

Hill Tax, Payroll & Bookkeeping

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01/01/2014

Subject: Preparation of 2023 Tax Returns

Thank you for choosing Hill Tax, Payroll & Bookkeeping to assist with your 2023 business tax preparation. This letter confirms the terms of the engagement and outlines the nature and extent of the services we will provide.

Engagement Letter for Business Tax Return Preparation

We trust this letter finds you well. We are writing to confirm and outline the terms of our engagement for the fiscal year ending December 31, 2023, and to clarify the scope of the tax services we will be providing. We are eager to collaborate with you and wish to ensure a clear understanding of the arrangements for our services. Your careful review of this letter is crucial to establishing expectations as we embark on this professional relationship. Should you have any queries or concerns regarding this Engagement Letter, we encourage you to contact us for discussion before affixing your signature.

Tax Return Submission Deadlines:

Please be informed that the Pass-through Income Tax Returns (S-Corporations, Partnerships, LLC's taxes as Partnerships) are due by March 15, 2024. To facilitate a timely filing, we kindly request that you submit all necessary information by January 31, 2024. While we cannot guarantee filing by the deadline, based on historical timelines, this date serves as a reasonable target. We commit to notifying you at the earliest if, for any reason, we are unable to meet this deadline. In the event an extension is required, please submit your information by June 30, 2024, for completion by the extended deadline of September 15, 2024. It is important to note that an extension grants additional time for filing, not for payment. Any tax liabilities must be settled by March 15, 2024, to avoid penalties and interest. This means if you believe you will owe, you should plan to make a "payment with extension" by March 15, 2024, to eliminate or minimize penalties/interest for "failure-to-pay". Regardless of when your documents were provided, we will not be responsible for any failure-to-pay penalties on your balance due.

Rush Requests and Fees:

In cases where information is provided after the due dates of January 31 or June 30, a "Rush" request may be made for expedited processing. A 10% Rush Fee will be applied; this increases to 20% by March 1/September 1 and 30% for the final week. This fee ensures the completion of your return by the March 15 or September 15 deadline, respectively. If you opt for an extension, no Rush Fee is necessary.

Fee Structure:

Our standard rates apply to tax return preparation, with payment accepted via Cash, Check, Zelle, Venmo, or CashApp (excluding Credit Card). Additional fees for bookkeeping services (\$250/hour) and the preparation of extra schedules may apply if needed. All charges are due before the release or filing of the return. You will be provided with a cost estimate for any charges exceeding the basic rate for your approval.

Information Submission and Accuracy:

To streamline the process, please complete the electronic information checklist and questionnaire provided. By submitting this information, you confirm its truthfulness, accuracy, and completeness and that you have truthfully disclosed to us all income and other relevant facts affecting the returns. You further represent that you have provided us true, correct, and complete information regarding amounts you claimed as tax deductions, and have maintained written documentation supporting all amounts, including logbooks and receipts. We will not audit or otherwise verify the information you give us; however, we may ask for additional clarification of some information. It is your responsibility to promptly inform us of any changes or additional information affecting your return. You will contact us immediately if you discover additional information that will lead to a change in your return, or if you receive any letters from the IRS, state, or local taxing authorities. You are responsible for the proper recording of financial activities, for the safeguarding of assets, and for the substantial accuracy of your financial records. The law imposes various penalties when taxpayers understate their tax liability. We recommend you retain all documents, canceled checks, receipts and other data that form the basis of income and deductions for at least 3 years after filing your return. Please remember, you have the final responsibility for the information on your income tax returns. Please keep all originals for your records.

Document Retention:

In line with our firm's document retention policy, we will retain work papers and tax returns for seven (7) years. After this period, these records will no longer be available. Physical deterioration or catastrophic events may shorten the time during which our records will be available. The working papers and files of our firm are not a substitute for the original records of your company. When any 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. It is agreed and understood that in connection with the performance of this engagement by Hill Tax, Consulting & Financial Services LLC, that the work papers prepared by us shall remain the property of Hill Tax, Consulting & Financial Services LLC.

Policies:

Please note the following policies:

- No release of tax return information until payment is received in full.
- Expedited fees for returns which we received your information within 45 days of the deadline(s) will be assessed if you insist for them to be completed by the deadline (i.e. by requesting a “rush”).

Secure Information Transfer:

For secure information transfer, we recommend using our portal or dropping off documents at our office. If no portal is available, one can be set up for you at no cost. Originals should not be sent, and files sent via email should be password-protected.

Authorization for IRS Discussions:

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return’s due date. Your consent to such a discussion is evidenced by checking a box on the tax return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss the return with us.

Potential Government Examination:

Be aware that your returns may be subject to review by taxing authorities. Additional charges may apply for representation during government tax examinations or for assistance in responding to notices received.

