

## Hines and Company, P.C.

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### Individual and Trust Engagement Letter and Client Questionnaire

We appreciate the opportunity of working with you and advising you regarding your income tax. This letter is to confirm and specify the terms of our engagement for the year ended December 31, 2019 and to clarify the nature and extent of the services we will provide.

The Internal Revenue Service imposes penalties upon taxpayers, and upon us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We will prepare your federal and requested state tax returns using information you provide to us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit. We will furnish you with an organizer (upon request) to guide you in gathering the necessary information for us. You may also download various checklists and other material from our website at [www.hinesandcompanypc.com](http://www.hinesandcompanypc.com) to aid you in submitting the proper information. Your use of such forms will assist in keeping pertinent information from being overlooked, in addition to assisting in keeping our fee to a minimum.

***In order to assure that your returns are completed on or before the due date, we must receive substantially all of your information as follows:***

- ***January 10<sup>th</sup> – Payroll tax returns, W2s and 1099s for your employees/contractors***
- ***February 10<sup>th</sup> – Partnership, S-Corp returns***
- ***March 10<sup>th</sup> – C-Corp, trust and individual returns***

***Additionally, if we are missing information for your return 10 days prior to the return due date (March 5<sup>th</sup> for Partnership and S-Corp returns, April 5<sup>th</sup> for C-Corp, trust and individual returns), your return will be extended and completed after the deadline. This will allow us ample time to complete your return accurately.***

It is your responsibility to provide us with all the information required for the preparation of complete and accurate returns. You should retain all the documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for your income tax returns and, therefore, you should review them carefully before you sign them.

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. We will render such accounting and bookkeeping assistance as you request for preparation of the tax return.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. In order to avoid penalties, we will apply the "substantial authority" standard to resolve such issues. A position meets this test if it has at least approximately a four-in-ten likelihood of being sustained on its merits. You agree to honor our decisions regarding the need to make protective disclosures in your returns.

If an extension of time to file is required, any tax that may be due with the return in question must be paid with the extension request. ***Any tax amounts not actually paid by the filing deadline, without extensions, are subject to interest and late payment penalties when those amounts are actually paid.*** The IRS and state taxing authorities are becoming less and less willing to abate penalties for late filing without extreme circumstances.

The law also imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please call us.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you. Such representation will be a separate engagement for which an engagement letter will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree upon for the engagement.

Our fee for services will be based upon the amount of time required at our standard billing rates, plus out-of-pocket expenses. ***All invoices are due and payable upon presentation.*** We accept personal checks, Visa, MasterCard, Discover and American Express. All payments received more than thirty days late, may be charged a 1.0% per month finance charge.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, you may be waiving this privilege. To protect the right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any privileged communications, you agree to provide us with advance written authority to make that disclosure. Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. Communication solely concerning the preparation of the tax return is not considered privileged.

It is our policy to keep records relating to this engagement for **seven** years. When we return original records to you after the completion of the engagement, it is your responsibility to retain and protect the records for future use, including potential examination by governmental or regulatory agencies. By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven year period, we are free to destroy our records relating to this engagement.

If the foregoing fairly sets forth your understanding, please sign this letter on page three in the space indicated and return it to our office. If you have any additional returns that you would like for us to prepare, please inform us by noting so at the end of this letter and we will send a separate engagement letter for those returns.

Our firm *Privacy Policy* and *Consent to Disclose Information* form are available on our website at <http://www.hinesandcompany.com/forms>.

We want to express our appreciation for this opportunity to work with you. Please call if you have any questions.

***Please fill out the questionnaire on the next page and sign and return to us with your information for preparing your return. We cannot begin work on your return until we have this information.***

***Additionally, in order to maintain the same business standards that we advise you to employ, we shall not begin work on accounts with a past-due balance.***

## 2019 Individual and Trust Engagement Letter and Client Questionnaire

*(please mark Yes or No to all questions and sign at the bottom)*

<b>Please make sure we have your current driver's license and, if issued, 2019 IRS Identity Protection PIN.</b>			
<b>Y</b>	<b>N</b>	Do you wish to use direct deposit/debit for funds due to/from taxing authorities?	
<b>Y</b>	<b>N</b>	Has your address changed since your return was filed last year?	
<b>Y</b>	<b>N</b>	Were there any births, deaths, marriages, divorces or adoptions in your immediate family?	
<b>Y</b>	<b>N</b>	Did you pay or receive alimony? If yes, please provide the original or modified divorce decree date.	
<b>Y</b>	<b>N</b>	Did you have health insurance coverage for the entire year for yourself and all individuals claimed on return? <b>Please provide all Form 1095-A/B/Cs received for all individuals listed on your tax return.</b>	
<b>Y</b>	<b>N</b>	Did you provide a home for or help support anyone that you did not claim as a dependent last year?	
<b>Y</b>	<b>N</b>	Did you make estimated tax payments this year? If yes, please provide dates and amounts.	
<b>Y</b>	<b>N</b>	Did you change jobs or receive unemployment compensation during the year?	
<b>Y</b>	<b>N</b>	Were you self-employed, did you receive rents, gambling or hobby income?	
		For self-employed and rentals:	
	<b>Y</b>	<b>N</b>	Did you make any payments that would require you to file W2s or 1099s?
	<b>Y</b>	<b>N</b>	If yes, have you filed all required information returns?
<b>Y</b>	<b>N</b>	Did you receive interest or dividend income or sell/exchange any capital assets (stocks, bonds, homes)?	
<b>Y</b>	<b>N</b>	<b>Did you have any virtual currency, (i.e Bitcoin) transactions in 2019?</b>	
<b>Y</b>	<b>N</b>	Did you make any withdrawals from <u>or</u> contributions to a retirement plan (if yes, circle one)?	
<b>Y</b>	<b>N</b>	Did you pay interest on a student loan for yourself, your spouse or your dependent during the year?	
<b>Y</b>	<b>N</b>	Did you pay expenses for yourself, your spouse or your dependent to attend classes beyond high school? <b>Please provide 1098-T(s) <u>AND</u> financial transcript from school showing expenses, payments with dates.</b>	
<b>Y</b>	<b>N</b>	Did you have substantial medical expenses (more than 7.5% of your income)?	
<b>Y</b>	<b>N</b>	Did you purchase a new car, boat or motorhome during the year? If yes, please provide sales tax paid.	
<b>Y</b>	<b>N</b>	Did you have any charitable contributions, including noncash donations or mileage to perform charitable service? If yes, were any charitable contributions made directly from your IRA? _____	
<b>Y</b>	<b>N</b>	Do you have a mortgage on your home?	
	<b>Y</b>	<b>N</b>	If yes, did you use 100% of your mortgage proceeds to buy, build, or improve your home?
<b>Y</b>	<b>N</b>	Did you own or have signatory authority over foreign assets not held within a brokerage account? If you are unsure, please contact your preparer to discuss.	
<b>Y</b>	<b>N</b>	Do you have appropriate documentation to substantiate summarized information provided to us to prepare your return?	
<b>Y</b>	<b>N</b>	Do you need to update the email address we have on file? <i>(please print email address clearly)</i> _____	

Very truly yours,

*Hines and Company, P.C.*

My signature below signifies acceptance of the terms of this engagement letter and affirms that I am providing complete and accurate information for Hines and Company, PC to prepare my tax return.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name (clearly please): \_\_\_\_\_

Phone: \_\_\_\_\_