

Paul S. Marciano, CPA, LLC.

Accounting and Tax Services

Office: 978-969-1451 | Cell: 508-932-5069 | Fax: 978-998-4940

100 Cummings Center, Suite 207-F
Beverly, MA 01915
www. paulmarcianocpa.com

Client Engagement Letter 2019 Tax Year

The undersigned taxpayer(s) (hereinafter “you” or “your”) hereby engage Paul S. Marciano CPA, LLC (hereinafter “we” or “us”) to prepare your 2019 federal and state personal and/or business income tax return(s) (hereinafter, collectively “tax return(s)”). This Engagement Letter sets forth the terms and conditions of your engagement of us to prepare your tax return(s). By signing this Engagement Letter, you confirm that you have engaged us to prepare your tax returns and that you understand and agree to the terms and conditions set forth herein.

1. We will prepare your tax return(s) based solely on the information you provide us. It is your responsibility to timely provide us with all information necessary to prepare your tax return(s), including disclosing and reporting all reportable income, expenses, deductions and other financial transactions and, if applicable, all financial interests in a business and or accounts you hold in foreign countries. You are responsible for providing us with all information regarding all taxable activities in which you were engaged in for all relevant jurisdictions (i.e., national, state, local municipality, and internationally). Your failure to provide us with all necessary and accurate information can result in the assessment of additional taxes, interest and/or penalties by the applicable taxing authority and, also, can result in criminal and civil liability. We do not, nor will we, audit or verify the information you provide us. We may ask for clarification of the information you provide and/or we may request you to provide supplemental information so that we can accurately prepare your tax return(s). Our work in preparing your tax return(s) does not include procedures to discover irregularities and/or fraud which may exist.

2. If we prepare your business tax return(s), you understand and agree that an understatement of income or overstatement of expenses by you may result in additional taxes, interest and/or penalties being assessed against you by the applicable taxing authorities as well as potential criminal and civil liabilities.

3. We will electronically file your tax return(s) once you have signed the applicable e-file authorization forms which we will provide to you and you have paid our invoice for services provided in full. We will email a copy of your return to you encrypted and password protected. We will provide you with a paper copy of your return(s) only if you specifically request a paper copy in writing. We will return to you any original source documentation you provided us that is still in our possession. If you do not want us to e-file your tax return(s) you must sign the electronic filing opt-out notification set forth at the end this Engagement Letter and the applicable opt-out forms, including IRS Form 8948. If you opt-out of electronic filing we will then provide you with paper tax return(s) upon our receipt of payment in full for services provided, along with all supporting documentation you provided us still in our possession. If you are paper filing you acknowledge and agree that you are responsible for timely filing your paper tax return(s) with the applicable taxing authorities. If you are paper filing, we recommend that you mail your returns to the applicable taxing authorities certified mail, return receipt requested. If your tax return(s) does not qualify for e-filing for any reason, we will you provide you with paper tax return(s).

4. Our fee for preparing your tax returns are based on the overall complexity of your tax return(s) and the amount of time required to prepare the tax return(s), including time spent on applicable research, the time associated with obtaining or verifying requested information, and/or the time associated with updating a return to incorporate the receipt of supplemental or corrected information after the return is initially prepared. Please note that our fees may change from year to year to reflect changes in your return and changes in our overhead costs, as well as ongoing modifications to the tax code and additional forms that need to be prepared and filed.

5. We recommend you keep all supporting documents, including checks, receipts and other data as well as copies of your returns in an accessible, secure location for an indefinite period of time.

Initial _____ Initial _____

6. If your return(s) are selected for review or audit by any taxing authority, we will be glad to assist or represent you, if you desire, pursuant to an additional separate written agreement. Our fee for preparing your tax return(s) does not include the time that may be necessary to assist you during a taxing authority audit review or providing a response to a CP 2000 Notice requested by the IRS. 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 the preparation of your return(s), you agree to compensate us for the time and expenses we incur in responding as required. If such services are requested or required, you will be billed at our standard rates as in effect at that time (currently \$250 per hour). Any such fees will be in addition to those associated with preparing your tax return(s) in accordance with this Engagement Letter. Moreover, in the event we become obligated to pay any judgment, settlement or penalty as a result of any inaccurate or incomplete information you provide us, you agree to indemnify, defend, and hold us harmless against any such payment.

