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January 9, 2023

Client Name(s): ______________________________ ______________________________
Taxpayer Name Spouse Name

We are pleased to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide regarding the preparation of your 2022 income tax returns. This letter and any attachments confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. This engagement between you and our firm will be governed by the terms of this Agreement.

We will prepare your 2022 Federal and state income tax returns from information you furnish to us. This engagement pertains only to the 2022 tax year, and our responsibilities do not include preparation of any other tax return years that may be due to any taxing authority. Our engagement will be complete upon delivery of the completed returns to you. Unless you authorize electronic filing of your returns, you will be solely responsible to file the returns with the appropriate taxing authorities. You agree to indemnify and hold us harmless with respect to all claims arising from the use of the tax returns for any purpose other than filing with the IRS, state, and local tax authorities regardless of the nature of the claim, including the negligence of any party.

It is your responsibility to supply all the information required to prepare complete and accurate returns. We will provide questionnaires and worksheets to help you gather the necessary information. Using these forms helps control the cost of preparing your returns. You must provide the information needed to prepare your returns by **February 24, 2023**, to complete your returns without requesting an extension of the filing deadline. NOTE: Even with an extension of time to file, all taxes owed are due by the original due date.

This engagement does not include any procedures designed to detect errors, fraud, or theft. We will not audit or otherwise verify the data you submit, but we may ask you to clarify some information. If accounting or bookkeeping services are necessary to prepare complete and accurate tax returns, we will advise you in writing before services are performed. These services will be performed in accordance with the AICPA Code of Professional Conduct, and we will bill you for the time required for these services. You agree to pay for those required services.

We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants and U.S. Treasury Department Circular 230. It is our duty to perform services with the same standard of care that a reasonable tax return preparer would exercise in this type of engagement. You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You are responsible for your income tax returns, and YOU MUST REVIEW THEM CAREFULLY BEFORE you sign them or authorize electronic filing.

We retain engagement documentation for four (4) years, after which time we will securely destroy the contents of our engagement files. If we obtain your original records during the engagement, please pick up your tax documents upon completion of the engagement. If you receive correspondence from any government agency regarding an income tax return we prepared, please forward a copy to us.

The tax law imposes various penalties when taxpayers understate their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalty thereon, are your responsibility, and that we have no responsibility in that regard. Pursuant to applicable U.S. Treasury Regulations, we must advise you that any tax advice included in this communication is not intended or written to be used, and cannot be used, by a recipient to avoid penalties imposed on the recipient by any governmental taxing authority or agency.

If we prepare joint returns, each of you is our client. You each acknowledge that there is no expectation of privacy from the other concerning our services for this engagement, and we are at liberty to share with either of you, without the prior consent of the other, all documents and other information concerning preparation of your returns.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred. If we are required to respond to a subpoena, court order or other legal process to produce documents and/or testimony relative to information we obtained and/or prepared during this engagement, you agree to compensate us for the time we expend on such response and to reimburse us for all out-of-pocket costs incurred in that regard.

This firm is required by law to inform clients of our privacy policy. We do not disclose any nonpublic client information obtained during our practice except as required or permitted by law. Permitted disclosures include providing information to our employees and, with your written approval, to unreleased third parties to whom you request that we provide certain information on your behalf. This includes the transfer of information over the Internet and online back-up services. We only use established, reputable companies that have demonstrated adequate commitment to safeguarding data. Our firm, as well as other CPA firms, participates in the AICPA's peer review program. Under this program, our system of quality control is subjected to a peer review by a team of certified public accountants approved by the state administrating entity. As part of this peer review, the team will review samples of our work. It is possible that the work we perform for you may be selected for this review. If it is, the team is bound by professional standards to keep all your information confidential. You will not be charged for this review.

Our information security policy requires us to notify you that you may use an identity protection personal identification number (IP PIN) provided by the IRS. The IP PIN is a six-digit number that prevents someone else from filing a tax return using your social security number. Please visit: https://www.irs.gov/identity-theft-fraud-scams/get-an-identity-protection-pin for additional information.

This engagement letter is contractual and includes all the relevant terms that will govern the engagement for which it was prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all the parties.

Our fees for this engagement are not contingent on the results of our service. Our fees for this engagement will be based on several factors including, but not limited to, the time spent as well as the complexity of the services we will perform. In addition, you agree to reimburse us for any out-of-pocket costs incurred during the performance of our services. Our fees and costs will be billed upon delivery of completed returns and are due upon receipt.

