

## Engagement Letter Individual Income Tax Preparation

To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you.

We will prepare your 2024 federal and state individual income tax returns from information you furnish us. We will not audit or otherwise verify the data you submit, although we may ask you to clarify or provide additional information.

We prepare returns in the order completed information packets are received. Due to unexpected additional time required for returns in line before your own, preparer sickness, appointment schedule fluctuations, and emergency projects we are unable to specifically identify the date your project will be completed. To increase the likelihood of filing by the initial deadline we strongly encourage you to submit all necessary information as soon as you are able. We will file automatic extension requests with the IRS and state governments if your return has not been filed or picked up for mailing by April 15<sup>th</sup>. An accepted extension request will exempt you from late filing penalties. However, additional late payment penalties and interest will be charged if your taxes are not paid in full by the April 15<sup>th</sup> filing deadline. If you prefer to make an estimated payment with your extension request, please alert a staff member on or before April 10<sup>th</sup>.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns. This includes, but is not limited to, the required documents to support charitable contribution, auto expenses, and other highly enforced areas. Signing this document confirms that you have received adequate information, answers to questions, etc. to reasonably accept responsibility for your record keeping requirements. Please ask any questions you might have prior to signing below.

It is also your responsibility to carefully examine and approve your completed tax returns before they are submitted to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequate supporting documentation, nor for resulting taxes, penalties, or interest.

We are responsible for preparing only your federal and state income tax returns. Our fee does not include responding to inquires or examination by taxing authorities. However, we are available to assist with all correspondence and/or audit representation for additional fees. These services would be covered under a separate engagement letter. Your preparer will be authorized as your Third Party Designee by "Checkbox Authority", but a signed Power of Attorney may still be necessary.

We will use our judgment to resolve questions in your favor where a tax law is unclear if there is a reasonable justification for doing so. 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. In accordance with our professional standards, we will follow whatever position you request, if it is consistent with the codes, regulations, and interpretations that have been promulgated. If the IRS 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. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards, we reserve the right to stop work and shall not be liable to you for any damages that occur as a result of ceasing to render services.

Unless other arrangements have been made, all tax preparation fees must be paid prior to picking-up and/or e-filing your returns. Fees for our services will be at our standard rates plus computer charges and out-of-pocket expenses. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. We reserve the right to stop work on any account that is 30 days past due, in accordance with our firm's stated collection policy.

It is our policy to keep limited records related to this engagement and copies of your tax returns for four years, after which we reserve the right to shred our copies. We suggest that you retain copies of your tax returns for a minimum of seven years. We do not keep any original client tax documents but will keep client provided notes and lists made for the preparer. 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.

By signing below, you acknowledge and agree that upon the expiration of the four-year period O'Neil & Steiner, PLLC shall be free to destroy our records related to this engagement.

At the completion of preparation services for returns to be e-filed we will provide you with a paper copy of the income tax returns for your review prior to electronic transmission. After you have reviewed the returns, you must provide us with a signed authorization indicating that you have reviewed the return and that, to the best of your knowledge, it is complete and accurate. We cannot transmit the returns to the taxing authorities until we have the signed authorization. Therefore, if you have not provided our firm with your signed authorization by the tax filing deadline we will place your return on extension, even though it might already have been completed. In that event, you will be responsible for ensuring that any payment due with the extension is made on a timely basis to the appropriate taxing authorities.

If any dispute arises among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE 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.

If the above fairly sets forth your understanding, please sign this letter and return it to us.

Sincerely,

Richard O'Neil  
O'Neil & Steiner, PLLC

Approved by:

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

Printed Name: \_\_\_\_\_ Printed Name: \_\_\_\_\_

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

## Standard Elections Form – Tax Year 2024

If any of these do not accurately reflect your circumstances and/or preferences, please inform a staff member and complete the corresponding item number on the Non-Standard Elections Form.

**1. Minimum Essential Healthcare Coverage: (Must choose one of the following two choices)**

- No one in my tax household was covered by a healthcare.gov marketplace policy, or
- I/We have provided Forms 1095-A for each household member and all months of coverage.

**2. Virtual Currency/Cryptocurrency:**

I/We have not received (as a gift, nor for goods or services), sold, exchanged, or otherwise disposed of any financial interest in virtual currency or cryptocurrency (Bitcoin, Ethereum, NFTs, etc.) during the year.

**3. Foreign Bank, Securities, Trusts, or other Financial Accounts:**

I/We certify that no person listed on the returns had an interest in, or signature, or other authority over a bank, securities, or other financial account in a foreign country. Similarly, I/we certify was no person listed on the returns was a grantor, transferor or beneficiary of a foreign trust.

**4. Arizona Non-Conformance:**

I/We choose to have my/our Arizona return prepared now, based on your tax software's best guess as to what Arizona tax law will be. I/We choose not to file an extension to wait for final regulations.

