

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

Spouse – joint return ONLY

Accepted:

Accepted:

Signature

Signature

Print Name

Print Name

Date

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 & Consultants, P.C. file my 2020 tax return electronically.*

NO (SIGNATURE REQUIRED). If you are married filing jointly, only one signature is required for opt-out authorization.

My tax return preparer, Winkler CPA & Consulting, P.C. has informed me they may be required to electronically file my 2020 income tax return Form 1040 should they file it with the IRS on my behalf. I do not want to file my 2020 income tax return electronically and choose to have my return prepared and printed on paper forms. My preparer will not file my paper return with the IRS; I will file my paper return with the IRS myself. I was not influenced by Winkler CPA & Consulting, P.C. or staff members to sign this opt-out statement.

Opt-out authorization signature: _____

Print Name: _____ 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: _____

INDIVIDUAL TAX RETURN CHECKLIST 2020

General Information

- Social security number of any new dependents in 2020
- Estimated payments -- date of payment and amount
- Current e-mail address _____
- For direct deposit
 - Bank Name
 - Bank Routing transit number
 - Account number
 - Type of account: checking ____ savings ____
- IRA contribution: Traditional _____ Roth _____

Income

- W-2 Wage Statements
- 1099's – Interest from banks or self-employment income
- Alimony (if recently divorced – divorce settlement papers)
- Refunds from state departments of revenue (i.e., Arizona refund)
- Capital gain – from mutual funds
- Any pension distributions
- Rental income
- Unemployment compensation
- Social Security benefits or other foreign retirement income (i.e., Canadian)
- Information on any sale
 - Sale price
 - Date of purchase
 - Date of sale
 - Acquisition price
 - Improvements – if on a piece of rental property
- All income is subject to taxes. The above is a list of the most common sources of income.

Deductions

- Medical expenses
 - Medical mileage
 - Nursing home costs
 - Rehabilitation costs
- State taxes paid in 2020 for prior years
- Real estate taxes
- Personal property taxes (in Arizona - that is your car licenses)
- Home mortgage interest
- Charitable gifts, both cash and non-cash

Continued on next page

INDIVIDUAL TAX RETURN CHECKLIST 2020

- If you have your own business, any business expenses
 - Advertising
 - Car expenses
 - Total miles driven
 - Business miles driven
 - Commute miles
 - Actual expenses: repairs, gasoline, service, license plate tags, etc.
 - Year and make of car
 - Commissions and fees
 - Furniture and Equipment purchases (also need dates purchased)
 - Business insurance
 - Rent (that you paid to someone for space)
 - Did you remember to issue a Form 1099 to the landlord?
 - Legal and professional services
 - Office expenses: utilities, cleaning service, telephone
 - Supplies: paper, pens, computer cartridges, etc.
 - Travel
 - Meals
 - Other expenses (example: long distance telephone calls)
 - Retirement contribution
 - Medical Savings Plan contribution
- Rental expenses from homes or other property which you rent to someone else.
- Teaching supplies, if you are an educator

The above list is not exhaustive. Generally, deductions are allowed if used to produce income.

Other Miscellaneous Items

- Please bring mortgage documents if you have purchased, sold or refinanced your home in 2020.

SECURESEND INSTRUCTIONS:

1. Go to 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 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.

Winkler CPA & Consulting, P.C.
15333 N. Pima Road, Suite 155, Scottsdale, AZ 85260
Phone: 480-993-0660 | Fax: 480-993-0662
<https://www.winklercpaaz.com>

Questionnaire

Name:

SSN:

Questionnaire

Personal Information

Yes No

- Did your marital status change during the year?
If "Yes," explain _____
- Can you or your spouse be claimed as a dependent by someone else?
- Did your address change during the year?
- Were you, your spouse, or any dependents a victim of identity theft?
If "Yes," explain _____
- Were you, your spouse, or any dependents issued an Identity Protection PIN (IP PIN)?
If "Yes," provide Notice CP01A from the IRS.

