



FLEMING & CO., Certified Public Accountants

2023 ENGAGEMENT LETTER

Dear Client:

This letter is to confirm and specify the terms of our engagement with _____
for the year ended 2023. *Client Name Here*

Thank you for selecting Fleming & Co., Certified Public Accountants, APC to assist in the preparation of your personal and/or business income tax returns. This agreement will set forth the understanding of our mutual responsibilities and the terms and objectives of our engagement including the nature and limitations of the services we will provide. We ask that all clients for whom returns are prepared to confirm the following arrangements:

We will prepare your federal and state personal and/or business income tax returns and extensions (as required) ONLY from the documentation and information you provide to us. We will assume the contents of all documentation and information you provide is accurate and complete. We will not audit or otherwise verify the data you submit to us, however, we may ask you for clarification of some of the information. **Our work in connection with the preparation of your tax returns does not include any procedures designed to discover errors or other irregularities in your provided documentation and information.**

***This engagement letter does not encompass Beneficial Ownership Information Reporting. Any business owner registered with the Secretary of State needs to register under Financial Crimes Enforcement Network (FinCEN).**

We are not responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, or for the substantial accuracy of financial records. It is your responsibility to substantiate items of income and deductions required for the preparation of complete and accurate returns in accordance with IRS Regulations. Should any errors exist, we will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns for additional fees.

You are responsible for reporting foreign activities. By signing this letter, you are acknowledging that you will inform us if you have any 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.**

We request that you make us aware of any bit-coin or other virtual assets you may have acquired. Providing us with this information up-front will ensure the efficiency and completion of our filing process.

You have the final responsibility for your tax returns and we strongly recommend you review the contents carefully before you sign and file. If there is any information not provided by you that results in a reprint there will be a reprint charge of \$45 per instance. Additional fees may apply if there are new schedules required or if the package is sent UPS after the original tax return.

We will use professional judgment in resolving questions or issues when the tax law is unclear or when there is a conflict among the tax authorities' interpretation of the law and other supportable positions. Unless instructed otherwise by you, we will resolve the questions in your favor, whenever possible.

TAX ORGANIZER (PERSONAL & FIDUCIARY RETURNS)

We have provided a tax organizer for your use. This tool will indicate **ALL the documents and information we require to complete your returns.**¹ It is useful if you are unsure of which documents and information to provide.

We ask you to provide us with **COPIES** of original government and tax documents **NOT ORIGINALS**, allowing for faster processing of your paperwork. If original documents are provided, an additional fee may be assessed if costs are incurred to return original documents to you.

When a joint return is prepared, tax returns and copies of supporting documentation will be made available to either spouse without consent or notification of the other. Additional fees will apply for extra copies of tax returns.

IMPORTANT CALENDAR DATES

Business Tax Returns, LLC, and S-Corp: Tax documentation/information received in our office after **February 25th** will result in your tax return being placed on extension. **March 14th at 12 p.m.** is the deadline to submit your e-file signature forms to our office. **March 15th** is the deadline for our office to file federal and state tax returns. **Documents/information received after March 15th will result in your tax returns being filed late resulting in penalties and interest.**

Personal Tax Returns, Fiduciary, and C Corporation: Tax documentation/information received in our office after **March 25th** will result in your tax return being placed on extension. **April 12th at 12:00 p.m.** is the deadline to submit your e-file signature forms to our office. **April 15th** is the deadline for our office to file your federal and state tax returns. **Documents/ information received after April 15th will result in tax returns being filed late resulting in penalties and interest.**

Non-Profit Tax Returns: Tax documentation and information received in our office after **April 28th** will result in your tax returns being placed on extension. **May 12th at 12 p.m.** is the deadline to submit your e-file signature forms to our office. **May 15th** is the deadline for our office to file federal and state tax returns. **Documents and information received after May 15th will result in your tax returns being filed late resulting in penalties and interest.**

Under both Federal, the state of California and some other state laws, **we are required to electronically file (e-file) your returns.** However, you may opt out of electronic filing without explanation (if allowed by your state). Please notify our office of your intent on the Tax Organizer or on the 2023 Filing Preference Form and we will provide you with the government opt-out forms to sign and return to our office.

¹ We begin work on your returns only when ALL requested information has been provided to us.

