



2023 Business Engagement Letter

Happy New Year! We sincerely hope you have enjoyed the Holiday Season and wish you much success in 2024!

We wanted to take an opportunity to provide you with a mini organizer to gather the company's 2023 tax information. The goal is to help you gather the information necessary to start the preparation of the returns, and to make the tax return preparation process as painless as possible for everyone involved. This organizer is also available on our website, www.nasonaccounting.com.

Please read and sign this engagement letter, and start collecting the documents and information you will need.

We will prepare the federal and South Carolina income tax returns (plus additional states as needed) for your business for the year ended December 31, 2023; and we will advise you on income tax matters for which you specifically request our advice. This firm is responsible for preparing only the returns listed below. *Once I pick up my returns and additional information, any requests for additional paper or electronic copies of either will be subject to a \$30 processing fee per year.*

We will not audit or verify the data you submit, although we may ask you to clarify it or furnish us with additional data.

By your signature below, you are confirming to us that unless we are otherwise advised, the travel, meals, gifts, and related expenses are supported by the necessary records required under Section 274 of the Internal Revenue Code. In addition, you have the relevant mileage logs to support the deductions for any mileage or actual auto expenses claimed. If you have any questions as to the type of records required, please ask us for advice in that regard.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of his or her tax liability. For corporations and individual taxpayers, a substantial understatement exists when the understatement for the year exceeds the greater of 10 percent of the tax required to be shown on the return or \$5,000. The penalty is 20 percent of the underpayment. Taxpayers other than "tax shelters" may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) that the relevant facts affecting the item's tax treatment were adequately disclosed on the return. A taxpayer is considered a "tax shelter" if its principal purpose is to avoid Federal income tax. Because some entities' tax attributes flow through to its shareholders, the penalty for substantial understatement of tax relating to such flow thru entities may be imposed on the shareholder. You agree to advise us if you wish disclosure to be made in your returns or if you wish

for us to identify or perform further research with respect to any material tax issues for ascertaining whether, in our opinion, there is “substantial authority” for the position proposed to be taken on such issues in your returns.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover fraud, defalcations, or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as we find necessary for preparing the income tax returns.

You are also confirming that you will furnish us with all the information required for preparing the returns. We will use our professional judgment in preparing your returns. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request on your return so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments. ***I also understand that it is my responsibility to complete the organizer, and if I choose not to do so, Nason Accounting is in no way responsible for not including any relevant information in my return, as it is deemed that I was asked those questions in the organizer.***

If you make an appointment with us, and fail to show up or call to cancel, there will be a \$150 missed appointment fee.

If you provide us information within 3 weeks of the filing deadline, it is possible that the return may not be able to be prepared in time to file by the deadline. If you have Nason Accounting do your bookkeeping, all information for bookkeeping **MUST** be in our office 60 days before the filing deadline in order to ensure your tax return can be completed on time. You acknowledge that Nason Accounting is in no way responsible for any penalties or other assessments for returns filed after the deadline.

With regard to extensions, if you wish us to get an extension for you, please let us know. ***We need to hear from you before we can prepare extensions and/or tax returns. We try to contact everyone prior to the deadline to ask, but if you do not respond or somehow let us know that you want us to prepare an extension, we will not do so. If we have not heard from you within one week prior to the original due date of the return, we will assume you do not want us to prepare your extensions or tax returns for 2023.***

You acknowledge that you have the final responsibility for filing the tax returns. You will review the returns before they are filed. Tax returns are filed electronically where required. You are responsible for submitting to us the appropriate signed e-file authorization forms in time for Nason Accounting to meet all tax return filing deadlines. ***In accordance with federal and state law, you acknowledge that Nason Accounting cannot submit any tax returns for e-filing until they are in physical receipt of my signed e-file authorization form.***

To the extent any returns are paper filed, you remain responsible for filing/mailing all necessary documents. Nason Accounting assumes no responsibility for the filing or mailing of any paper tax returns, tax forms, or other statements with the taxing authorities.

Federal law has extended the attorney-client privilege to some, but not all, communications between a client and the client's CPA. The privilege applies only to non-criminal tax matters that are before the IRS or brought by or against the U.S. government in a federal court. The communications must be made in connection with tax advice. Communications solely concerning the preparation of a tax return will not be privileged.

