

DeSain Financial Services
900 Jefferson Rd., Ste. 201
Rochester, NY 14623
Phone: (585) 272-9229
Fax: (585) 351-2446

2018 Engagement Letter for Individual Income Tax Returns

Client Name _____

We are pleased to confirm our understanding of the arrangements for the preparation of your income tax return(s). This letter confirms the services you have asked us to perform and the terms under which we agree to do that work. Please read this letter carefully because it is important to both of us that you understand what you can and cannot expect from our work. If you have any questions or concerns about this letter, please call us. We will be happy to answer your questions.

The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting income in preparing income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all our clients for whom we prepare tax returns to confirm the following arrangements.

We will prepare your 2018 Federal and New York Individual Income Tax and/or other applicable state income tax return Form 1040 and NYS-201 and any related schedules from information you provide us. We will not verify the information you submit although we may ask you to clarify some of the information. We are responsible for preparing only the returns listed above. If you have taxable activity in a state other than the State of New York you are responsible for providing our firm with all the information necessary to prepare any additional state or local income tax returns as well as informing us of the applicable states.

Affordable Care Act

The Affordable Care Act expanded various health insurance/large employer reporting mandates, individual penalties, and additional forms requirements beginning in 2014. You acknowledge and agree that we will rely solely on information provided by you to us for the specific returns discussed above for the purpose of preparing this year's tax return. We have been retained only to prepare your tax returns for the above authorities and periods and have provided no advice regarding your eligibility for any credits, estimates of any payments or estimates of any penalties, all of which require a separate written engagement letter for those purposes.

Foreign Accounts

Please note that any person or entity subject to the jurisdiction of the United States (including individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an **aggregate** value exceeding \$10,000 in a foreign country, shall report such a relationship. Filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require

filings by the corporations and by the individual corporate officers with signature authority. Failure to disclose the required information to the U. S. Department of the Treasury may result in substantial civil and/or criminal penalties.

If you and/or your entity have a financial interest in any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare FinCEN Form 114 - Report of Foreign Bank and Financial Accounts (FBAR) as required by the U.S. Department of the Treasury which is now due on April 15th with the tax return. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required disclosure statements.

In addition, the Internal Revenue Service under IRC Section 6038(a) requires information reporting with respect to certain foreign corporations (Form 5471) and describes the information required to be reported on this form, which is due when your income tax return is due, including extensions. Therefore, if you are an officer, director, or shareholder in a foreign corporation, you may be required to file Form 5471. IRC Section 6038(b)(1) provides for a monetary penalty of \$10,000 for each Form 5471 that is filed after the due date of the income tax return (including extensions) or that does not include complete and accurate information as defined under the regulations. By your signature on this engagement letter, you accept responsibility for informing us if you are an officer, director, or shareholder in a foreign corporation and you agree to provide us with the information necessary to prepare the appropriate Form 5471(s). **In the event that you do not provide us with this information, we assume no liability for penalties associated with missing, late or incomplete filing information pursuant to code section 6038(a).**

General

We must receive all information to prepare your return(s) by Monday, March 25, 2019 to ensure that your return will be completed by April 15, 2019. If we have not received all of your information by Monday, March 25, 2019, and your return(s) is not completed by April 15, 2019 you may be subject to late filing or late payment penalties. **We do not file tax return extensions for clients unless specifically requested to do so.**

You agree to contact us immediately if you discover additional information that will lead to a change on your returns, or if you receive any letters from the Internal Revenue Service or the State of New York concerning returns that we have prepared in connection with this engagement.

Our fee does **not** include responding to inquiries, examinations, or notices by taxing authorities or filing amended returns on your behalf due to a client error or omission. However, we are available to provide those services to you, and our fees for such services would be at our standard rates and would be covered by a separate engagement letter. This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. It shall be binding on the heirs, successors and assigns of you and us.

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 any auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have any question as to the type of records you need to keep, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing them. We are not responsible

for the disallowance of doubtful deductions or inadequately supported deductions or for any resulting taxes, penalties or interest. We will rely, without further verification, upon information you provide to us from third parties including, but not limited to, W-2s, W2-Gs, K-1s, 1099s, 1098s, and any receipts and similar documents and items.

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 adopt whatever position you request, so long as it is consistent with the codes, regulations, and interpretations that have been published. If the Internal Revenue Service 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 penalties or assessments.

We are prohibited from providing confidential information or copies to anyone other than to you without your prior, specific, written authorization. Please expect to provide that written authorization before we can release any of your confidential information such as to your bank or mortgage lender or to a family member for pickup.

In the interest of facilitating our services to you, we may communicate with you by facsimile (fax). While we use our best efforts to keep such faxes secure in accordance with our obligations under applicable law and professional standards, you recognize and accept that we have no control over unauthorized interception of any fax we may send you once it has been sent and you authorize our use of fax machines during this engagement.

From time to time, in order to provide you with timely information concerning your appointments with us, or any tax related and non-tax related information that may be appropriate to you, we may, if you have an email address, send you email reminders, letters, announcements, notices, or newsletters. Other than your name and email address, these emails will not contain any of your personally identifiable tax information. You consent to our use of email to communicate these types of information to you.

In accordance with our firm's current document retention policy we will retain our work papers and copies of your tax returns from this engagement for four years. We will provide you with a copy of your tax returns, depreciation schedules, if any, and other pertinent work papers that should be a part of your books and records. If you should need replacements, we will provide additional copies at our standard copying fees. We will return all of your original records to you upon completion of this engagement. After four years, our work papers and files will no longer be available. Physical deterioration or catastrophic events may shorten the time during which our records may be available. The working papers and files of our firm are not a substitute for your original records or those of your company. It is agreed and understood that in connection with the performance of this engagement by DeSain Financial Services, any work papers we prepare will remain the property of DeSain Financial Services.

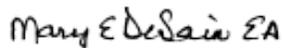
Our fees under this engagement are due when the services are rendered and before the returns are transmitted in the case of an electronic return or before delivery to you for mailing in the case of a paper return. If we allow you to delay payment under this engagement, billings become delinquent if not paid within 30 days of the invoice date. A finance charge will be added to the outstanding balance each month at a rate of 2.5% per month, with a \$5.00 minimum. You agree to this finance charge even if the notice of the finance charge is not printed on our invoice. This engagement will end with the transmission of your

returns to the taxing authorities and its subsequent acknowledgement by the Internal Revenue Service and any state(s), or when we deliver to you the completed return(s) for your signature.

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to litigation, be submitted to mediation, and that you will engage in the mediation process in good faith once a written request to mediate has been given by either party to the engagement. Any mediation initiated because of this engagement shall be administered by a law firm specializing in the mediation process, not associated with either party and which we select, according to its mediation rules. Any ensuing litigation shall be conducted in Monroe County, State of New York, according to New York law. The result of any such mediation shall be binding only upon agreement of each party to be bound. The cost of any mediation proceeding shall be shared equally by the participating parties. Any litigation arising out of this engagement, except actions we take to enforce payment of our professional invoices, must be filed within one year from the completion of this engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee you paid us for the service set forth in this engagement letter. If any portion of this engagement letter is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

We appreciate the opportunity to serve you. Please sign and date this letter to acknowledge your agreement and acceptance of your responsibilities, and the terms of this agreement. It is our policy to initiate services after we receive the executed engagement letter.

Sincerely,



Mary E. DeSain, EA

I/We have read the above engagement letter and agree with the terms of the engagement.

Taxpayer _____ Date _____

Spouse (if married) _____ Date _____