data and calculations you provide us to prepare your returns.

You are responsible for segregating personal expenses, if any, from business expenses in the information you provide to us. In addition, you are responsible for ensuring that expenses incurred for business purposes such as meals, travel, entertainment, vehicle use, gifts, and related expenses, are supported by records required by the IRS and other taxing authorities. We are available to answer your questions and advise you on your obligation to retain supporting documentation.

You are responsible for informing us of any bartering transactions, listed transactions or transactions of interest as designated by the IRS. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from your failure to timely notify us, in writing, of all such transactions.



As set forth above, you are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You need to retain all documents supporting reported income, credits, and deductions to support your return upon review or audit. You are responsible for the adequacy of the supporting documentation. You hereby represent that you have such documentation and will produce it if needed to respond to any audit or inquiry by taxing authorities.

You are responsible for determining your state or local tax filing obligations with any state or local tax authorities, including, but not limited to, income, franchise, sales, use, or property taxes. You agree that we have no responsibility to research these filing obligations or to inform you of them. If we believe you have an obligation to file additional tax returns, we will notify you of this in writing. If you ask us to prepare these returns, we will confirm this in a separate engagement letter and set forth the additional charges for this service.

It is your responsibility to inform us if you directly or indirectly hold any interest or signatory authority in any assets located in a foreign country. Based on the information you provide, we will calculate any applicable foreign tax credits. In addition, this data will be used to inform you of any additional filing requirements, which may include Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts (FBAR). Failure to file these required forms can result in the imposition of significant civil and criminal penalties. These are not tax returns and their preparation is not within the scope of this engagement. If you ask us to prepare these forms, we will confirm this in a separate engagement letter and delineate the additional charges for this service. You are responsible for complying with any other country's reporting requirements.

You have final responsibility for your income tax returns. It is your obligation to check them carefully for accuracy and completeness before signing and filing. To the extent you have failed to comply with your obligations as set forth above, you agree to indemnify and hold the firm and its employees harmless for any resulting taxes, penalties or interest assessed against you.

OUR RESPONSIBILITIES

We will use our judgment to resolve tax positions and questions in your favor where the tax law is unclear if there is reasonable basis or justification for the position. Whenever we are aware that an applicable tax law is unclear or there are conflicting interpretations, we will explain the possible positions that may be taken on your return. We will take the position you request, provided it is consistent with our understanding of the current tax code, laws, regulations and authoritative interpretations. If the IRS or state tax authorities later contest the position taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability for such liabilities, and you hereby agree to release us from any such additional tax, interest, and penalties or other fees and assessments.

We may determine it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the income tax returns. We will request your approval before rendering these services which will be subject to a separate fee arrangement.

Our engagement does not include any procedures designed to discover fraud, theft, or other irregularities, if any exist.

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. If you would like to engage us to represent you, our engagement will be confirmed in a separate engagement letter which will delineate the additional charges for this service.



TIMING OF SERVICES

We will begin the preparation of your returns upon receipt of the trial balance and other supporting data agreed to above. If your return is electronically filed, our services will be concluded upon the earlier of the filing and acceptance of your tax returns by the appropriate taxing authorities or one year from the execution of date of this letter. You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization, and state equivalent authorization form before your returns can be filed electronically. If your return is filed by mail, our services will conclude upon the delivery to you of your tax returns.

EXTENSIONS OF TIME

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

To the extent you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, you must notify us of this. Our firm will not file these applications unless we receive either a signed copy of this engagement letter or your express authorization to do so. In some cases, your signature may be needed on such applications prior to filing. Failure to timely file for an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns and can be substantial.

PENALTIES AND INTEREST

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

As set forth above, we rely on the accuracy and completeness of the information you provide to prepare your tax returns. Failure to disclose and/or inadequate disclosures can result in the imposition of taxes, penalties and interest charges.

The IRS and many states impose penalties for a substantial understatement of tax. To avoid the substantial understatement penalty, you must have substantial authority to support the tax position challenged by the IRS. A completed IRS Form 8275 or 8275-R, which discloses all relevant facts, may be required to be attached to your tax return to meet the disclosure requirements.

You agree to advise us if you are aware of a tax treatment which requires disclosure on your return. If you request our assistance in identifying or performing research to ascertain if there is a disclosure requirement and/or "substantial authority" for the proposed position, we may be willing to provide this additional service to you under the terms of a separate arrangement. It is your responsibility to contact us if additional assistance is required. If an undisclosed tax position fails to meet the substantial authority or "more likely than not" standard, we will be unable to prepare the return and will withdraw from the engagement.

If we conclude as a result of our research that you are required to disclose a transaction on your tax return, you may be required to attach a completed Form 8275 or 8275-R to your return for filing. You agree to hold our firm and employees harmless for all damages incurred as a result of including such disclosures with your filed tax returns regardless of the nature of the claim.



FEES AND BILLINGS

Our professional fees for the services outlined above will be based upon the complexity of the work to be performed and the time required to complete the work. Hourly rates for preparation vary depending on the individual providing the services and the skill required. Our fees also depend 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.

In the event your records are not submitted in a timely manner, or are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to complete the work. If this occurs, we will contact you to discuss the matter, the anticipated delay in completing our engagement, and any additional fees prior to rendering further services.

We will bill you for our professional fees, expenses and out-of-pocket costs as of the date we deliver our work product you. Payment is due when your returns are completed. You agree that in the event that you fail to make full payment of the taxes due by the original due date of the tax return, we are not responsible for any penalties or interest assessed against you as a result of your failure to meet make the required payments.

USE OF THIRD-PARTY SERVICE PROVIDERS, ELECTRONIC DATA COMMUNICATION AND STORAGE

In performing our services, we may communicate by facsimile transmission, send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We require all of our third-party vendors to do the same.

You acknowledge and accept the fact that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third party service providers during this engagement.

OTHER TERMS AND TERMINATION OF SERVICES

We reserve the right to withdraw from this engagement without completing the returns if you fail to comply with the terms of this engagement letter or if you disagree with our recommendations regarding tax return filing and reporting obligations, tax return positions to be taken, or disclosures to be made in the returns. In addition, we reserve the right to terminate the relationship if applicable professional standards require our withdrawal for any other reason.

It is our policy to keep records related to this engagement in accordance with professional standards. At the completion of our engagement, the original source documents provided by you will be available for you to pick up. If the source documents are not picked up within 90 days of completion of the engagement, we will interpret



KEEN & COMPANY
Certified Public Accountants, PLLC

this as permission to destroy the paper documents. Workpapers and other documents created by us are our property. Such original work papers will remain in our control and will be treated as confidential. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

We appreciate the opportunity to be of service to you. We thank you for your business and continued trust.

Very truly yours,

Keen & Company CPAs, PLLC

By typing or signing my name below, I agree to be bound by the terms and conditions of this letter:

Entity Name or Business: _____

Accepted By: _____

Date: _____

If you need to file returns in additional states, please list them here: _____