In addition, the confidentiality privilege can be inadvertently waived if the contents of any privileged communication are discussed with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party. As a corporation, you need to be especially careful about privileged communications. If a communication is made in the presence of a corporate employee who is not authorized to act or speak for the corporation in relation to the communication's subject matter, then the communication will be deemed to be made in the presence of a third party and any privilege will be waived.

If you are a corporate entity, or file as such, you represent to us that you comply with all corporate requirements needed to maintain your corporate status, including (but not limited to) annual meetings, minutes of meetings, operating agreements and any other items required by law.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

It is our policy to keep records related to this engagement for three years. However, Nason Accounting, LLC does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. Nason Accounting will provide you with one electronic copy of your return at no charge, additional electronic or paper copies requested to be sent to you or others will result in a \$30 charge per recipient for each year requested.

Our fees for these services will be computed at our standard rates and will be billed as the work progresses. Invoices will be mailed monthly or at the completion of our preparation of the return, and are due when received. We reserve the right to charge an expedited fee for returns brought in within 2 weeks of the filing deadline. If we have not received payment within 60 days of our invoice, all work will be suspended until your account is brought current, and you will be assessed interest at the rate of 1.5% per month until the balance is paid in full. *For tax returns, the return will not be filed until we have received payment in full.* All other arrangements must be made in advance.

Because we have limited space here at Nason Accounting, return copies and other information must be picked up within 30 days of my being notified the return is complete. If you do not pick up your return information within 30 days, Nason Accounting reserves the right to mail the information to

you, and you will be responsible for the postage. Items will be sent certified mail, with a return receipt requested.

You may be asked to provide a credit card to have on file in the event you do not timely pay any fee due. If I have not made other arrangement for payment, Nason Accounting has my permission to charge my credit card for any balance due once my invoice is 60 days past due.

The fee does not include responding to IRS or state inquiries or notices, and I understand that Nason Accounting is not responsible for Internal Revenue Service disallowance of doubtful deductions or deductions unsupported by adequate documentation or for resulting taxes, penalties, and interest.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

We will be pleased to discuss this letter with you at your convenience. If the foregoing is acceptable to you, please sign the original copy of this letter in the space provided and return it to us via mail, or when you drop off your 2023 tax information.

Accepted:

Company Name

By

Date

Please prepare the following returns (write in any additional states):

2023 Federal

2023 South Carolina

2023 _____

I do not wish to file the company's return electronically:

Sign here



Consent To Disclosure of Tax Return Information

Federal law requires this consent form to be provided to you. Unless authorized by law, we cannot disclose your tax return information to third parties for purposes other than those related to the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, Federal law may not protect your tax information from further use or distribution.

You are not required to complete this form. Because our ability to disclose your tax return information to another tax return preparer affects the tax return preparation service(s), that we provide to you and its (their) cost, we may decline to provide you with tax preparation services that we provide to you if you do not sign this form. If you agree to the disclosure of your tax return information, your consent is valid for the terms of service.

This consent to disclose may result in your tax return information being disclosed to a tax return preparer or bookkeeper located outside the United States, including your personally identifiable information such as your Social Security Number ("SSN"). Both the tax return preparer in the United States that will disclose your SSN and the tax return preparer or bookkeeper located outside the United States that will receive your SSN maintain adequate data protection safeguard (as required by the regulations under 26 U.S.C. Section 7216) to protect privacy and prevent unauthorized access of the tax return information. If you consent to the disclosure of your tax return information, Federal agencies may not be able to enforce U.S. laws that protect the privacy of your tax return information against a tax return preparer located outside of the U.S. to which the information is disclosed.

I (We) authorize Nason Accounting, LCC to disclose my (our) tax return information including my (our) SSN(s) to allow a tax preparer who may be located outside of the U.S. to assist Nason Accounting, LLC in providing me (us) with tax return preparation and related services noted above.

Name: _____ Name: _____

Signature: _____ Signature: _____

Date: _____ Date: _____

Consent Valid thru: December 31, 2032 Consent Valid thru: December 31, 2032

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.