

2019 Tax Return Preferences

Due to Federal and State Regulations, we are required to have you complete a 2019 Year-End Individual Client Questionnaire and sign this page indicating having read and fully understood the attached engagement letter.

DELIVERY (Please check one)

I want a paper copy

- I will pick them up at the office
 I will need them mailed to:

I want a digital copy only

Email: _____
(must provide email)

I want my backup paperwork returned to me:

- Digitally I will Pick Up
 Please mail them to:

I want both paper & digital copies (additional charges may apply)

- I will pick them up at the office
 I will need them mailed to:

Email: _____
(must provide email)

FILING

I have other returns to file (including business, fiduciary, state & local tax returns)

Please List all additional returns here: _____

I want to e-file my tax return* **I want to paper-file my tax return****

* You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization, and any state equivalent authorization form before your returns can be filed electronically. If married and filing jointly, your spouse will also need to sign. If no preference is indicated, we will set your return up to eFile.

**You will be required to sign an opt-out form indicating that you do not want to e-file your tax return.

ESTIMATED TAXES

If you receive estimated tax payment vouchers for the 2020 year, will you need reminders sent each quarter?

No Yes

QUICKBOOKS

If you are providing us with a QuickBooks file for preparing this return, please complete this section

QuickBooks Version: _____ **Password:** _____

I/we agree to engage Toyer, Dietrich & Associates in accordance with the terms indicated in the engagement letter. I/we understand the returns are to be prepared from information I/we provide and that the final responsibility for a complete and accurate return rests with me/us. It is also my/our responsibility to review and understand the information on the returns prior to signing and filing them. If the engagement is terminated by either party prior to completion, I/we remain liable for all charges incurred in the preparation of the tax return(s) up until that point and agree to pay such charges upon receipt of invoice. *I/we also understand that payment for services is due at the time of pick-up and that my return(s) will not be filed until payment is made or payment arrangements have been made and agree that Toyer, Dietrich & Associates are not liable for any penalties and/or interest that may be incurred.* Taxes are processed in the order received. Peak season is March-April and returns received may take longer to complete during this time. Toyer, Dietrich & Associates will treat all tax documents received for processing without this signed document as an acceptance of the terms included in the enclosed engagement letter.

Date

Signature

Spouse's Signature (If applicable)



TOYER, DIETRICH & ASSOCIATES

A Division of Dietrich & Associates, P.S.

CERTIFIED PUBLIC ACCOUNTANTS

January 2, 2020

2019 Individual Income Tax Engagement Letter

Toyer, Dietrich & Associates CPAs is pleased to provide you with the professional services described below for your 2019 Individual Income Tax Return.

This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. This engagement between you and our firm will be governed by the terms of this letter. We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

Scope of Engagement

We will prepare your 2019 U.S. Federal Income Tax Return and the related schedules for the tax year ended December 31, 2019. We will also prepare the selected state individual income tax returns that you list with your signature on the green 2019 Tax Return Preferences page of this letter.

We will **not** prepare any tax returns except those identified herein without your written authorization to do so. We will prepare your tax returns based upon information and representations you provide to us. 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"), state and/or local taxing authorities. These returns 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.*

As a result, 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, state and/or local taxing authorities regardless of the nature of the claim, including the negligence of any party.

You agree that you will not and are not entitled to rely on any advice unless your request and our response to such are provided in writing.

Client Responsibilities

We will provide you with an income tax organizer to help you compile and document the information we will need to prepare your income tax returns. It is your obligation to complete the tax organizer with accurate and complete information, including worldwide income.

We are relying on the accuracy and completeness of both the information you provide in the income tax organizer and other supporting data you provide in rendering professional services to you.

Documentation

You are responsible for maintaining and providing to us 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 tax law. You are responsible for the adequacy of all such documents. You represent that you have such documentation and can produce it, if needed, to respond to any audit or inquiry by taxing authorities. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from the disallowance of tax deductions due to inadequate documentation.

Personal expenses

Unless we are otherwise advised, you are responsible for confirming 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 taxing authorities. At your request, we are available to answer your questions and advise you on the types of supporting records required.

Other income, losses, and expenses

If you realized income, loss, or expense from a business or supplemental income or loss, these are subject to the reporting requirements of federal and state income tax authorities. You are responsible for complying with all applicable laws and regulations pertaining to such operations, including the classification of workers as employees or independent contractors and related payroll tax and withholding requirements.

State and local filing obligations

You are responsible for determining your state or local tax filing obligations with any state or local taxing authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. You agree that we have **no** responsibility to research these obligations or to inform you of them. If upon review of the information you have provided us and other information that comes to our attention, we believe you may have an obligation to file additional tax returns, we will notify you of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, there will be additional charges for this service.