**5. Mortgage Interest:**

I/We confirm that all Forms 1098 Mortgage Interest Statements reflect interest for loan proceeds that were used entirely to buy, build, or improve the property listed as securing the mortgage (box 8). I/We also confirm that the total of our mortgage balances (amounts owed) throughout the year did not exceed \$750,000 (\$1 million if all loans were incurred prior to 12/15/17).

**6. Charitable Donations:**

I/We either (a) don't desire to claim charitable donations, or (b) am/are aware that information is available on oneilsteiner.com and at the front desk regarding record keeping for charitable donations. I/We have been given the opportunity to ask any questions that I/we may have regarding these requirements and hereby state that all required documentation related to the items included in my/our tax information packet submitted for preparation have been previously received.

**7. Conflict of Interest Notice:**

I/We are not aware of any conflicts of interest related to this engagement. I/We do not work for a business client of the firm, don't share business ownership with another individual, nor employ an individual client, nor do we believe the firm is engaged by a major competitor.

**8. E-File Requirement Notice:**

I/We choose to have my/our returns e-filed. I/We have the same bank account on file from last year or have provided a voided check from the new bank account to have on file for refunds.

**9. Beneficial Ownership Information Reporting (BOIR): One of the following is true:**

- (a) I/We don't have ownership in LLCs, partnerships, corporations, not trusts/estates with these. Or,
- (b) I/We have been made aware of the BOIR requirements and accept responsibility for any and all filings as well as potential penalties for late filing.

Initials: \_\_\_\_\_

## Spousal Conflict of Interest Waiver

A conflict of interest may occur if a CPA has a fiduciary relationship with a client. A fiduciary relationship is one in which the accountant owes a duty of undivided loyalty, utmost good faith, full, fair, and frank disclosure, fair dealing, and reasonable care. A conflict may arise when meeting this level of care for one client results in failing to meet it for another. This may occur where there are multiple parties to one accounting engagement or when multiple engagements are in some way related. A common example of this can occur when a joint return is filed for married taxpayers. Other common areas of concern include employer and their employees, multiple owners of the same business, or major competitors engaging the same CPA firm to prepare tax returns and/or provide other services.

In prior litigation the conflicts of interest standards have been determined to trump confidentiality standards. Due to the standards established by the AICPA we are informing all clients and potential clients that we cannot and will not violate conflict of interest standards to maintain confidential information. You may wish to obtain legal counsel to determine the potential impact of this waiver. In addition, we will be happy to answer any questions that you may have.

We have read the firm's conflict of interest policy above. We hereby waive any claim of conflict of interest that may result from the preparation and filing of our jointly filed individual income tax return. We have inquired of the firm regarding this matter to the extent we believe necessary to satisfy ourselves. We acknowledge that we have either consulted a lawyer regarding this matter or chosen not to do so.

Signature: \_\_\_\_\_  
(Taxpayer)

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

Signature: \_\_\_\_\_  
(Spouse)

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

## Extension Advisory

I have been informed that O'Neil & Steiner, PLLC can't guarantee that my returns will be prepared prior to the filing deadline, April 15<sup>th</sup>. If the returns are not prepared and successfully filed electronically prior to the 15<sup>th</sup>, a request for federal extension will be filed on my behalf. I understand that an extension is an extension to file and not an extension to pay. If, after completing the returns, it is determined that a balance is owed I will be subject to late payment penalties and interest charges on the balance due. In addition, I understand that if the request for extension is denied I will be subject to late filing fees as well.

I understand that my return will be prepared as soon as possible but that deadlines for business taxes often necessitate a temporary halt on tax preparation from the tax filing deadline until mid to late May. I understand that my return will be prepared in the order the completed packet was received subject to delays related to time sensitive business-related projects, continued education, and other non-tax season priorities that will periodically arise.

I have been informed of my right to submit an estimated payment with my extension to minimize potential penalties and interest. Due to the variety of items that can impact my tax liability, as well as the potential for these to change from one year to the next, I understand that O'Neil & Steiner, PLLC is unable to offer advice regarding the amount that may be owed with my returns. The estimated payment amounts indicated below (if any) are of my choosing and were not determined or unduly influenced by any staff member of O'Neil & Steiner, PLLC.

Instructions for making online payments are available at the very bottom of the Tax Documents page of our website at [oneilsteiner.com](http://oneilsteiner.com). Please be sure to tell us the date & amount of each payment made to the IRS and Arizona. You can do so by phone, email, or drop by with the information or confirmation printouts. If you prefer to mail checks please complete the following:

- I do not wish to submit estimated payments with my extension.
- I wish to submit the following payments with my request for extension:

➤ Federal: \$ \_\_\_\_\_

➤ Arizona: \$ \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(Taxpayer)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
(Spouse)