7. We will use our professional judgment in preparing your tax return(s). We will inform you if we become aware of any situation where the applicable tax law is unclear or where there may be conflicting interpretations of the law or regulations by the applicable taxing authorities. In such circumstances we will provide you with information concerning the implications of the different alternatives and seek your directive as to which alternative you prefer us to utilize. We will follow whichever alternative you request provide such alternative is, in our assessment, consistent with the applicable tax code, regulations and interpretations promulgated by the applicable taxing authorities.

8. We will create for our records a 2019 tax file containing a copy of your tax return(s) and a copy of selected supporting documents you provided to us. This tax file is our property. Our current policy is to retain your 2019 tax file for two (2) years after which time it will be destroyed. Our retention policy is subject to change or modification at any time in our sole discretion. Copies of any portion of your 2019 tax file or any prior year tax file maintained by us will be made available to you upon written request and payment of our then current administrative and retrieval fee, which includes a minimum charge of \$50 per request.

9. If you have engaged us to prepare a joint tax return(s), each taxpayer acknowledges that there is no expectation of privacy as between the joint taxpayers with respect to the services we provide in preparing joint tax return(s) or with respect to the information provided to us or contained on the tax return(s). Each taxpayer acknowledges and agrees that we may share with either taxpayer any and all documents or information relating to the joint tax return(s) without the consent of the other taxpayer. Each taxpayer also acknowledges and agrees that unless we are notified otherwise in writing we may rely upon an instruction or statement from either taxpayer with respect to the preparation of the tax return(s), including the reliance upon any information provided to us by either taxpayer, as an instruction or statement of both taxpayers. You acknowledge and agree that both joint taxpayers must sign and authorize the filing of a joint tax return(s) and that all joint taxpayers are jointly liable for all fees associated with the preparation of joint tax return(s).

10. You are responsible for the payment of all taxes, interest and/or penalties assessed by the applicable taxing authorities based on the tax return(s) prepared by us on your behalf, including any additional taxes, interest and/or penalties assessed following submission of your tax return(s) for whatever reason.

11. You acknowledge and understand that email may not be a secure method of transmitting confidential financial and tax related information as it is subject to disruption during transmission and may be intercepted, read, disclosed, redirected to and/or otherwise used by an unauthorized or unintended third party despite being password protected and encrypted. Similarly, although presumably safer than email, facsimile transmission of documents may not be secure. Accordingly, you assume full responsibility with respect to any unauthorized disclosures of confidential information you send us via email or facsimile transmission. We do not recommend that you send us any sensitive information (such as social security numbers) by email unless password protected and encrypted. Furthermore, you assume full responsibility with respect to the unauthorized disclosure of confidential information we electronically send you, provided it was password protected and encrypted when we sent it to you.

12. You acknowledge and understand that conversations and disclosures as between you and us, including those concerning the preparation of your tax return(s), may not be considered privileged confidential information and, accordingly, under certain circumstances, the content of such conversations and disclosures may be disclosed by us to third parties, including applicable taxing authorities or as otherwise judicially ordered.

13. You acknowledge and understand that requests for supplemental services such as requests for additional copies of your tax return(s) and/or submitting confirmatory letters to banks, mortgage companies or other third parties, imposes on us additional costs associated with the time, effort and expense incurred in responding to such requests. Accordingly, you agree to pay us for any supplemental services you request at our then current standard billing rate, subject

to a minimum charge of \$50 per request, for additional copies of your tax return(s) and a minimum charge of \$100 for confirmatory letters. We must receive payment for the requested supplemental service prior to providing the requested supplemental service. You acknowledge and understand that we can only provide you with additional copies of your tax return(s) and that we cannot, and will not, send copies of your tax return(s) directly to any third party, including banks or mortgage companies.

