

2019 Engagement Letter for Individual Income Tax Preparation

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 let us know. 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 and 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 2019 Federal and Michigan Individual Income Tax Form 1040 and MI-1040 and any related schedules from information you furnish us. We will not compile, review or otherwise 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 Michigan 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 or local returns. (Enter other state/local returns to be prepared)_____

If you have 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, the IRS requires that you disclose this on Form 1040. Without your notification of such foreign investments, we will assume that you do not have any amounts invested over \$10,000 outside of the United States. Failure to disclose the required information to the U S Department of Treasury may result in substantial civil and/or criminal penalties. If you are required to file FinCen 114 and you do not provide us with this information, we will not be able to prepare any of the required disclosure statements and penalties may be due, for which we have no responsibility. In the absence of such information being provided, we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization. If you and/or your entity have a financial interest in any foreign accounts, you are responsible for filing Form FinCen 114 required by the US Department of Treasury on or before April 15th of each tax year.

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

Our fee does not include responding to inquiries or examinations by taxing authorities for which you may be billed separately. However, we are available to represent 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 do NOT automatically file tax extensions for clients.** You must notify us in writing, by email or fax if you wish us to file an extension and the notification should include your estimate of any balance due with the extension. If you file an extension, it does not relieve you of paying any tax due or making quarterly estimated payments for the current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated payments may make you subject to various penalties and interest.

The Affordable Care Act has added various new health insurance mandates, penalties, and credits. You acknowledge and agree that we will rely solely on information you provide for the specific returns discussed above for the purpose of preparing this year's tax return and estimated tax payments for 2016. We have been retained only to prepare your tax returns for the above taxing authorities and have provided no advice regarding your eligibility for any credits, estimates of any payments or estimates of any penalties.

Repair regulations also require that business owners separately capitalize repairs and acquisitions over \$2500 per invoice. You hereby acknowledge that you have made any such capitalization analyses and decisions.

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. When a self-employed taxpayer reduces taxable income there is also a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and taxpayer dependents. If you file Schedule C or F, you acknowledge and agree to current tax reduction and the potential negative effects on future social security benefits for you, your spouse (if married) and any dependents you may have.

New privacy laws were established by the IRS that became effective January 1, 2009. We are now 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 on a release form to be provided by us and found on the website before we can release any of your confidential information such as to your bank or mortgage lender. We will not respond to any other release forms.

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. We will not e-mail your tax return to you or anyone else.

In accordance with our firms 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 Blizzard Business Service, Inc., any work papers we prepare will remain the property of Blizzard Business Service, Inc.

Our fees under this engagement are due when the services are rendered and upon completion of the return. If we allow you to delay payment under this engagement, billings become delinquent if not paid within 15 days of the invoice date. A finance charge will be added to the outstanding balance each month at a rate 1.5% per month, which is 18% per annum. 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 return 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 Clinton County, State of Michigan, according to Michigan law. The result of any such mediation shall be binding only upon agreement of each party to be bound. The costs 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,

Susan M Blizzard, EA

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

Taxpayer _____ Date _____

Spouse (if married) _____ Date _____