Withdrawal and Compensation:

We reserve the right to withdraw from the engagement if disclosure obligations are not met. In such cases, compensation for services up to the withdrawal date is expected. You retain the right to choose another professional for return preparation.

Payment Terms:

All invoices are due upon completion of the income tax. Unpaid balances accrue interest at 18% per annum, along with collection charges, court costs, and reasonable attorney fees. Dishonored checks incur a \$25.00 charge and shall be subject to the provisions contained in ORS §697.520 and ORS §30-701-1. Failure to make timely payments constitutes a breach of this Engagement Letter, entitling us to pursue legal remedies.

Governing Law:

This Engagement Letter is governed by the laws of the State of Oregon.

Scope of Engagement:

Any services not explicitly outlined in this letter are not included in this engagement.

To formalize our agreement, kindly return all three pages of the signed copy of this letter.

We appreciate your attention to these details and look forward to a productive collaboration.

Respectfully,

Hill Tax, Payroll & Bookkeeping
Taylor Hill

CLIENT ACKNOWLEDGEMENT

Client Signature: _____

Print Name: _____

Company(s) included in this Engagement: _____

Date: _____

What You Want in 2024

At Hill Tax, Payroll & Bookkeeping we want to help you achieve the goals that are important to you. By answering the following questions, we will be able to understand your unique situation better. We look forward to being your Business & Tax Partner.

Please tell us 3 things you would like to accomplish in 2024 to improve your business situation.

1. _____
2. _____
3. _____

Please share 3 things that you would like Hill Tax to do to help you accomplish the above in 2024.

1. _____
2. _____
3. _____

Current Company Information

* Please make additional copies of this form and fill out separately for each company.

* **If we have prepared your Business Income Tax Returns previously, please ONLY provide any information below that may have changed over the past year- Thank you.**

Company Name: _____

Contact Name(s): _____

Physical Address: _____

City: _____ State: _____ Zip Code: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Phone numbers: Home: _____ Cell: _____

Business: _____ Fax: _____

Email Address: _____

Business Start Date: _____ Federal EIN: _____

Type of Entity: Partnership (1065) S Corporation (1120S) C Corporation (1120)

Manager: _____ DOB: _____ SS#: _____ DL#: _____

Manager: _____ DOB: _____ SS#: _____ DL#: _____

President: _____ DOB: _____ SS #: _____ DL #: _____

Vice President: _____ DOB: _____ SS #: _____ DL #: _____

Secretary: _____ DOB: _____ SS #: _____ DL #: _____

Treasurer: _____ DOB: _____ SS #: _____ DL #: _____

Additional information that we need to discuss regarding changes in ownership or states in which you were doing business over the past year and since filing your last tax returns:

Items Needed for 2023 Business Income Tax Return

Please provide photocopies of the following information for us to complete your 2023 Income Tax Return. Please do not send the originals to us. We ask that you retain the originals in a safe place in your possession in case questions arise or further information is needed from them in the future.

- 1) Profit & Loss for date range 01/01/22 – 12/31/22
- 2) Balance Sheet as of 12/31/22
- 3) Final bank statements to confirm the balances listed on the balance sheet (i.e. checking, savings, credit cards, loans, etc.)
 - 4) Any closing statements (HUD-1) for real estate and rental properties purchased during the year.
- 3) Interest statements and mortgage balances for any loans as of December 31, 2023. Please include escrow account activity and balances.
- 4) Beginning balance, interest rate, term, and payment amount for any other loans your business has and the assets that are associated with them.
- 5) Please note any changes in business address, business ownership, address changes on present owners and contact information. If there was a sale or purchase of ownership, we need to know right away as we may not be able to prepare this return.
- 6) Property management statements regarding income and expenses in connection with your rental properties.
- 7) Complete information on any assets purchased or sold during the year 2023.
- 8) If your business was formed prior to 2023 and we did not prepare your 2021 business tax return(s) please provide a copy of the last two years returns (2021 & 2020).
- 9) If this is your first year working with us, please send copies of Legal Documents; including the Stamped Articles and Operating Agreement, disclosing owners and percentage of ownership, IRS EIN Letter, and S-Election/2553 if applicable.
- 10) A signed engagement letter and a client information form. We cannot begin processing your information until all the information above is received.

For your convenience, if you utilize QuickBooks as your accounting software, we suggest generating an accountant copy of the file and transmitting it along with your records to our office. You can email the file to Taylor@hilltaxandconsulting.com. This proactive step may preemptively address some potential queries we might have regarding the information you furnish.

Thank you for allowing us to assist you in this process.

Respectfully,

Hill Tax, Payroll & Bookkeeping
Taylor Hill