

STEPHEN CROMWELL, ESQ., CPA

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INDIVIDUAL ENGAGEMENT LETTER

Dear Client:

We appreciate the opportunity to work with you and advise you regarding your income tax returns. This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. To ensure we all understand our mutual responsibilities, all clients for whom returns are prepared must confirm the following arrangements:

Firm Responsibilities We will prepare your 2025 federal and requested _____state income tax returns from information which you will furnish to us. If you have taxable activity in a state other than those specifically listed above, you are responsible for informing us of that activity so we may determine if you have a filing requirement. Our responsibility is limited to preparing only the states listed above and we are not responsible for any state filing requirements not specifically listed.

Security of Information Our firm may request you verify your identity during this engagement. We try hard to safeguard your information and will not disclose information to anyone with whom we are not familiar. If you choose to pick up your tax returns when completed, please be prepared to show identification. If someone is picking them up for you such as a parent or child, you must inform us in advance they are doing so and they should be prepared to show identification.

Taxpayer Responsibilities It is your responsibility to make certain that the information you are supplying to us is accurate and complete to the best of your knowledge. The firm relies solely on information furnished by you. **There is no responsibility on the part of the firm to audit, verify or extensively analyze the information provided.** We will render bookkeeping assistance as determined necessary for the preparation of your returns. To the extent we render additional services such as bookkeeping, consultation or correspondence with the taxing authorities, the time for performing any tasks we deem necessary for the preparation of your returns will be billed at our standard rates.

Foreign Accounts Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value exceeding \$10,000 in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties. Such disclosure includes filing Form 8938 with this Form 1040 and Form FinCen 114 directly with the Department of the Treasury. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required Income Tax related forms, and penalties may be due, for which we have no responsibility. In the absence of such information being provided we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization.

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Researching and Responding to tax agency notices.

The IRS has lost approximately 24 percent of its' workforce in the last eighteen months. Many of the more experienced employees either retired or took early buyouts. A significant number of the employees were in the processing and compliance divisions. The State of Maryland tax agencies are operating in a most inefficient and disorganized manner. Many state employees are still working from home and don't have the necessary security clearances to edit or change database accounts from their home computers. This could lead to processing delays for amended returns, and the generation of unnecessary agency notices. We want to warn you of these possibilities. **Your tax preparation fee does not include researching and responding to tax agency notices.**

Crypto Currencies Recent Form 1040 changes require that you report any activity you may have in cryptocurrency including mining, sale, barter, etc. By your signature below, you accept responsibility for informing us if you believe that you fall into one of the above reporting categories and you agree to provide us with the information necessary to prepare the appropriate forms. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms. Cryptocurrency activity may require reporting on tax returns filed with other countries. We have not determined if such returns are due nor have we been hired to determine filing requirements or file any tax returns for foreign countries.

Retention of Records It is your responsibility to maintain, in your records, the documentation used in preparing your income tax returns. This includes records of any charities and auto mileage deducted. We recommend you keep this information for a period of no less than six years. We do not keep original client documents. We return those documents to you at the conclusion of our engagement. We only maintain digital, scanned images on our computer system for a period of three years.

You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign the filing authorization forms. If any changes are required, **it is your responsibility** to inform us so necessary corrections to your returns are made prior to filing.

In connection with the preparation of your income tax returns, we do not perform any procedures designed to discover defalcations or other irregularities, should any exist. We will use our professional judgment in resolving questions where the tax law is unclear. However, it is understood that you remain responsible for any adverse determination by the taxing authorities. Any information you provide us during the preparation of your returns is confidential; however, the courts have held it is not protected by any Accountant-Client privilege.

Fees Our fee will be based upon the forms needed and the amount of time required to prepare the return(s). **Our preparation fee does not include responding to IRS or state notices or inquiries, for which you will be billed separately.** It also does not include researching delayed refunds. All tax preparation invoices are due upon completion of your returns. Unpaid invoices may result in collection expenses and attorney fees for which you are liable.

The firm is not responsible for charges, penalties and interest resulting from information you fail to supply or errors by the IRS or state taxing authorities. If your returns are selected for an examination, we will be available upon request to represent you. Additional fees will apply for any time and expenses incurred.

PLEASE NOTE: The results of your income tax calculations will not be released to you prior to payment of our invoices.

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Your Completed Returns Our fees are due at the time you pick up your returns or before they are sent to you via secure file portal. We accept cash, personal check, and most major credit cards (not American Express) as a method of payment. If someone other than you or your spouse is picking up your returns on your behalf, they must be prepared to show proof of identification.

It is understood that if this engagement involves a joint return, this firm shall provide a copy (including copies of supporting data) to either of the parties upon request, at any time upon payment of applicable charges.

Our firm's policy is to retain copies of your returns and some of your supporting documents for a period of three years. These may be necessary to prove the accuracy and completeness of the returns should they be examined by a taxing authority. During this time, copies of your previous three years' returns can be obtained for a fee of \$25 per year requested. After three years, our files are destroyed by a bonded outside contractor.

The engagement does not include any services not specifically stated in this letter. If this letter fairly sets forth your understanding, please sign and date in the space indicated. If there are other tax returns you expect us to prepare, such as a Business Personal Property Tax, Federal Gift Tax, Local Tax, or prior year returns, please inform us by noting so at the end of this letter.

If filing a joint return, this form must be **signed by both parties**.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

James E. George CPA

Accepted By: _____ Date: _____

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Comments: _____