

January 1, 2021

Dear Client:

Thank you for continuing to trust us with the preparation of your 2020 federal and state taxes. This letter is to confirm our understanding of the terms and objectives of our engagement, and the nature and limitations of the services we will provide.

What We'll Do:

- We will prepare your 2020 federal/state income tax returns and children's tax returns that you request based on information that you will furnish us.
- We will prepare the tax returns solely for filing with the Internal Revenue Service ("IRS") and state and local tax authorities. They are not intended to benefit or influence any third party, either to obtain credit or for any other purpose.
- We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.
- 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.
- 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.
- In the interest of facilitating our services to you or your company, 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. 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.

What We Won't Do

- We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information.
- 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, 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 and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.
- Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations (theft) or other irregularities (fraud). However, we may choose to communicate matters that come to our attention for the benefit of management. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities and you are responsible for preventing and detecting fraud.
- 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.
- National Tax & Financial, 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.
- This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request we assist you in responding to such inquiry. This would require a separate engagement.

What We Need From You:

- It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns.
- For safety measures, we are strongly advising that you utilize our secure client portal (Canopy). Instructions for how to use Canopy are included in this packet.
- 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.

- You are responsible for determining your state or local tax filing obligations with any state or local tax 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.
- It is your responsibility to inform us if you directly or indirectly hold any interest or signatory authority in any assets located outside the United States. Failure to file required forms can result in the imposition of both civil and criminal penalties, which can be significant. These are not tax returns and their preparation is not within the scope of this engagement. 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.
- ***You have final responsibility for your income tax returns. Check them carefully for accuracy and completeness before you sign them.***

Terms of Engagement

- If your return is electronically filed, our services will conclude upon the earlier of the filing and acceptance of your 2020 tax returns by the appropriate taxing authorities or one year from the execution date of this letter. If your return is filed by mail, our services will be concluded upon the earlier of delivery to you of your 2020 tax returns for your review and filing with the appropriate taxing authorities or one year from the execution date of this letter.
- 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 reasons.

Services Outside the Scope of this Letter

- The original filing due date for Individual Income Tax Returns is April 15, 2021. 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. 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. **Please note:** An extension to file is NOT an extension to pay and penalties will be incurred.
- 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. 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. If you require our services to dispute these penalties, we would require a separate engagement.

Fees

Our fee for these services will be based upon the amount of time required at standard billing rates (currently \$215/hr, with \$215 as a minimum) plus out-of-pocket expenses. All invoices are due and payable upon presentation. Any reasonable collection cost, including attorney fees incurred, will be reimbursed by you. We reserve the right to suspend or terminate our work from non-payment of fees.

We shall be pleased to discuss this letter with you at any time. If the foregoing is in accordance with your understanding, please sign this letter in the space provided. We certainly appreciate this opportunity to be of service.

Sincerely,

National Tax & Financial Services, Madison (formerly MJW EA & Company LLC)

Approvals:

X
Taxpayer

Date

X
Spouse

Date