U.S. filing obligations related to foreign investments

It is your responsibility to inform us if you directly or indirectly hold any interest or signature authority in any assets located in a foreign country. Based upon the information you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include Form 114, Report of Foreign Bank and Financial Accounts (FBAR). Failure to file required forms can result in the imposition of both civil and criminal penalties, which can be significant.

As part of your federal income tax return, 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 on Form 8938. In some but not all cases, this filing obligation may overlap your FBAR filing obligations. You are responsible for informing us of all foreign investments so we can properly advise you as to your FBAR and income tax return filing obligations.

Foreign filing obligations

You are responsible for complying with any other country's income reporting and tax filing requirements. We have no responsibility to discuss these issues with you. If you have specific questions regarding your tax filing obligations, please contact us to schedule an appointment to discuss your concerns.

Reliance on others

If you wish to take a tax position based upon the advice of another tax advisor, you agree to obtain a written statement from the advisor confirming that the position should meet the substantial authority, or "more likely than not" standards, as applicable. To the extent a position is based upon the advice of another tax advisor, prior to preparing or signing the tax return, the American Institute of Certified Public Accountants Statements on Standards for Tax Services Section 100 requires our firm to have a good faith belief that the position has at least a realistic possibility of being sustained administratively or judicially on its merits, if challenged. You agree to pay additional charges incurred to perform required research.

Married Filing Jointly

We acknowledge that any information Toyer, Dietrich & Associates, CPAs receives from one party that may impact the other party will be made know to all parties; and, for that purpose, waive the requirements of confidentiality among ourselves and the firm.

Ultimate responsibility

You have final responsibility for your income tax returns. Check them carefully for accuracy and completeness before you sign them.

CPA Firm Responsibilities

We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

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We will prepare your returns based on 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 marital status has changed, you want to change your filing status, or you have questions about your filing status, please contact us immediately.

Arguable Positions

We will use our judgment to resolve questions in your favor where a tax law is unclear assuming there is reasonable justification for doing so. Whenever we are aware of conflicting interpretations of the law by authorities, 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 the current tax code, laws, regulations, and their interpretations. If the IRS or state taxing authorities later contest the position taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability, and you hereby release us from any such additional tax, interest, and penalties or other fees and assessments.

Bookkeeping assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the income tax returns. Additional charges will apply for such services.

Management responsibilities

Toyer, Dietrich & Associates, CPAs, in its sole professional judgment, reserves the right to refuse to take any action that could be construed as making management decisions or performing management functions on your behalf. However, we may provide advice and recommendations to assist management in performing its functions and making decisions.

Errors, fraud, or theft

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

Brokerage or investment advisory statements

If you provide our firm with copies of brokerage (or investment advisory) statements, we will use the information from these statements solely in connection with the preparation of your income tax returns. We will rely on the accuracy of the information provided in the statements and will not undertake any action to verify this information. We will not monitor investment activity, provide investment advice, or supervise the actions of the entity or individuals performing investment activities on your behalf. We recommend you review all brokerage (or investment advisory) statements promptly and carefully, and direct any questions regarding activities on your account to your broker (or investment advisor).

Tax planning services

Our engagement does not include tax planning services, which are available as a separate engagement. During the course of preparing the tax returns identified herein, we may bring to your attention certain

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available tax saving strategies for you to consider as a possible means of reducing your income taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to any 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 taxing authority. If your tax return is selected for examination or audit, you may request we assist you in responding to such inquiry. However, there will be additional charges for this service.

Timing of the Engagement

We expect to begin the preparation of your returns upon receipt of the completed 2019 tax organizer and all tax documents requested either in the organizer or by our office. Please be aware that during peak tax time, your return may need several weeks to be completed.

If your return is electronically filed, our services will conclude upon the earlier of the filing and acceptance of your 2019 tax returns by the appropriate taxing authorities or one year from the execution date of this letter. You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization, and any state equivalent authorization form before your returns can be filed electronically. You are responsible for reviewing the accuracy of all tax returns and any accompanying schedules and statements prior to filing.

If your return is filed by mail, our services will be concluded upon the earlier of delivery to you of your 2019 tax returns for your review and filing with the appropriate taxing authorities or one year from the execution date of this letter.

Payment for services is due at the time of pick-up and return(s) will not be filed or released until payment is made.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are April 15, 2020 for federal and any state filings.

It may become necessary to apply for an extension of the filing deadline if there are unresolved tax 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. All taxes owed are due 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 in writing. Our firm will not file these applications unless we receive either a signed copy of this engagement letter or your express written 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.