14. You understand and agree that if you do not provide us with all information and documentation required by us to prepare your tax return(s) by March 15, 2020, you authorize us, in our sole discretion, to apply for an automatic extension of time to file your Federal and/or state income taxes for the 2019 tax year. In so agreeing you understand and acknowledge the following:

- a. An automatic extension is an extension of time to file the return, not additional time to pay the amount of taxes owed, which may be known or unknown at the time of filing for the automatic extension. Therefore, you acknowledge and understand that it is prudent to accurately as possible estimate your income and deductions for the period and submit to the applicable taxing authority any additional amounts of estimated taxes owed with the automatic extension;
- b. You assume all responsibilities for any penalties, late fees and/or interest that may be assessed by a taxing authority as a result of you not having properly funded your 2019 tax liability through the extension period; and
- c. You agree to pay us a fee, not to exceed \$100.00, for filing an automatic extension of time to file, which fee is over and above any fee associated with preparing the applicable tax return(s).

15. You acknowledge and agree that we reserve and have the right, to be exercised in our sole discretion, to refuse to prepare and/or submit any state tax return required in any state other than The Commonwealth of Massachusetts, including but not limited to the State of New York or the State of California.

16. **If you have engaged us to prepare corporate tax returns, including returns of partnerships or limited liability companies (including K-1 statements), please provide the following information and sign below in your corporate capacity:**

The undersigned corporation/partnership/limited liability corporation hereby acknowledges and agrees to the terms and conditions as set forth in this Client Engagement Letter.

_____/_____
Name of Corporation/Partnership/Limited Liability Company/ State of Incorporation **(Please Print)**

By: _____ **(Please Sign)**
Name: _____, duly authorize **(Please Print)**
Title: _____ **(Please Print)**

Disclosures, Directives and Signatures

Electronic filing Opt-out (initial only if you want to paper file your returns)

I/we, the undersigned taxpayer(s) understand that unless I/we choose to file a paper return, Paul S. Marciano CPA, LLC is mandated to file my/our Federal and state income tax returns electronically. By initially below I/we (i) request that my/our Federal and state income tax return(s) be prepared for paper filing only, (ii) acknowledge that I/we are responsible for submitting the paper tax return to the applicable taxing authority, and (iii) I/We will sign IRS Form 8948.

Please initial if you want to paper file and agree to the provisions of the last sentence set forth above: _____

Foreign Accounts

(i) During calendar year 2019, did you, the undersigned taxpayer(s), have a financial interest in or signature authority over a financial account (such as a bank account, security, investment or brokerage account, etc.) located in a country other than the United States?

Please check either, Yes _____ or No _____

If yes, you will need to provide us with the details associated with such accounts. Also, you may be required to prepare and submit an FBAR FinCEN Form 114, for which there will be an additional charge.

(ii) **If filing single or married filing separately**, did you, the undersigned taxpayer, have aggregate Specified Foreign Financial Assets on the last day of 2019 in excess of \$50,000 or in excess of \$75,000 at any time during calendar year 2019? **If married and filing jointly**, did you, the undersigned taxpayers have aggregate Specified Foreign Financial Assets on the last day of 2019 in excess of \$100,000 or in excess of \$150,000 at any time during 2019?

Please check either, Yes _____ or No _____

If yes, you will need to provide us with the details associated with said assets. Also, you may be required to prepare and submit an IRS Form 8938, for which there will be an additional charge. Also, in extreme cases you may require a third party to file Form 8938.

(iii) During 2019 did you, the undersigned taxpayer(s), receive a distribution from, or were you the grantor of, or transferor to a Foreign trust?

Please check either, Yes _____ or No _____

If yes, you will need to provide us with the details related to such trusts.

Thank you for choosing us to prepare your 2019 income tax returns!

Sincerely,
Paul S. Marciano CPA, LLC

Paul S. Marciano, CPA

The undersigned taxpayer(s) hereby acknowledge and agree to the terms and conditions as set forth in this Client Engagement Letter.

Name of Taxpayer (Please Print)

Signature

Date

Name of Taxpayer (Please Print)

Signature

Date