



Bishoff + Associates, PLLC

Certified Public Accountants

ENGAGEMENT LETTER FOR TAX YEAR PERSONAL INCOME TAX SERVICES

Taxpayer(s) Name(s) Date Tax Year

Address City State Zip

Re: Engagement Terms between "Client" referenced above and Bishoff + Associates, PLLC

This letter is to confirm and specify the terms of our agreement with you and to clarify the nature and extent of the services we will provide. This document is to ensure there is an understanding of our mutual responsibilities.

We will prepare your 2019 federal and requested state individual income tax returns for calendar year 2019. Our engagement is limited to preparation of these returns, and we assume no responsibility for any other returns you may be required to file. Although we may ask you for clarification of information provided to us by you and your representatives, we will prepare your tax returns from information provided and will not audit or otherwise verify any data submitted to us. We will not perform any procedures to detect errors, fraud or theft and our work cannot be relied upon to disclose such.

We will prepare these returns solely for filing with the Internal Revenue Service ("IRS") and state and local tax authorities you have identified below. Our work is not intended to benefit or influence any third party - either to obtain credit or for any other purpose - and you agree to indemnify and hold us harmless for any and all claims arising from the use of the tax returns for any purpose other than filing with the respective tax authorities, regardless of the nature of the claim, including the negligence of any party.

If you have taxable activity in a state other than Florida, you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s) income tax returns, as well as informing us of the applicable states. If you would like us to investigate, to determine each state where you have an income tax filing requirement, please inform us. This engagement letter does not cover the preparation of any financial statements, which, if we are to provide, will be covered under a separate engagement letter.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. However, should we find any irregularities, or unusual items, we will bring them to your attention.

Our Responsibilities – We use the same standard of care any reasonable income tax preparer would exercise in this type of engagement. We will not hold property in trust for you or otherwise accept fiduciary duties in the performance of this engagement. We will prepare your tax returns based upon the filing status reflected in your prior year income tax returns unless you notify us your filing status has changed.

Confidentiality – For any tax return prepared using married-filing-jointly status, both spouses are deemed clients under the terms of this agreement. Each spouse acknowledges there is no expectation of privacy from the other under this agreement, and we may share with either of you, without prior consent of the other, documents and information concerning the preparation of your tax returns.

We take every precaution to protect confidentiality of electronic communications; however, we cannot be responsible for any loss or damage (consequential or otherwise) to any person or entity from the use of email, or other forms of electronic data transmissions in the preparation, completion and delivery of your income tax returns.

In order to protect all parties from the aforementioned issues, we have implemented a secure file sharing, and client communication platform called Liscio, for which we intend to conduct all further electronic client communication.

Estimated Tax Payments – Any quarterly estimated tax payments for the subsequent tax year will be calculated based upon information you provide, or from the final results of the tax returns covered by this agreement (if you provide no additional data for us to use), and we have no obligation to update any recommended payments. Any additional data provided after the estimates are prepared may result in additional charges for updating or changing the originally calculated estimate.

Government Inquiries – This engagement specifically excludes responding to inquiries by any governmental agency or tax authority. If your return is selected for examination or audit, you may request our assistance in responding to such an inquiry, and we will establish a separate engagement for those services.

Third-Party Verification Requests – We will not respond to any request from banks, mortgage brokers or others for verification of information in your tax returns without written (in IRS format) authorization from you.

Tax Advice – Our advice is based upon tax reference materials, facts, assumptions and representations known to us at the time the advice is rendered. We are under no obligation to update our advice after it has been initially rendered.

Arguable Positions – We resolve questions in your favor where a tax law is unclear, as long as there is substantial support for it. (Substantial support means it is “more likely than not” the position will be upheld if questioned by tax authorities.)

Substantial Understatement Penalties – The IRS and many states impose penalties for substantial understatement of tax which can be avoided if you have substantial authority to support the tax treatment of the item challenged by the IRS or have adequate disclosure of the item and the disclosed tax position meets the “reasonable basis” standard as having some authority supporting the position which cannot be simply arguable.

Listed Transactions and Other Reportable Transactions – The law imposes substantial penalties on taxpayers and tax advisors for failure to disclose listed and other reportable transactions whose primary purpose is tax avoidance, including but not limited to listed transactions, confidential transactions, transactions with contractual protection, loss transactions and transactions of interest.

Tax Shelters – Tax preparers are required to conform to a higher standard than the taxpayer when an undisclosed tax position is related to a tax shelter. This higher standard requires the preparer to have a reasonable belief any undisclosed tax position would more likely than not be sustained on its merits if challenged by the IRS and there is a reasonable basis for the tax treatment. We must prepare your return to this higher standard, which may require our spending additional time to do the research and analysis necessary to meet the standard.