Provide proof of identity to be eligible to e-file your tax return (driver's license or state-issued photo ID)

Dependent Information

Yes No

- Did you have any changes in dependents during the year?
If "Yes," explain _____
- Can another person qualify to claim any of your dependents?
- Did you have any childcare expenses during the year?
- Did you have any adoption expenses during the year?
- Did you have any children under age 19 or a full-time student under age 24 with more than \$2200 of unearned income?

Provide documentation for proof of dependent related credits (school records, medical records, daycare records, etc.)

COVID-19 Implications

Yes No

- Did you receive an Economic Impact Payment?
If "Yes," provide Notice 1444 from the IRS.
- Did you or your spouse experience economic loss due to COVID-19 (loss of job, closed business, etc.)?
- Were you or your spouse unemployed for any portion of the year due to COVID-19?
- Did you or your spouse continue to receive wages from your employer even if you were unable to work?
- Did you or your spouse receive a distribution from a retirement plan (401K, IRA, etc.) due to COVID-19?
- If you or your spouse own a farm or business, did you continue to pay any employees while they were not working?
- If you or your spouse own a farm or business, did you delay withholding FICA taxes from any employee's pay?
- If you or your spouse own a farm or business, did you receive a Paycheck Protection Program (PPP) loan?
If "Yes," was the loan forgiven or have you applied for forgiveness?
- If you or your spouse own a farm or business and were unable to work due to COVID-19, would you have qualified for sick or family leave if employed by someone other than yourself?

Health Care Information

Yes No

- Did any member of your household have healthcare coverage through the Marketplace?
If "Yes," provide copies of Form 1095-A.
- Did you receive any distributions from a Health Savings Account (HSA), Archer MSA, or Medicare Advantage MSA during the year?

Income, Purchases, Sales, and Debt Information

Yes No

- Did you receive any tips not reported to your employer?
- Did you receive any disability income during the year?
- Did you cash in any U.S. savings bonds during the year?
- Did you start a new business or purchase any rental property during the year?

Questionnaire

Name:

SSN:

Questionnaire

- Did you sell an existing business, rental property, or other property during the year?
- Did you purchase any business assets or convert any assets to business use?
If "Yes," provide the cost of the asset, the date it was placed in service, and business use percentage.
- Did you purchase any gasoline, diesel, or special fuels for off-road business use?
- Did you buy or sell any stocks, bonds, or other investments during the year?
- Did you sell a principal residence during the year?
If "Yes," provide closing documentation for the purchase and sale of the home.
- Did you have a principal residence or a piece of real property foreclosed on during the year?
- Did you abandon a principal residence or a piece of real property during the year?
- Did you refinance your principal home or second home or take out a home equity loan during the year?
If "Yes," provide all escrow, closing, and other pertinent documentation and information.
- Did you receive any principal or interest during this year from property sold in prior years?
- Did you rent out your home or use it for business?
- Did you sell, exchange, or purchase any real estate during the year?
- Did you acquire a new or additional interest in a partnership or S corporation?
- Did you have any debts canceled or forgiven this year?
- Does anyone owe you money that has become uncollectible?
- Did you purchase a new hybrid, alternative motor, or electric motor energy-efficient vehicle during the year?
If "Yes," provide the year, make, model, VIN, and date the vehicle was placed in service.
- Did you receive income or incur expenses associated with a fantasy sport league?
If "Yes," provide documentation.
- Did you receive income or incur expenses associated with car sharing (e.g., Lyft or Uber)?
If "Yes," attach Form 1099-MISC and Form 1099-K.
- Did you receive income or incur expenses associated with freelancing (e.g., Upwork or TaskRabbit)?
If "Yes," attach Form 1099-K or Form W-2.
- Did you receive income or incur expenses associated with fashion sharing (e.g., Poshmark or thredUP)?
If "Yes," provide documentation.
- Did you receive income or incur expenses associated with crowdfunding (e.g., Kickstarter or Indiegogo)?
If "Yes," attach Form 1099-K.
- Did you receive income or incur expenses associated with a short-term rental (e.g., Airbnb or HomeAway)?
If "Yes," provide documentation.
- Did you receive any other income you have not provided information for with this organizer?
If "Yes," explain _____