If you agree to authorize us to prepare your personal income tax returns pursuant to the terms set forth above, please execute this letter on the lines below designated for your signatures and return the executed letter to this office along with a completed copy of the tax questionnaire, worksheets, and pertinent supporting documentation. We will not initiate services until we receive this executed agreement. Thank you for your attention in this matter, and please contact us with any questions that you may have.

We appreciate this opportunity to work with you.

Very truly yours,

BARBARA KELLEY CPA

Accepted By:

_______________________________________ _______________

Taxpayer Signature (Name listed first on tax return) Date

_______________________________________ _______________

Spouse Signature (Name listed second on tax return) Date

NAME(S): ____________________ DATE: ____________

YES NO Please check the appropriate box and provide details/documents for all items marked "yes."

Income Information

If applicable:

- ☐ ☐ Provide copies of all Forms W-2 (wages), Forms 1099-R (retirement, pensions), Forms W-2G (gambling).
- ☐ ☐ Provide copies of all Forms 1099-INT (interest income), 1099-DIV (dividend income), and 1099-B (broker/ financial advisor statements).
- ☐ ☐ Provide copies of all Forms SSA-1099 (social security income).
- ☐ ☐ Provide copy of Forms 1099-G (unemployment, state tax refunds, etc.).
- ☐ ☐ Provide copies of all Forms K-1 from partnerships, S corporations, estates or trusts.
- ☐ ☐ Provide copies of all Forms 1099-K, 1099-MISC, 1099-NEC for business income
- ☐ ☐ Did you receive foreign income or pay foreign income taxes during the year, directly or indirectly (investment accounts, partnerships or foreign employers)?
- ☐ ☐ Did you have financial interests in or signature authority over foreign financial accounts (bank, securities or broker account) located in a foreign country?
- ☐ ☐ Did you receive distributions from, or were you a grantor or transferor for a foreign trust during the year?
- ☐ ☐ Did you receive tip income not reported to your employer this year?
- ☐ ☐ Did you receive unemployment compensation during the year?
- ☐ ☐ Did you repay any unemployment benefits previously received in prior year?
- ☐ ☐ Did you generate business income and expenses during the year? Please request our business organizer.
- ☐ ☐ If self-employed, did you utilize an area of your home as your principal business location?
- ☐ ☐ Did you generate rental income and expenses during the year from real estate property that you own?
- ☐ ☐ Did you receive awards, prizes, hobby income, jury duty income, gambling or lottery winnings?
- ☐ ☐ Did you receive gambling or lottery winnings? Provide proof of gambling losses.
- ☐ ☐ Did you receive or pay alimony? Provide copy of entire divorce decree (final or modified).
- ☐ ☐ Did you engage in bartering income? Please provide details of both sides of transaction.
- ☐ ☐ Did you change jobs during the year?

Retirement Information

- ☐ ☐ Did you make contributions to an IRA, Roth IRA, myRA, Keogh, SIMPLE IRA, SEP, 401(k), or other qualified retirement plan? Provide detailed statements for contributions funded for 2022 tax year.
- ☐ ☐ Did you make withdrawals or rollovers from an IRA, Roth IRA, myRA, Keogh, SIMPLE IRA, SEP, 401(k), or other qualified retirement plan? Provide Forms 1099-R and rollover documentation.
- ☐ ☐ Did you retire during the year?
- ☐ ☐ Did you receive Military, Reserve or National Guard retirement benefits?
- ☐ ☐ Did you receive retirement income as beneficiary of a deceased spouse? Provide name and date of birth of deceased spouse.
- ☐ ☐ Did you make direct transfer(s) of funds from IRA accounts to charitable organizations (qualified charitable distributions)?
- ☐ ☐ Did you receive disability retirement income during the year?
- ☐ ☐ Are you considered totally and permanently disabled per Federal and State law?
- ☐ ☐ Did you receive Social Security benefits during the year?
- ☐ ☐ Did you repay any Social Security or retirement benefits?
- ☐ ☐ Did you surrender any life insurance policies or annuities that matured during the year?

Purchase, Sales, Investment Income and Debt Information

- ☐ ☐ Did you acquire (purchase, inherit, gift) or dispose of any digital assets (bitcoin, etc.) during the year? Provide investment statements
- ☐ ☐ Did you acquire (purchase, inherit, gift) or dispose of any stock during the year? Provide digital currency investment statements.
- ☐ ☐ Did you receive installment income from any property that was sold before 01/01/2022? If so, provide all documents.
- ☐ ☐ Did you purchase, sell, or exchange any assets used in your trade or business or rental property? If so, provide copies of receipts, bills of sale, loan financing documents, etc.
- ☐ ☐ Did you acquire (purchase, inherit, gift) new or additional interests in any business (Partnerships, Corporations, Limited Liability Companies) during the year? If so, provide documents.
- ☐ ☐ Did you purchase, sell, exchange or refinance (home equity line of credit) any real property or principal residence during the year? If so, provide closing statements.
- ☐ ☐ Did you have real estate property or credit card debts canceled or forgiven this year? Provide Form(s) 1099-A or 1099-C.

