

January 1, 2021

## **2021 Engagement**

This is to confirm your understanding of our services and to clarify the nature and limitations of the services to be provided.

Our engagement will perform the following services:

2020 Tax returns and/or bookkeeping as required  
Tax and accounting services and tax notices as requested and/or needed.

### **Tax Return Engagement:**

We will advise you on income tax matters as to which you specifically request our advice. This firm is responsible only for the returns listed above. We will not audit or verify the data you submit, although we may ask you to clarify it or furnish us with additional data.

By your signature below you are confirming to us that, unless otherwise advised, the travel, meals, gifts and related expenses are supported by the necessary records required under Section 274 of the Internal Revenue Code. If you have any questions as to the type of records required, please ask us for advice in that regard.

Our work in connection with the preparation of your income tax returns does not include any procedure designed to discover fraud, defalcations, or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as we find necessary for preparing the income tax returns.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possible 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.

We will follow whatever position you request on your return so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be assessment of additional tax plus interest and penalties.

We assume no liability for any such additional penalties or assessments, and the client understands that the tax preparer is not responsible for Internal Revenue Service disallowance of doubtful deductions or deductions unsupported neither by adequate documentation nor for resulting taxes, penalties and interest.

**Fee Information:**

Our fees for all services will be billed to you at our standard rates, which range from \$40 to \$275 per hour depending on the personnel assigned, and will be billed as the work progresses. Tax returns are billed at the time of completion and due upon delivery of the return to the client. Fees do not include out-of-pocket expenses advanced for you, such as computer charges, telephone calls, postage, photocopying, or courier charges. These will be billed to you separately. We reserve the right to up charge our standard billing rates for situations where deadlines are imposed by the client. Any invoices mailed monthly are due when received. If we have not received payment within 45 days of our invoice, all work will be suspended until your account is brought current.

Winkler CPA & Consulting, P.C. does not hold any liability for any work completed until all invoices are paid in full. In cases in which we can estimate our fees, our estimate is based on our experience as accountants and on certain assumptions about the amount and character of the work entailed and our involvement in the project. An estimate is not a fixed fee quote. It does not constitute a commitment, guaranty, or promise by us to perform the account services for that amount. Each situation is unique, and the actual fees may be more or less than estimated. The actual work required may vary from the assumptions due to complexities or other factors that we cannot foresee or additional services subsequently requested by you. As a result of additional complexities, unknown factors, additional or different facts of which we are not presently aware, changes which you may desire, or other circumstances, if the required accounting work has changed, the fees billed will be adjusted to reflect that change.

**General Information:**

Unless you indicate otherwise, our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. For example, such transmissions might include, but not limited to, processing your tax return with an outside computer service. We have secured confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others.

We remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

In order to insure continuity of service, client agrees that in the case of death or incapacity of the firm's owner, the owner's estate or trust has the right to sell client files to another CPA firm for the performance of tax and accounting services.

Client and accountant both agree that any dispute including a dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance

with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association.

Such arbitration shall be binding and final. In agreeing to Arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, 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. The costs of any mediation proceeding shall be shared equally by all parties.

It is our policy to keep records related to this engagement for seven years. However, Winkler CPA & Consulting, P.C. does not keep any original client records, so we will return those to you at the completion of services rendered under this engagement. 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 this form you acknowledge that the liability for the services provided or to be provided rests solely with the CPA with whom you engaged for services. Winkler CPA & Consulting, P.C. is not responsible for work performed by any other CPA, accounting person, or firm.

If the foregoing is acceptable to you, please sign below in the space provided and return it to us by mail, email, fax, or in person.

Sincerely,

A handwritten signature in black ink that reads "Robin Winkler, CPA". The signature is written in a cursive style.

Robin Winkler, CPA  
Winkler CPA & Consulting, P.C.

**2021 Engagement Letter**

Accepted:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

*Note: This is the last page of a four page engagement for Winkler CPA & Consulting, P.C. and the above client signature indicates acceptance of the terms and conditions outlined in this engagement.*

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**1. DO YOU WANT TO E-FILE YOUR 2020 TAX RETURN?**

**YES (NO SIGNATURE REQUIRED).** *I choose to have Winkler CPA & Consulting, P.C. file my 2020 Federal and state tax returns electronically.*

**NO**

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

.....  
**2. HOW WOULD YOU LIKE TO RECEIVE YOUR 2020 TAX RETURN COPY FOR YOUR RECORDS?**

PAPER       CD       PDF

.....  
**3. HAVE YOU MADE ANY CHANGES TO YOUR INFORMATION? (i.e. – phone numbers, email, address, new dependents, legal name change, etc.)**

