



# ERIC J. FERNANDEZ & Co.

CERTIFIED PUBLIC ACCOUNTANTS  
&  
BUSINESS CONSULTANTS

---

## Partners

Eric J. Fernandez, CPA  
Carl L. Swanson, CPA  
Gregory R. Wendlandt, CPA/ABV, MST  
Anthony R. Quagliano, CPA  
Norman A. Richter, Jr., CPA  
Daniel K. Anderson, CPA, CFP, CVA  
Susan L. Goetz, CPA

---

## Managers

Michael Palmisano, CPA, MST  
Jeff Kociak, CPA, MBA

## COVID-19 Firm Guidelines

**Starting March 22, 2020 through April 7, 2020**

Dear Clients:

The health and well-being of our employees, clients and service providers and the continuity of service to our clients and their participants is our highest priority. In response to the evolving COVID-19 pandemic, we have already taken certain steps and are reviewing additional action as we continue to monitor developments.

Some of our preparations include:

- Advising employees to take preventive action such as:
  - Social distancing including virtual communication in lieu of in-person interaction.
  - Practicing proper hand hygiene.
  - Practicing respiratory etiquette.
  - Prohibiting the general public from entering our offices. (Except for deliveries or drop offs.)
  - Avoiding social gatherings.
  - Avoiding discretionary travel (including business travel), shopping trips and social visits.
- Asking our office cleaning vendors to come more frequently and specifically clean door handles, surfaces, etc.

## Client Guidelines

### Starting March 22, 2020 through April 7, 2020

- Our offices will be open Monday through Friday from 8:00 a.m. to 5:00 p.m.
- We will **not** be scheduling in person meetings during this time period, unless it's an absolute emergency.
- You will be able to reach our office by phone, e-mail, or text during our scheduled hours of operation.
- The following is a list of our offices and their available hours to drop off work files:
  - A. **Dundee Office:** Drop off is available Monday through Friday 8:00 a.m. through 5:00 p.m. Saturday and Sunday, office will be closed. Mail slot drop off is 24 hours – 7 days a week.
  - B. **Oakbrook Terrace Office:** Drop off is available Monday through Friday 8:00 a.m. to 5:00 p.m. and Saturday 10:00 a.m. to 3:00 p.m. Sunday, office will be closed.
  - C. **Barrington Office:** Drop off is available Monday through Friday after 7:00 a.m. and before 7:00 p.m. Saturday's, after 7:00 a.m. and before 5:00 p.m. Sundays – Closed.
  - D. **McHenry Office:** By appointment only.

## Current Guidance by Federal Government

As many of you are aware, the Treasury Department has extended the due date for filing your 2019 Federal income tax return until July 15, 2020.

In addition, the current guidance provides that all taxpayers are considered affected by the COVID-19 crisis and are defined as Affected Taxpayers eligible for the deferral of federal income tax payments due on April 15, 2020, until July 15, 2020, without imposition of penalty or interest. This deferral applies to income tax due up to the “Applicable Postponed Payment Amount” (APPA), which is:

- \$10 million of each consolidated group of C corporations or for each corporation which does not join in filing a consolidated return; and

- \$1 million for other taxpayers. The Notice confirms that this latter amount applies to individuals regardless of filing status. This means that a single person filing a federal income tax return has the same \$1 million Applicable Postponed Payment Amount as a married couple filing a joint return.

The Notice also says that any tax due in excess of the APPA will be subject to penalties and interest if not paid by the original April 15 due date. This means that if a single individual filer owes \$2 million for 2019 federal income taxes, including self-employment tax, the payment of the first \$1 million can be deferred until July 15, 2020, but the additional \$1 million will be subject to penalties and interest if not paid by April 15. In this situation, one could request an abatement of the penalties by the Service on the additional \$1 million due to “reasonable cause.” However, it would be up to the Service to determine whether this is granted. The interest would generally not be abated.

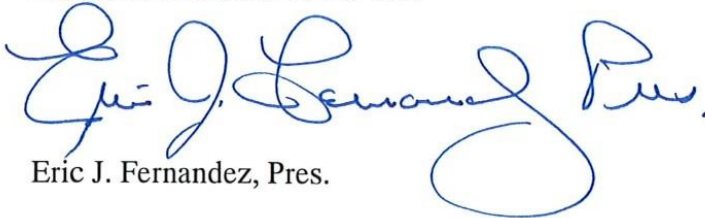
The Service clarifies that estimated tax payments due on April 15 are covered under this deferred payment rule. However, this suggests that the second estimated tax payment due on June 15 is not covered, unless Treasury changes its position. The Notice does note that an individual and certain trusts and estates can seek a penalty waiver for underestimation of tax from the Commissioner, due to casualty, disaster or “other unusual circumstances,” where the imposition of the penalty would be against equity and good conscience. However, a comparable right to request a penalty waiver for underestimation of tax does not apply to a corporation. Please be aware that the above applies only to the Federal Government. As of this writing, we have no direction from the State of Illinois regarding an Extension of time to file or an Extension of time to pay your State of Illinois tax liability for 2019. The State of Illinois tax liability is still due April 15, 2020.

Once we are notified of any Federal or State updates to the above, we will forward to you accordingly.

Please be assured, as long as the State permits, we will be working diligently to complete your work as expeditiously as possible. But please be aware, there will be some delays for reasons that are out of our control. We ask you to be understanding during this unprecedented time.

Respectfully,

ERIC J. FERNANDEZ & CO.

A handwritten signature in blue ink, appearing to read "Eric J. Fernandez Pres.", written over a large, stylized blue circular flourish.

Eric J. Fernandez, Pres.