Itemized Deduction Information

Yes No

- Did you pay out-of-pocket medical or dental expenses (premiums, prescriptions, mileage, etc.) during the year?
- Did you pay any long-term care premiums for yourself, your spouse, or a dependent during the year?
- Did you receive any state or local income tax refunds from prior years?
- Did you make any major purchases (vehicle, boat, etc.) during the year?
- Did you pay any real estate property taxes or personal taxes during the year?
- Did you pay mortgage interest during the year?
- Did you make cash donations to charity during the year?
- Did you make noncash donations to charity (clothes, furniture, etc.) during the year?
- Did you donate a boat or vehicle during the year?
If "Yes," attach Form 1098-C.
- Did you have gambling winnings or losses during the year?
- Did you have any job-related expenses that were not reimbursed by your employer (uniforms, safety equipment, etc.)?
- Did you use your vehicle on the job other than for commuting to work?
- Did you work out of town at any time during the year?

Questionnaire

Name: _____

SSN: _____

Questionnaire

Retirement Information

Yes No

- Did you receive any payments from a pension, profit sharing, or 401(k) plan during the year?
- Did you make any contributions to, withdrawals from, or execute any rollovers from an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan during the year?
- Did you receive any Social Security benefits during the year?

Education Information

Yes No

- Did you pay tuition expenses that were required for attending college, university, or vocational school for yourself, your spouse, or a dependent during the year (even if classes were attended in another year)?
- Did anyone in your household attend a post-secondary school during the year?
- Did you make a contribution to or receive a distribution from an Education Savings Account or Qualified Tuition Program during the year?
- Did you pay student loan interest for yourself, your spouse, or your dependent(s) during the year?

Miscellaneous Information

Yes No

- Did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currencies?
- Did you incur a gain or loss due to damaged or stolen property?
If "Yes," provide the incident date, value of the property, and amount of insurance reimbursements.
- Did you pay wages to any household employees (babysitter, nanny, housekeeper, etc.)?
- Did you make gifts to any one person in excess of \$15,000 during the year?
Yes No
 If "Yes," are you splitting the gift with your spouse?
- Did you incur moving expenses during the year?
- Did you make any energy-efficient improvements to your main home during the year?
- Are you a business owner who paid health insurance premiums for your employees during the year?
- Did you own interest or shares in a Qualified Opportunity Fund?
- Did you apply an overpayment of your 2019 taxes to your 2020 estimated taxes?
- If you have an overpayment of 2020 taxes, do you want the refund applied to your 2021 estimated taxes?
- Did you make any estimated payments toward your 2020 taxes?
- Do you want to have any refund or balance due directly deposited or withdrawn?
If "Yes," provide a canceled checking or savings slip.
- Do you anticipate your income or withholdings to be different for 2020?
- Did you make any purchases subject to Use Tax?
If "Yes," provide details.
- Did you receive any notices from the IRS or state taxing authority?
If "Yes," explain _____
- May the IRS discuss your tax return with your preparer?
- Would you like a copy of your tax return sent to you electronically instead of receiving a printed copy?

Foreign Tax Information

Yes No

- Did you have a financial interest in or signature authority over a financial account or asset located in a foreign country?
- Did you receive a distribution from, or were you a grantor of, or transferor to, a foreign trust?
- Did the aggregate value of your foreign accounts exceed \$10,000 at any time during the year?
- Did you have any income from, or pay taxes to, a foreign country?
- Did you own property in a foreign country?

Preparer Notes