We are available to discuss this matter with you at your request at if the need arises.

Penalties and Interest Charges

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

Fees and Billings

Our professional fee for the services outlined herein is based upon the complexity of the work to be performed and our professional time to complete the work. We base our fees on the time required at our regular rates for the personnel assigned plus out-of-pocket costs. 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.

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 correct the problem. If this occurs, we will contact you to discuss the matter and the anticipated delay in completing our engagement prior to rendering further services.

We will bill you for our professional fees, expenses and out-of-pocket costs monthly as incurred or as of the date we deliver our work product to you. Payment is due at pickup of your completed tax forms or within 25 days of the date on the billing statement, if billed. We accept cash and check payments and, for your convenience, also accept Visa, Mastercard, Discover and American Express, with a minimum purchase of \$50.00 – subject to a 3% service fee. If payment is not received by the due date, you will be assessed interest charges of 1.5% per month (18% per annum) on the unpaid balance. We reserve the right to suspend or terminate our work from non-payment of fees.

Any payment arrangements needed are done only with the express authorization of Bruce Dietrich. Arrangements require a minimum 25% down payment and are subject to a \$5.00 per month installment fee. If you miss a payment, the payment is late, or the amount you paid is less than what is agreed, then this is considered a breach of contract and the account will be due in full and a late charge of \$35.00 will be applied. There is a 3% service charge for any credit or debit card payments. The finance charge is 15% per month (APR of 18%) with a \$1.50 minimum charge to be charged on all balances that remain unpaid on the 20th of each month. Service Charges are added to the statement and become part of the principal obligation due.

The Client agrees to pay all collection, attorney fees and/or costs as may be deemed reasonable in the event legal action becomes necessary to collect any outstanding balances. Insufficient fund fees of \$35.00 will be charged on all returned checks and \$25.00 for each declined credit/debit charge.

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You agree that in the event your payment of tax is not received by the due date of the tax return, we will not be responsible for your failure to meet government and other filing deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet the deadlines, and for any other damages (including, but not limited to consequential, indirect, lost profits, or punitive damages) incurred by you as a result of the late filing or non-filing of the tax returns.

Electronic Data Communication and Storage and Use of Third-Party Service Provider

In the interest of facilitating our services to you, we may 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 you 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 also require all of our third-party vendors to do the same.

You recognize and accept 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.

Entire Agreement

This engagement letter, including any attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this engagement letter must be made in writing and signed by both parties.

Document Retention

We will retain your returns, digitally, for seven years after the filing deadline date for the return so that we may better assist you, and in some cases to comply with legal requirements. You agree that we are free to destroy the returns and any records or papers associated with the returns after that seven-year period without any notice to you.

You should retain all documents, receipts, canceled checks, and other records for at least seven years after you file your return to substantiate the items of income and deductible expenses that are claimed on your return.

Copies of your returns and documents are available up to seven years for an additional fee.

Termination and Other Terms

Any claim arising out of this engagement letter shall be commenced within one year of the delivery of the work product to you, regardless of any longer period of time for commencing such claims as may be set by law.

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You agree that the liability of Toyer, Dietrich & Associates, CPAs and its personnel to you shall not exceed the total amount paid for services herein, and this shall be your exclusive remedy. You further agree to indemnify and hold harmless Toyer, Dietrich & Associates, CPAs and its personnel from all actions, claims, liabilities, costs, expenses, or losses asserted or alleged by any person(s) and/or entity(ies) not a party to this agreement. These limitations on liability and indemnification provisions shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

This agreement shall be interpreted under the laws of Washington State.

We reserve the right to withdraw from the engagement without rendering services for any reason, including but not limited to, if the tax organizer is not returned fully completed and signed, or if documents requested in the organizer or by our office are not timely provided to our firm. Further, 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, 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, or if we determine professional standards require our withdrawal for any other reason.

At the completion of our engagement, the original source documents will be returned to you. Workpapers and other documents created by us are our property. Such original workpapers will remain in our control, and copies are not to be distributed without our prior written consent.

If any portion of this engagement letter is deemed invalid or unenforceable, said finding shall not invalidate the remainder of the terms set forth in this engagement letter.

We appreciate the opportunity to be of service to you. Please date and sign the enclosed cover sheet of this engagement letter and return it to us to acknowledge your agreement with its terms. It is our policy to initiate services only after we receive the signed copy of this engagement letter from you.

Very truly yours,



Bruce N. Dietrich, CPA, CGMA
President
Toyer, Dietrich & Associates, CPAs