Your Responsibilities – You will complete the income tax organizer with accurate and complete information, including income from all sources, including those outside the U.S.

You agree to deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis.

You authorize us to accept and rely upon documents and verbal clarifications from you, your advisors, brokers and representatives regarding financial transactions reported in tax returns we are preparing on your behalf.

You understand we rely upon the accuracy, completeness and timeliness of both the information you provide in the organizer and other supporting data you provide in rendering our professional services to you.

You agree to pay our invoices upon presentation without delay or discount. If not paid on demand, you agree to our firm's late payment penalties and procedures, plus any out-of-pocket expenses we incur for collection.

You agree that if payment is not received when services are rendered, your income tax return will not be filed electronically.

You agree that your tax return cannot be filed electronically, unless we receive your prior written authorization to do so, via IRS Form 8879.

You agree to disclose to us any and all transactions entered into for tax-motivated reasons or transactions executed in a manner designed to achieve a particular tax result.

You agree delivery of your minor children's tax information to us extends the terms of this agreement to preparation of their returns as a third-party beneficiary and not as a party to this agreement.

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 and deductions on your returns, as required under applicable tax laws and regulations. You represent you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities.

Gift Tax Returns – Gift tax returns are required for any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money's worth) is not received in return. You are responsible for informing us if gift tax returns are required to be filed or have been filed. Preparation and filing any gift tax returns are not a part of this agreement.

Personal Expenses – You are responsible for ensuring that personal expenses, if any, are segregated from business expenses, and expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses are supported by necessary 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. You agree we have no responsibility to research these obligations or to inform you of them. 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 of this responsibility.

U.S. Filing Obligations Related to Foreign Financial Assets – 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, and you are responsible for informing us of all foreign assets.

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. If you have a financial interest in or signature authority over a foreign financial account, including a bank account, brokerage account, mutual fund, trust, or other type of foreign financial account, exceeding certain thresholds, the Bank Secrecy Act may require you to report the account yearly to the Department of Treasury. United States persons are required to file an FBAR if 1) the United States person had a financial interest in or signature authority over at least one financial account located outside of the United States and 2) **the aggregate value of all foreign financial accounts exceeded \$10,000 at any time during the calendar year reported. Failure to comply with the filing requirements may result in significant civil and criminal penalties.** Unless otherwise specifically agreed in writing, we will not prepare, file, or provide assistance with this form. **If you would like us to prepare Form 114, please notify us in writing.**

Based upon information you provide, we will calculate any applicable foreign tax credits and notify you if the data indicates you may be subject to additional filing requirements. Failure to file forms can result in both civil and criminal penalties, which may be substantial in amount. Some of these filings are not considered "tax" returns, and their preparation is not within the scope of this engagement.

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 foreign filing obligations are not within the scope of this engagement.

Ultimate Responsibility – You have final responsibility for your tax returns, and you agree to carefully review and examine copies provided to you (electronically or otherwise) for accuracy and completeness before they are filed with the appropriate tax authorities.

You are required to verify and sign a completed E-file Signature Authorization Form for federal and applicable states if your returns are to be filed electronically.

You have the option of NOT filing your tax returns electronically, but you must contact us if you desire to do so, since additional procedures will apply.

Indemnification – You agree to hold our firm harmless from any and all actual and consequential damages (including but not limited to tax, penalties, interest, and professional fees) you incur as a result of including disclosures we believe are required and such disclosures with your filed tax return regardless of the nature of the claim, including the negligence of any party.

You acknowledge your responsibility to inform us of any listed transactions or other reportable transactions as designated by the IRS and agree to indemnify us and hold our firm harmless with respect to any additional tax, penalties, interest and professional fees resulting from your failure to timely notify us, in writing, of all tax-motivated transactions or tax-structured transactions.

You hereby release us from any liability for such additional tax, penalties, interest and related professional fees, as well as agreeing to reimburse us for any penalties assessed on us for your not providing us complete and accurate information in preparing your returns for your not having adequate documentation for the items represented to us in preparing your returns.

Timing of the Engagement – We expect to begin our services upon receipt of the completed income-tax organizer for the year covered by this agreement, and/or receipt of all documents requested either in the organizer, or by our office.

Our services under this engagement will conclude upon the electronic filing of your return(s) with the appropriate tax authorities (after your written authorization is received by us); completion and delivery of your returns in either paper or electronic format; or written notification by either party that the engagement is terminated.

Extensions of Time to File Tax Returns – The timeliness of your cooperation is essential to our ability to complete this engagement. Filing due dates for individual tax returns are generally April 15. All information needed to complete those returns must be received no later than April 1. If we have not received all of your information by April 1, or your return is not completed by April 15, it may be necessary for us to pursue an extension of the due date of your return(s).