* If an extension of time to file is required, we will use the information available to us on file and prepare an extension on your behalf. **An extension only pertains to the time allotted to file, NOT to pay. Taxes paid after the above mentioned filing deadlines will result in penalties and interest.**

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. Additional fees for this service will be billed and agreed to separately. We generally retain all final copies of client returns for seven (7) years. After the retention period, the documents are destroyed. **It is your responsibility to retain your records for possible future use including the possible examination by tax authorities.**

Our fee for these services will be based upon standard tax form billing rates adjusted by time incurred, plus out-of-pocket expenses. Avoidable information provided to us within the 15 day filing deadline, will increase the tax preparation fee by a 25% rush fee. All invoices are due and payable upon presentation. A late payment charge of 1.5% per month will be assessed on any balance that remains unpaid after deduction of current payments, credits and allowances after 30 days from the date of billing. If there is an error on your return and it is a result of our mistake, we will correct your return and correspond with the taxing authorities free of charge. We will pay the penalties for our mistake however, we will not pay the interest or any additional taxes.

IMPORTANT: Your return will be electronically filed with the Internal Revenue Service Center unless you specify otherwise (opt out). **You must review the return(s), sign the e-file transmittal form(s), and return to us before we can electronically transmit on your behalf.** We are not responsible for the length of time it takes for the IRS to process your return(s).

If you have a full understanding of this letter, please sign below, and return all pages to our office. If there are additional returns you expect us to prepare, please inform us by noting so below your signature at the end of the returned copy of this letter. We want to express our appreciation for this opportunity to work with you. **Work will not begin until a signed copy of this letter is returned. If married, both spouses MUST sign if we are to file a joint return. You will be charged for time incurred if for cause the return is not completed.**

Sincerely yours,

Margaret R. Fleming, CPA, MST

Accepted by: _____ Accepted by: _____
Client Signature Here *Client Signature Here*

Date: _____ Date: _____



FLEMING & CO., Certified Public Accountants

Beneficial Ownership Reporting

Assisting you with your compliance with the Corporate Transparency Act (“CTA”), including beneficial ownership information (“BOI”) reporting, is not within the scope of this engagement. You have sole responsibility for your compliance with the CTA, including its BOI reporting requirements and the collection of relevant ownership information. We (Fleming & Co, CPAs, APC) shall have no liability resulting from your failure to comply with the CTA. Information regarding the BOI reporting requirements can be found at finccn.gov/boi. Consider consulting legal counsel if you have any questions regarding the applicability of the CTA’s reporting requirements and issues surrounding the collection of relevant ownership information.

I/we have read and understand the above. I acknowledge that it is my/our responsibility to comply with BOI filings and the Fleming & Co., CPAs, APC will not file any related documents.

Signature

Print Name

Signature

Print Name

Signature

Print Name

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Print Name

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Print Name

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Print Name

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Print Name

Signature

Print Name

Signature

Print Name



FLEMING & CO., Certified Public Accountants

Client Consent to Use Tax Information

Federal law requires this consent form to be provided to you. Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return. In addition to tax preparation services, this firm is in the business of providing year-round financial consultation and tax planning services. These services cannot be provided without your consent.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

Consent to Use

I consent to the use of my tax information for purposes other than preparing my tax return. I consent for you to communicate with me via newsletter, e-mail, website, phone, or other means with information and recommendations that may be of use to me, including but not limited to:

1. **Tax Advice.** Advisory services relating to events in my life that have tax consequences such as college, investment transactions, marriage, divorce, and retirement.
2. **Tax Planning.** Services related to planning and forecasting potential tax obligations and their estimated tax payment requirements.
3. **Retirement Tax Planning.** Services related to retirement planning, Social Security planning, minimum required distributions from retirement accounts and other planning services.
4. **Investment and Asset Advice.** Services related to the tax considerations of buying, selling and exchanging property including stocks, bonds, and real estate.
5. **Other Tax and Financial Advice.** Services related to responding to your tax and financial questions.

By signing this form, you expressly consent to the use of your tax information for the purposes of providing these auxiliary tax and financial services for you. I understand the firm is using tax information furnished by me to provide me with the services listed here.

I also understand that I may terminate this consent at any time by providing a written request for termination. Except upon approval by me or as required by law, the firm will not disclose my confidential tax information to any other person or for any other purpose.

I also acknowledge that I have read and understand the firm's privacy policy provided within this document.

Duration of this consent: _____

(One year from date of signature if left blank)

Name (Print): _____ Spouses Name: _____

Signature: _____ Signature: _____

Date: _____ Date: _____

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484 or by email at complaints@tigta.treas.gov.



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Our Privacy Policy

Your Information

Your non-public personal information is collected from various sources:

- Information received from you on tax organizers, worksheets, client questionnaires, applications and other financial documentation you provide;
- Information you provide via personal interviews, telephone conversations, faxes and emails;
- Information about your transactions with the firm;
- Information received about you from consumer reporting agencies if background or credit checks are conducted on your behalf.

