



**RADER & RADER, P.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
"SERVING CENTRAL INDIANA SINCE 1964"

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We are pleased to confirm our understanding of the arrangements for your income tax return(s). This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both you and our firm that you understand what you can and cannot expect from our work. In other words, we want you to know the limitations of the services you have asked us to perform. If you are confused at all by this letter or believe that we have misunderstood what you need, please call us before you sign it.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services.

**IT IS OUR POLICY TO INITIATE SERVICES AFTER WE RECEIVE THIS ENGAGEMENT LETTER SIGNED AND DATED BY ALL PARTIES.**

The Internal Revenue Service imposes penalties on taxpayers, and on 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 to the following arrangements:

**TAX RETURN PREPARATION**

We will prepare your 2023 Federal and Indiana State individual income tax returns and schedules from information you furnish us. We will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some of the information. We may furnish you with tax organizers and questionnaires to help you gather and organize the necessary information for us, in order to keep our fee to a minimum. If you have taxable activity in a state other than Indiana, you are responsible for providing our firm with all the information necessary to prepare any additional applicable state(s) or local income tax returns as well as informing us of the applicable states.

We are responsible for preparing only the specific individual income tax forms for the specific reporting agencies listed in this letter. Any other required services, forms or other actions on our part require a separate engagement letter. In the absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this engagement letter. Our services are not intended to determine whether you have filing requirements in taxing jurisdictions other than Federal and the State of Indiana. Our firm is available under the terms of a separate engagement letter to provide a nexus study that will enable us to determine whether any other state tax filings are required.

Our fee does not include responding to inquires or examinations by taxing authorities. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate engagement letter. You agree to immediately notify us upon receipt of any correspondence from any such agency covered by this letter. **Please do not respond to or click on any links from emails purportedly from the IRS- the IRS never initiates correspondence via email and any such emails are attempts to steal your identity.**

From time-to-time various lenders may request that we sign, for you, some verification of income, employment or tax filing status. Because we were engaged only to prepare your income tax return, without examination, review, audit or verification our insurance carriers, as well as the state board of accountancy, prohibit us from signing any such document, and we suggest that you have them send IRS Form 4506 to the IRS to obtain such verification.

## **FOREIGN ACCOUNTS & CORPORATIONS**

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). For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority. 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 Form 1040. **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.**

If you and/or your entity have a financial interest in any foreign accounts, you are also responsible for filing Form FinCen 114 required by the U.S. Department of the Treasury on or before April 15<sup>th</sup> of each tax year. U.S. Citizens are required to report worldwide income on their U.S. tax return.

In addition, currently the Internal Revenue Service, under IRC §6038 and §6046, requires information reporting if you are an officer, director or shareholder with respect to certain foreign corporations (Form 5471); foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trader or business (Form 5472); U.S. transferor of property to a foreign corporation (Form 926); and, for taxable years beginning after March 18, 2010, if you hold foreign financial assets with an aggregate value exceeding \$50,000 (Form 8938). These code sections describe the information required to be reported on the respective forms, which are due when your income tax return is due, including extensions. Therefore, if you fall into one of the above categories, **you** may be required to file one of the above listed forms. Failure to timely file may result in substantial monetary penalties. By your signature below, you accept responsibility for informing us if you believe that you fall into one of the above categories and you agree to provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

Assisting you with your compliance with the Corporate Transparency Act (“CTA”), including beneficial ownership information (“BOI”) reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We shall have no liability resulting from your failure to comply with CTA. Information regarding the BOI reporting requirements can be found at <https://www.fincen.gov/boi>. Consider consulting with legal counsel if you have questions regarding the applicability of the CTA’s reporting requirements and issues surrounding the collection of relevant ownership information.

## **BUSINESS OWNERS**

When a self-employed taxpayer reduces taxable income through tax deductions there is also a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his dependents. You acknowledge and agree to the current tax reduction and also acknowledge and agree to the potential negative effects on future social security benefits for you, your spouse and any dependents. Additionally, new state laws regarding the collection of sales tax by online sellers and may require separate registration, collection, filing and payment with many states at very low activity levels. We were not engaged to, nor did we determine whether individual state sales tax rules apply to your business. Determination of whether an individual state’s sales tax rules apply to your activity are your responsibility unless we have a SEPARATE

written engagement letter acknowledging our responsibility to determine or apply sales tax rules for an individual state. Failure to register and file with an appropriate state may expose you to severe penalties.