**NO.**

**YES.** Changes are: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## CORPORATE & PARTNERSHIP TAX RETURN CHECKLIST 2020

1. Reconcile all your checkbooks and savings accounts before you send us your QuickBooks file.
2. Reconcile all your credit cards before you send us your QuickBooks file.
3. If you have paid for expenses personally, and they are NOT reflected in QuickBooks, please give us a list including the date of purchase, what was purchased and cost.
4. If you use a personal vehicle for your business – we need
  - The make and model of the vehicle
  - The date first used for business
  - The total mileage for the period
  - The total business mileage
  - The distance to your place of work – and the total number of commuting miles.
5. If you have a business car that has any personal use – we need
  - The total business miles
  - The total personal miles
6. Send us copies of
  - All credit card statements that include 12/31/20
  - All bank statements that include 12/31/20
  - All line of credit statements that include 12/31/20
  - Any loan statement that includes 12/31/20
  - Copies of all new lease agreements that you entered into in 2020
  - Copies of your corporation's annual minutes
  - Purchase documents for any new vehicle or large equipment purchase
  - Any new loan agreements for 2020, including new vehicle loans
  - Payroll reports (all quarters), if we didn't do the returns
  - December 2020 sales tax report

*Continued on next page*

## **CORPORATE & PARTNERSHIP TAX RETURN CHECKLIST 2020**

7. Send us copies of your QuickBooks **backup** file (.qbb file)

### **IMPORTANT information regarding QuickBooks below, please read!**

- PLEASE DO NOT SEND AN ACCOUNTANT'S COPY.
- Please give us your password and the version of QuickBooks that you use.
- You may email us your QuickBooks backup file through Smartvault.

8. **SECURESEND INSTRUCTIONS:**

1. Go to [www.smartvault.com](http://www.smartvault.com)
2. Log in to your account.
3. Click on your folder with your name.
4. Click Tax Documents.
5. Drag files or browse to find documents on your computer and follow instructions.
6. If you have any issues, feel free to contact us and we will help you!

**We want to remind you that Forms 1099 and 1096 are due by February 1, 2021.**

Payments made for services (of at least \$600 during the calendar year to vendors who are not incorporated) in the course of your trade and/or business, (corporation, partnership, sole proprietorship), as well as residential and corporate rentals, interest, dividends, rents, pension distributions, etc., need to be reported on Form 1099. The 1099s need to be distributed to the recipients **no later than February 1, 2021.**

**IMPORTANT:** All legal fees must be reported on Form 1099-MISC, amounts in excess of \$600, regardless of whether the payee is incorporated or not.

Our billing for these forms is as follows: We will charge a minimum of \$150 (depending on the number needed), if we receive your information in the attached format. If you would like us to review your 2020 accounting transactions to determine who must be issued a Form 1099, we will charge an additional hourly rate for preparing the required forms.

If you would like us to prepare your Forms 1099 and 1096, please e-mail Sandi at [Sandi@winklercpaaz.com](mailto:Sandi@winklercpaaz.com) no later than January 18th. If we do not hear from you by January 18th, we will presume you are doing your own Forms 1099 and 1096.

**REQUEST FOR FORM 1099/1096**

Client Name \_\_\_\_\_

1. Recipient Name \_\_\_\_\_  
Recipient S.S. /EIN # \_\_\_\_\_  
Current address \_\_\_\_\_  
Amount paid in 2020 \$ \_\_\_\_\_

2. Recipient Name \_\_\_\_\_  
Recipient S.S. /EIN # \_\_\_\_\_  
Current address \_\_\_\_\_  
Amount paid in 2020 \$ \_\_\_\_\_

3. Recipient Name \_\_\_\_\_  
Recipient S.S. /EIN # \_\_\_\_\_  
Current address \_\_\_\_\_  
Amount paid in 2020 \$ \_\_\_\_\_



## IRS Issues 2021 Standard Mileage Rates

The NEW 2021 Internal Revenue Service Standard Mileage Rates for the use of a vehicle for business (car, vans, panel trucks or pickups included) are:

Purpose	2021 Standard Mileage Rates
Business	56¢
Medical/Moving	16¢
Charitable	14¢
	<i>per mile</i>

**As a reminder**, the 2020 Internal Revenue Service Standard Mileage Rates for the use of a vehicle for business (car, vans, panel trucks or pickups included) are:

Purpose	2020 Standard Mileage Rates
Business	57.5¢
Medical/Moving	17¢
Charitable	14¢
	<i>per mile</i>

Please don't hesitate to call us with any questions, thank you.

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