Non-Disclosure

Your non-public personal information is not disclosed to any person or party, except as required by law or to facilitate filing your tax return.

Upon closing your account, your non-public personal information will not be disclosed to any person or party unless required by law.

Please understand that IRS-related confidentiality is limited to non-criminal tax advice. So while information you shared to provide tax services is held in strict confidence, it is not protected from the IRS by advisor-client privilege unless such consultations are with an attorney for legal advice.

Security

Access to your information is restricted in a variety of ways:

- Only to those employees who have a need to know in order to provide products or services to you;
- Physical security, electronic security safeguards and strict procedural measures consistent with federal standards are in place to protect your non-public personal information.

Your privacy is important. Please trust that protecting your information is equally important.

Please call if you have any questions or concerns.

23665 Birtcher Drive • Lake Forrest, California 92630 • (949) 586-8002 • Fax (949) 855-9186

www.cparus.com • mrfco@cparus.com



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Tax Return Handling Form

In Orange County there are currently no physical distancing requirements for Covid-19, but, we are mindful that it has not completely gone away. With our client’s best interest in mind, this year we will continue to provide a variety of options for distributing your completed tax returns to you.

Please indicate your preference by checking the box next to the pick-up option(s) you prefer and provide the additional information requested:

I prefer to have my tax return mailed to me via UPS ground. **Your Cost: \$30.***

Please Provide Physical Address (No P.O. Boxes):

Street: _____

City: _____

State & Zip Code: _____

I prefer to receive a PDF (digital) copy of my tax return uploaded to Workspace Portal. **Your Cost \$45**

I prefer to pick up my tax return in person (1) paper copy. **Your Cost: \$0**

***If you would like a paper copy of your tax return AND a PDF (digital) copy, please indicate. Applicable fees apply. \$45**

Client Signature: _____ Date: _____

Payment is required when you pick up your tax return or have it sent to you.

* UPS Ground charges subject to change.



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2023 Filing Preferences Form

Client Name: _____

Fleming & Co. CPAs is committed to providing excellent service that best fits our clients' needs. To ensure that your tax return is filed correctly, please read the following information thoroughly and check all that apply:

The following information applies to my tax situation:

In 2023, **Marital Status Changed** In 2023, **Address Changed**

In 2023, **Number of Dependents Changed:**

- Added a dependent
- Dependent filed their own return

I may need additional or special timing for completion of my 2023 tax return due to:

College FAFSA Vacation/Travel Other: _____
Please Specify

If any of the above changes occurred in 2023, please provide specific information here:

All tax returns are required to be electronically filed.* If you choose to mail in your tax returns to the federal and state governments, please check below and state reason:

Mail in Reason for mailing tax returns _____

If due a refund, would you like it mailed to address or electronic deposit to your bank account?

Did you change banks or accounts in 2023? Yes No

Direct Deposit my tax refund to my bank account (Please provide **VOIDED check**).

Mail my tax refund check to me.

Apply my tax refund to my **estimated taxes**.

If you owe taxes, would you like to mail your payment, or have it electronically withdrawn from your bank account? (Electronic withdrawals will be made on the filing due date without extension or, on the date an extended return is filed.

I will mail in my payment.

OR

Have my taxes due electronically withdrawn from my bank account (Please provide **VOIDED check**).

Did you change banks or accounts in 2023? Yes No

**Disclaimer: Certain schedules or circumstances can prevent a client from electronically filing. In this event, we will contact the client and prepare the tax return to be paper filed.*



Disclosures

Senate Bill 459 makes the "willful misclassification of employees as independent contractors "unlawful" and provides for a civil penalty of \$5,000 to \$15,000 for each violation and \$10,000 to \$25,000 if it is determined to be a "pattern and practice".

Name: _____

Year: **2023**

Please read and initial if applicable or indicate not applicable.

_____ I/We understand that it is necessary to have a receipt for all charitable contributions. This includes both cash and non-cash contributions.

_____ I/We understand that it is necessary to maintain actual business receipts for business purchases and activities. A credit card statement or check is not adequate proof of expenditure. This includes rental property.

_____ I/we understand that it is necessary to maintain a mileage log for all business miles. The beginning and ending odometer reading should be recorded for each year. All auto repair receipts will be maintained regardless of auto usage method as the IRS uses such receipts to establish the validity of the odometer reading.

_____ If I/we maintain a home office, that space is used only for business and I/we understand that if audited, the IRS will conduct a visit to the home to establish the validity of the home office.