If an extension of the 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. If you are planning to make an IRA contribution, it must be made by April 15. If you are subject to making quarterly estimated tax payments, you are responsible for making estimated tax payments for the current tax year even if you have extended your tax return. If you need us to help you determine how much your estimated tax payments should be, please let us know.

As a matter of convenience, we file extensions if there are unresolved issues or delays in processing, or we do not receive all of the necessary information from you on a timely basis. An extension may extend the time a government agency has to audit your return or extend the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. Late payments make you susceptible to penalties and interest.

By signing and agreeing to the terms of this Engagement Letter, you are giving us your consent, and authorization to file an extension on your behalf, based upon the criteria outlined above.

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, late filing of returns, late payment, underpayment and inadequate disclosure. You, as the taxpayer, remain responsible for the payment of all tax, penalties and interest charges imposed by tax authorities.

Professional Fees – Our professional fee for services performed hereunder is based upon the complexity of the work performed and any out-of-pocket expenses we incur. In addition, fees depend upon the timely delivery, availability, quality and completeness of the information you provide to us. You agree to pay all fees and expenses incurred whether or not we complete preparation of these tax returns to the extent we have progressed toward completion of the returns. Our fees for this engagement are not contingent on the results of our services.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we have obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates then in effect, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

Document Retention – We retain documentation of this engagement for 4 years, after which it is subject to destruction. All original documents provided to us will be available for pickup at the time you are notified of the returns' completion. Any documents not retrieved by you within 12 months of completion of your returns are subject to destruction.

Potential Litigation – Any litigation arising out of this engagement, except for actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary.

Our liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you or your minor children for whom we may also have prepared returns under this agreement. In no event shall we be liable for the consequential, special, incidental, or punitive loss damage, or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fees received by us for this engagement. The provisions set forth in this paragraph shall survive completion of this engagement.

Notwithstanding anything contained herein, both you and we agree, regardless of where you are domiciled and regardless of where this agreement is physically signed, this agreement shall have been deemed entered into at our office located in Hillsborough County, Florida, USA, which shall be the exclusive jurisdiction for resolving disputes related to this agreement. This agreement shall be interpreted and governed in accordance with the laws of the State of Florida, USA.

This engagement letter is contractual in nature and includes all the relevant terms that will govern the engagement for which it has been prepared. The terms 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 set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all the parties.

State(s) returns to be prepared*

We will prepare any necessary state income tax returns that you request in writing below:

(During the process of your tax preparation, if we discover that you are required to file any additional state tax returns, we will prepare them, and present to you for filing. State income tax returns are billed in addition to your federal income tax return.)

The following questions are required.

If you have a trade or business whose results are included in your personal return Schedule C, Rental Property (Schedule E) or a Farm (Schedule F) - IRS requires you answer the following regarding Form 1099 filing requirements. 1099 filing requirements are available on our website. If these questions are not answered, it will cause delays in completion of the returns and result in additional cost or we will assume you made such payments and choose not to file the required 1099s (penalties for failure to file 1099s are from \$50 to \$530 per copy where each 1099 has 4 copies).

- ☐ Yes, I have paid \$600, or more, for subcontractors, legal or any other services during the tax year covered by this agreement.
- ☐ No, I have not paid \$600 or more for the above described services.

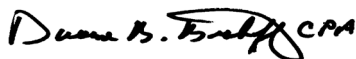
If you answered YES to the question above, please complete the following:

- ☐ Yes, I would like Bishoff + Associates to prepare 1099 forms, for the aforementioned subcontractors.
- ☐ No, it is not necessary for Bishoff + Associates to file and prepare the aforementioned 1099 forms. I certify that I have filed and prepared them on my own.

If this firm does not receive from you the original of this letter, in fully executed form, but receives from you supporting documentation requested therein, then such receipt by this firm shall be deemed to evidence your acceptance of all of the terms set forth above. If, however, this firm receives from you no response to this letter, then this office will not proceed to provide you with any professional services.

We appreciate the opportunity to be of service.

Very truly yours,



Duane B. Bishoff, CPA, CEO
Bishoff + Associates, PLLC

The undersigned hereby authorizes Bishoff + Associates, PLLC and all its representatives, agents, and employees to furnish my/our full and complete personal financial information and documents as necessary to those personnel connected with preparing and reviewing my/our federal and/or state tax return(s), amendments or other tax services which are required/requested.

Agreed to and accepted by:

Signature

Print Name

Signature

Print Name

Date: _____

IRS CIRCULAR 230 DISCLOSURE

In order for us to comply with certain U.S. Treasury regulations, unless expressly stated otherwise, any U.S. federal tax advice that may be contained in this written or electronic communication, including any attachments, is not intended or written to be used, and cannot be used, by any person for the purpose of (i) avoiding any tax penalties that may be imposed by the Internal Revenue Service or any other U.S. federal taxing authority or agency or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.