

## **APPLEBY AND ASSOCIATES, Inc.**

**Glen M. Appleby, EA.**

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**Tel: (818) 347-1770**

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This letter confirms the terms and conditions of our engagement and the nature, timing and limitation of the services we will provide.

We will prepare your **2021** federal and applicable state income tax returns from information you furnish us. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification and/or documentation of some of the information. Generally, we will rely on your representation that you have maintained the documentation required by law to support the information you provide, including expenses for meals, entertainment, travel, gifts, vehicle use, charitable contributions, etc. You should retain all documents, including but not limited to; canceled checks, receipts, bank or credit card statements and any other data that form the basis of income and deductions claimed on your tax return. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. The law provides for a penalty to be imposed for substantial understatements to tax liabilities. If you are not clear regarding what documentation is needed for any given item of income or deduction, we'd be happy to discuss it with you. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. **Note that you have the final responsibility for the income tax returns and, therefore, you should carefully review them before you sign and file them.**

We will use our professional judgment in preparing your returns. Whenever we are aware that possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities, we will explain the possible positions which may be taken on your return. We will adopt whatever position you request on your return so long as it is consistent with the codes and regulations and interpretations which have been promulgated. If the taxing agency should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional interest, penalties, or assessments.

In an effort to become environmentally friendly our office has opted to conduct all of our communications, including copies of your tax returns, invoices and appointments electronically. We would appreciate it if you could provide us with your tax documents in the same manner by scanning documents and emailing them to our office. If you must bring in or mail us tax your documents **please do not bring in or mail originals**. We have had a few incidences of lost original documents through the US mail in the past.

Under both federal and California law, we are required to electronically file your returns. The filing deadline for the tax returns is, generally, April 15. In order to meet this filing deadline, we must receive your information in substantially complete form by April 1.

If an extension of time to file is required, we will use the information available to us at the time to prepare the extension. **An extension, however, only provides you with an extension to file, not an extension to pay. Taxes paid after April 15 will result in penalties and interest.**

If a joint return is prepared, tax returns and copies of all supporting documentation will be made available to either spouse without the consent or notification of the other spouse.

You are responsible for reporting foreign activities. By signing this letter you acknowledge that you will inform us if you have income from foreign sources or if you have signatory authority over any foreign account. **If you are unsure whether income or an account is foreign, we will review it. Note that the penalties for failure to report foreign activities are severe.**

Your tax returns may be selected for review by the taxing authorities. If the government selects your return for examination, we will be available to assist you. At our discretion, there may be additional fees for this service. In the event we are requested or authorized by you, or are required by government regulation, subpoena, or other legal process, to produce our documents or our personnel as witnesses with respect to our work for you, you agree, so long as we are not a party to the proceeding in which the information is sought, to reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

We generally retain, for five years, the final work product generated for our clients. After the retention period, the documents are destroyed. We do not keep original documents -- they are returned to you after completion of the returns. It is your responsibility to retain your records for possible future use, including possible examination by the taxing authorities.

Our fees for tax preparation services are based on the amount of time required at our standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. Please note that we will not be able to file your taxes electronically until we have received your signed authorizations.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to our office. Work cannot commence until a signed copy of this document is returned. If this is a joint return, both spouses must sign.

Sincerely,

Appleby and Associates, Inc.

Acknowledged:

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

Print name: \_\_\_\_\_

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

Print name: \_\_\_\_\_