_____ I/we understand that payment to an individual does not constitute payroll just because I/we have filed a W2. There must be a clear business purpose and services provided by that individual. It is my/our responsibility to maintain employment time sheets and logs to support said services.

_____ I/we have reviewed those individuals that we exclude from payroll and believe that there is adequate justification to identify them as non-employee service providers.

_____ I/we understand that business or rental income (cash basis taxpayers) is all income received, not just what is reported on a 1099.

_____ I/we understand that any offshore (**foreign**) bank accounts or assets must be voluntarily disclosed.

_____ I/we understand that bitcoin/cryptocurrency transactions must be reported.

_____ I/we understand that if we have an entity recorded with the secretary of state that I/we are obligated to file with FinCEN beneficial interest information unless I/we fall under an exception. I/we understand that Fleming & Co. will not file this information.

The above list is not intended to be all inclusive of client responsibilities, but a reminder that the client is responsible for maintaining records to support tax returns filed. Should the documentation be inadequate to support a tax position, significant penalties could potentially be assessed. We will copy/scan client provided documents such as W2's, yearend brokerage statements, auto logs, charitable receipts. Generally, **we will not copy/scan an entire year's worth of business receipts, medical receipts or other receipts in great volume.**



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2023 Disclosures Relating to Health Insurance
MANDATORY SIGNATURE

*Each taxpayer is required to sign this form indicating they have read all the information stated.
Additional tax requirements impacting Federal and California returns:*

WE CANNOT FILE YOUR TAX RETURN WITHOUT INSURANCE TAX DOCUMENTS!
(Treat insurance tax documents as you would a W-2.... we MUST have them)

- Check box for YOU or any member of household that had **Medicare ALL YEAR LONG.**
 Taxpayer Spouse
- Check Box(es) for YOU and any member of household that had health insurance (*other than Medicare*) for any portion of 2023. You receive one (or all) tax documents from your insurance provider(s):
 1095-A 1095-B 1095-C

**If you did not receive your insurance tax documents, go online to your insurance provider(s); then go to your account and print forms or call the insurance provider to request your tax documents.*

** We cannot electronically file tax returns missing 1095-A Documents.*

- Check Box if YOU and/or any family member did not have health insurance for any portion of 2023.
 Taxpayer Spouse Dependent

The Marketplace will send you an information statement (1095-A) showing the amount of your premiums and advance credit payments you received by January 31 of the year following the year of coverage. It is necessary that we have this information to compute your premium tax credit on your 2023 tax return and to reconcile any advance credit payments made on your behalf with the amount of the actual premium tax credit. **If you do not enclose the required information and reporting forms, (1095-A, 1095-B and/or 1095-C) this may delay your return and result in additional fees.*

I verify that I have read all of the above information and understand my responsibility to provide all insurance related tax documents.

Name

Date

PLEASE NOTE: All clients who purchased health insurance through a state or federal marketplace will require completion of additional IRS required forms with their 2023 tax returns. **Due to the new reporting requirement, there will be an additional charge for your tax return.** Please note that incomplete information provided by clients affected by the reporting requirement will delay preparation of your tax return and incur additional fees. It is Mandatory to supply ALL forms 1095-A, 1095-B and/or 1095-C. For non-compliance, additional fees will be charged.



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Foreign Asset Disclaimer

My (Our) 2023 Federal and California income tax returns are being prepared by Fleming & Co., CPAs.

You have made me (us) aware that U.S. taxpayers are required to report their worldwide income that is income from both U.S. and foreign sources. In addition, taxpayers who own, have an interest in, or have signature or other authority over assets in a foreign country may be required to report the existence of the asset.

I (We) have reported to you any and all foreign assets in which we have either ownership or signature authority.

- This includes, but is not limited to, funds in foreign financial institutions, real estate, rights to foreign pension plans, rights to distributions from foreign estates or trusts, life insurance with cash surrender values, flow through entities with foreign income, or any other foreign assets including transactions in cryptocurrency, such as Bitcoin.
- It does not include stocks in foreign countries held by U.S. brokerage companies.

I do have foreign source assets/income.

I **do NOT** have foreign source assets/income.

Please read, date and sign letter.

Taxpayer: _____

Spouse: _____

Date: _____



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Sales Tax Disclosure Tax Year 2023

Out-of-State Purchases Subject to Sales Tax*

\$ _____ Purchases

You must indicate an amount (Zero "0" is acceptable).

If you do not, we will use your income to calculate the applicable amount of Sales Tax not paid on purchases.

Signature

Date

Print Name

**** If residing in another state, please provide the information for your state. Many states now require taxpayers to pay use tax for their out of state purchases also.***

Name of State(s) – Your Residence(s): _____