

WINTERSET CPA GROUP, INC. 2023 BUSINESS TAX ENGAGEMENT LETTER

ENGAGEMENT OBJECTIVE AND SCOPE

This letter is to confirm and specify the terms of our tax engagement for the year ending in 2023/2024 and to clarify the nature and extent of the services we will provide as well as specifying our mutual responsibilities. Also, by sending you this engagement letter we have assumed that you are the person responsible for the tax matters of the company. If this is not a correct assumption, please furnish us with the name of the individual with whom this work should be coordinated. We will prepare your returns based upon information and representations you provide to us. **Any engagement to prepare financial statements must be separately agreed upon and is not part of this engagement.**

We will prepare the returns requested solely for filing with the Internal Revenue Service ("IRS") and state and local authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose. **We will not respond to any requests from banks, mortgage brokers or others for copies or verification of any information reported on these returns.** We do not communicate with third parties or provide them with copies of tax returns. Our work in connection with the preparation of your income tax return does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will not prepare any returns except those identified by you without your written request. You agree to indemnify and hold us 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, state, and local authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement will include the following:

1. Prepare the federal and applicable state and local income tax returns (you identify) with supporting schedules from information you provide to us.
2. Our engagement does not include any services to determine if you have filing requirements in taxing jurisdictions other than those you identified to us.
3. Perform any bookkeeping we find necessary for preparation of the income tax returns.

OUR RESPONSIBILITIES

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants (AICPA) and U.S. Treasury Department Circular 230. It is our duty to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement. We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

Estimated Tax Payments

You may be required to make quarterly estimated tax payments. We will calculate these payments for the 2024 tax year based upon the information provided to prepare your 2023 returns and have no obligation to update recommended payments after the engagement is completed.

Government Inquiries

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred. This engagement does not include responding to inquiries by any tax authority or governmental agency.

Your returns will be filed electronically. The IRS requires you sign an e-file authorization form indicating you have reviewed the return and it is correct to the best of your knowledge. **We cannot transmit any return until we have the appropriate signed authorizations.**

Substantial Understatement Penalties

The law provides for a penalty to be imposed when a taxpayer makes a substantial understatement of their tax liability. Taxpayers may seek to avoid the penalty by showing (1) 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 were adequately disclosed on form 8275 or 8275R and there was reasonable basis for the position. You agree to advise us if you wish disclosure to be made on your returns or if you desire us to perform research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is substantial authority for the position proposed to be taken on such issue in your return. Depending upon your entity, these penalties may be imposed at either the business or individual level. *Under no circumstance will we be responsible for understated or underpaid tax liability or interest.*

Penalties & Interest

Federal, state, and local authorities impose penalties and interest charges for non-compliance including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties and interest charges imposed by taxing authorities.

WINTERSET CPA GROUP, INC. 2023 BUSINESS TAX ENGAGEMENT LETTER (Continued)

YOUR RESPONSIBILITIES

You will provide us with a trial balance and other supporting data necessary to prepare your tax returns. You must provide us with accurate and complete information including income from all sources, **including those outside of the U.S.** We rely upon the accuracy and completeness of the information you provide.

Documentation

You represent that all the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses (including meals, entertainment, travel, charitable contributions, and vehicle use) are supported by records as required by law. You have the responsibility to retain these records. You should retain all documents, cancelled checks and other data that form the basis of income, deductions, and payments on the returns. Management is responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of the financial records. We will not audit or otherwise verify the information provided. You agree to hold our firm harmless with respect to any additional tax, penalties, interest, and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

U.S. Filing Obligations Related to Foreign Financial Assets and Digital Assets

As part of your filing obligations, 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 are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations. If you transacted in digital assets during the year, you may have tax consequences and additional reporting obligations. You are to provide us with any relevant information regarding these transactions.

Certain entities may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the Department of the Treasury. Failure to comply may result in significant civil and criminal penalties. Unless specifically requested, we will not prepare, file, or provide assistance with this form. If you would like to add Form 114 to this engagement phase, use the request space below.

Ultimate Responsibility

You have the final responsibility for the income tax returns, and therefore, you agree to review them carefully before signing and filing them. You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization before your returns can be filed electronically. In the event you do not wish to have your returns filed electronically, please contact our firm, as additional procedures will apply. If your return is electronically filed, our services will conclude upon the acceptance of your returns by the applicable authorities.

Extensions of Time to File

It may become necessary to apply for an extension of the filing deadline due to the high volume of returns prepared by our office and/or we did not receive all the necessary information from you on a timely basis. Regardless of the extension, all taxes owed are due by the original filing date.

Confidentiality

Certain communications involving tax advice between you and our firm may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you may be waiving this privilege. To protect your rights, please consult with us or your attorney prior to disclosing any information about our tax advice.

If the foregoing fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office. Please note this should be signed by the person responsible for the tax matters of the corporation or partnership. If there are any additional returns you expect us to prepare, please note this at the end of the letter, just below your signature. By signing below, you acknowledge an addendum to this agreement is available on our website at www.wintersetcpa.com and you agree to its terms.

WINTERSET CPA GROUP, INC.

Accepted By: _____ X Title: _____ X

Company Name: _____ X Date: _____ X

Email: _____ X Phone #: _____ X

Please print

Comments or Requests:

