

Gray & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS



2024 Tax Services Agreement

Client: _____

Thank you for placing your confidence in Gray & Associates, CPA, PC. Please initial the fees listed below for the projects that you want us to complete for you this year. This is a contract that confirms the terms under which we agree to do that work. Please read this agreement carefully to understand what you can and cannot expect from us. If you are confused at all by this agreement or believe that we have misunderstood what you need, please discuss this with us before you sign it.

U.S. business (1120/1120S, 1065, 1041, 990) income tax return: ☐

U.S. Gift & Generation Skipping Tax return: ☐

U.S. individual or joint (Form 1040) income tax return: ☐

Form 114 – Foreign Bank Account Report (FBAR): ☐

State individual or business income tax return(s) for _____ ☐

Other: _____ ☐

The IRS and state revenue agencies may impose penalties on taxpayers, and on us as tax preparers, for failure to observe due care in reporting for income tax. Consequently, we ask all tax clients to confirm the following.

Federal Returns. We will prepare your tax year(s) _____ U.S. income tax return and related income tax schedules from information you furnish to us. We will NOT audit, review, compile, or otherwise verify the data you submit, although we may ask you to clarify certain information and provide details, which may delay completion of your return. We may furnish tax organizers and worksheets to help you gather and organize the necessary information for us, in order to keep our fee to a minimum. We are responsible for preparing only the returns specifically listed in this agreement.

- If you have a business, you must provide a proper P&L Statement or complete our Worksheet C.
- If you have a rental activity, you must provide a proper P&L Statement or complete our Worksheet E.
- If you have a farm activity, you must provide a proper P&L Statement or complete our Worksheet F.

Extensions. If we cannot complete your return on the day we accept this engagement (on receipt of this signed agreement and the full fee), we intend to file an extension to move your return's due date from March/April/May to September/October/November. Federal and state law do not provide extended time for payment of taxes, so you should make payment of an estimated amount by April 15. We recommend electronic payment (via www.irs.gov) because this method includes extension of the return's due date, but U.S. Mail may suffice for payments. (Please initial) _____

State Returns. If you have a taxable activity in a state other than one specifically listed above, you must request the preparation of that state's tax return. Any other state income tax returns will be prepared, if requested, as a separate engagement. If you have tax filing requirements in a given state but do not file that return, there could be adverse consequences such as an unlimited statute of limitations, penalties, etc. If you would like us to investigate to determine each state where you have an income tax filing requirement, please inform us.

Authorization to E-File. You hereby authorize Gray & Associates P.C. to electronically file your state income tax return, such as your state franchise tax return. (Please initial)

Foreign Income. If you have income from a foreign country, we will use the foreign income data which you provide to calculate any applicable U.S. federal or state foreign tax credit. However, you are responsible for meeting any foreign income tax or foreign reporting requirements and we will not provide those services.

Additional Services. You may request that we perform additional services not contemplated in this agreement. If this occurs, we will discuss with you the scope and estimated cost of these additional services. Agreements for additional services may necessitate that we amend this agreement or issue a separate agreement to reflect the obligations of both parties. In the absence of written communications from us documenting such services, our services will be limited to and governed by the terms of this agreement.

IRS Examination/Audit. Our fee does not include responding to examination by taxing authorities. However, we are able to represent you under a separate agreement; our fees for such services will be at our standard rates.

Entire Agreement. This agreement represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations, or agreements, written or oral, regarding our services. It shall be binding on the heirs, successors, and assigns of you and us. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected, and all other provisions remain in full force and effect.

Your Records. It is your responsibility to maintain in your records the documentation necessary to support the data used in preparing your tax returns, including but not limited to auto, travel, entertainment, and related expenses and the required documents to support deductible contributions. If you have any questions as to the types of records required, please ask us for advice. It is also your responsibility to carefully examine and approve your completed tax returns before signing. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties, or interest. We will rely without further verification upon information you provide to us from 3rd parties, including but not limited to K-1's, 1099's, receipts, and similar items.

Our Records. It is our policy to keep electronic records only. We do not keep any original client records, so we will return those to you after we scan them. When records are returned to you, it is your responsibility to retain and protect your records indefinitely for possible use, including potential examination by any government agencies.

Judgment. We will use our professional judgement in preparing your returns. Whenever we are aware that a possibly 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 adopt whatever position you request on your return so long as it is consistent with the codes, regulations, and interpretations that have been published. If the IRS 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 penalties or assessments.

Privacy Notice. If we are asked to disclose any privileged communication, unless we are required by law to make the disclosure, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect communications as privileged. In addition, your confidentiality privilege may be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact an attorney before releasing information to a third party. (Please initial)

Copies of Returns and Comfort Letters. We will give you one paper copy of each return upon completion of the work. We will not provide a letter to your lender to support a loan application.

Email and Electronic Portal. In the interest of better serving you, we may communicate by sending messages and documents to you via email or via our secure portal, ATOM (Automated Tax Office Manager, a service of X-Tax in Lansing, Michigan). If such communications include "confidential information," we will use ATOM and strongly encourage you to do the same. While we will

use our best efforts to keep such communications secure in accordance with applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and you consent to our use of email and ATOM portal during the engagement.

- Please don't send us email attachments. For security reasons, we won't open attachments. (Please initial)_____
- Please limit your ATOM uploads to 25 files per year. If you receive numerous Forms 1099, for example, scan them as a single file. A good description, such as "Rental Worksheet E and related mortgage Form 1098" helps us prepare your return accurately and locate the data again if you need it.
- Summarize your charitable contributions in a list with the date of contribution, recipient organization name and address; then we don't need to see proof.
- Please ask for and use our worksheets to summarize medical expenses and business, rental, and farm activities.

Fees Due in Advance. Please write a check or use our payment portal today. We will not begin, much less file, your return until you pay our fee in full. You acknowledge and agree that we are not required to file your return in the event of your failure to pay fees on time for services rendered as required by this agreement. You acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this agreement, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. Our services will conclude upon delivery of the completed income tax returns discussed above or upon our suspension of services or resignation from the engagement. (Please initial)_____

Liability. In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, the client and the firm have discussed and have agreed on the fair allocation of risk between us. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm's total fee for services rendered under this agreement. The client and the accounting firm intend and agree that this limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against the firm for errors and omissions. The one-year period will begin on the date of the tax professional's signature on the tax returns covered by this engagement letter or our written withdrawal from the engagement. (Please initial)_____

We appreciate the opportunity to serve you. Please date and sign a copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. We will begin services only after we receive the executed agreement and the fee.

I have read the above terms of agreement and I agree with the terms of this engagement.

Client Signature:

_____/____ 2024

Telephone number: (____) _____

Email Address: _____