### **DOCUMENTATION & RECORDS**

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. For travel and entertainment expenses, the law requires that you have records indicating the amount, time, place and business purposes, as well as the business relationship of the persons entertained. If you have any questions as to the type of records required please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed returns before signing for electronic filing or mailing to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. We will rely, without further verification, upon information you provide to us from third parties including, but not limited to, K1s, 1099s, 1098s, 1095s and receipts and similar items.

You agree that you have reported all 2023 income you received including barter, crypto-currency, consumer-to-consumer activity, cash-based revenues and all other income whether received in-person, in-kind, or electronically.

If we discover information that affects your prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all the items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue.

We will keep records related to this engagement for seven years. However, we do not keep any of your original records. If you choose the **PAPERLESS** process, we will shred all documents you provide to us. You will not get any documents back. If you choose the **PAPER** process, we will return to you the documents you provided to us upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible 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 related to this engagement.

### **EXTENSIONS**

**The due date for filing your income tax returns is April 15, 2024. In order to complete your returns by the due date, we must receive all of your information by March 15, 2024. If we do not receive your information by that date, we reserve the right to extend your return to October 15, 2024. If your return is extended, we must receive all of your information by September 16, 2024, in order to complete your returns before the extended due date. We will not be responsible for any penalties or interest that result from filing your returns after the original due date.**

We DO NOT automatically file tax extensions for clients – you must notify us in writing, email or fax if you want us to file an extension. The notification should include your estimate of any balance due with the extension. Or, at your request and only when all pertinent tax documents are provided, we will assist with the calculation. Failure to file an extension may make you subject to various penalties and interest. Additionally, if your return is extended, it does not relieve you from paying any tax due on the due date or making quarterly estimated payments for the current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may make you subject to various penalties and interest.

## **PRIVACY & COMMUNICATION**

Privacy laws established by the IRS prohibit us from providing confidential information or copies to anyone other than you without your specific, written authorization. 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. In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing information to a third party. Our privacy policy is located on our website at [www.raderandrader.com](http://www.raderandrader.com).

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Also, remember, **do not respond to or click on any links from emails purportedly from the IRS as the IRS never initiates correspondence via email and any such emails are attempts to steal your identity.**

In the interest of facilitating our services to you, we utilize a secure web portal. Your use of this portal must comply with our standards of use, and as owners of the portal we retain the right to limit and deny use of the portal for inappropriate purposes. Your access to files maintained on the portal will be terminated no later than 30 days after your or our termination of services under this agreement. All confidential information sent to you as well as the portal will be encrypted. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have not control over the unauthorized interception of these communications once they have been sent and consent to our use of these devices during this engagement.

While we are, of course, available to provide you with tax and business planning services, it is our policy to put all advice upon which a client might rely into a written memorandum prior to you relying on such advice. We believe this is necessary to avoid confusion and to make clear the specific nature of our advice. You should not rely on any advice that has not been put into writing for you.

## **PAYMENT**

Billings become delinquent if not paid within 30 days of the invoice date. If billings are not paid within 60 days of the invoice date, at our election, we may stop all work at our discretion until your account is brought current, or we may withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement.

**LIABILITY**

In recognition of the relative risks and benefits of the agreement to both the client and the accounting firm, the client and the accounting firm have discussed and have agreed on the fair allocation of risk between them. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm’s total fee for services rendered under this agreement. The client and the accounting firm intend and agree that this limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the tax professional’s signature on the tax returns covered by this engagement letter.

Notwithstanding anything contained herein, both the accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at Accountant’s office located in Hendricks County, Indiana, USA and Hendricks County, Indiana, USA shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of Indiana.

We have the right to withdraw from this engagement, at our discretion, if you don’t provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

We appreciate the opportunity to serve you.

Sincerely,

Rader & Rader CPAs, PC



By signing below, I/we acknowledge my/our agreement with and acceptance of my/our responsibilities and terms of this engagement. In addition, I/we agree to provide information and documents and respond to communication in a timely manner.

\_\_\_\_\_  
Taxpayer Signature and Date

\_\_\_\_\_  
Spouse Signature and Date