NAME(S): ______________________________ **DATE:** ______________

YES NO Please check the appropriate box and provide details/documents for all items marked "yes."

Health Care Information

- ☐ ☐ Did you and your family have qualifying health care insurance during the entire year? If yes, provide Form(s) 1095-A, 1095-B and/or 1095-C you received. NOTE: If your health coverage is a subsidized plan (Marketplace) you must have the Form 1095-A to file your 2022 tax return.
- ☐ ☐ Did you or your spouse pay Medicare premiums outside of being withheld by Social Security Benefits?
- ☐ ☐ Did you pay long-term care premiums for yourself or your spouse? Provide amount for each spouse. ________ _________
- ☐ ☐ Did you make contributions to or receive distributions from a health savings account (HSA), Archer MSA or Medicare Advantage MSA this year? Provide Forms 1009-SA and Forms 5498-SA.
- ☐ ☐ Notate whether your H.S.A. plan is an individual plan or family plan. ____________________________

Itemized Deduction Information

- ☐ ☐ Did you pay out-of-pocket medical expenses (Co-pays, prescription drugs, etc.)?
- ☐ ☐ Did you pay real estate taxes for your primary home and/or second home?
- ☐ ☐ Did you pay mortgage interest or interest on investment accounts you hold?
- ☐ ☐ Did you make major purchases during the year (cars, boats, etc.)?
- ☐ ☐ Did you purchase a qualified plug-in electric drive vehicle or qualified fuel cell vehicle this year?
- ☐ ☐ Did you make cash or noncash charitable contributions (clothes, furniture, etc.)? If yes, provide receipt(s) from the donee organization, canceled checks, or other records of payments.
- ☐ ☐ Did you incur a casualty or theft loss or condemnation awards during the year? Provide proof of Presidentially Declared Disaster Zone and details of loss and insurance reimbursements.

Education Information

- ☐ ☐ Did you, your spouse, or your dependents attend a post - secondary school during the year, or plan to attend one in the coming year?
- ☐ ☐ Did you have educational expenses during the year? If yes, attach Form(s) 1098-T and receipts for qualified tuition and related expenses.
- ☐ ☐ Did the student(s) receive scholarships of any kind during the year? If yes, were scholarship funds used for expenses other than tuition, such as room and board? Provide details.
- ☐ ☐ Did you make contributions to Education Savings (Section 530) or Future Scholar (Section 529) accounts? Provide statements.
- ☐ ☐ Did you make withdrawals from Education Savings (Section 530) or Future Scholar (Section 529) accounts? Form 1099-Q
- ☐ ☐ Did you pay student loan interest this year? Provide Form(s) 1098-E.
- ☐ ☐ Did you have any student loan debts canceled or forgiven this year? Provide details.

Miscellaneous Information

- ☐ ☐ Do you designate $3.00 to the presidential election campaign fund?
- ☐ ☐ Are you (or spouse) "Legally Blind"? Provide doctor's certification if not already on file.
- ☐ ☐ Did you make major energy efficient improvements to your main home during the year? If yes, provide purchase details and manufacturer's certificate stating that it qualifies for Federal Energy Tax Credit.
- ☐ ☐ Did you make combined cash gifts or noncash gifts with fair market value greater than $16,000 to any one individual in 2022?
- ☐ ☐ Do you or your spouse have a Revocable or Irrevocable Trust Document? Provide copy.
- ☐ ☐ Did you pay an individual as a household employee during the year? If yes, provide details.
- ☐ ☐ Did you receive correspondence from the State or the IRS? If yes, provide copy.
- ☐ ☐ Do you authorize this firm to discuss your return(s) with IRS and State?
- ☐ ☐ Do you have previous years of tax returns that are either unfiled or filed with unpaid balances due?
- ☐ ☐ Is your occupation in law enforcement, emergency medical technician or firefighter and do you qualify for SC deduction?
- ☐ ☐ Are you a volunteer in law enforcement or emergency services for purposes of SC deduction?
- ☐ ☐ Did you receive an SC Income Tax Rebate in 2022? Provide the amount and related notice. $________
- ☐ ☐ Did you pay for Identity Theft protection services? Provide the amount paid and name of payee company.
- ☐ ☐ Did you make out-of-state purchases for which the seller did not collect sales tax or use tax? Provide Amount: $_________
- ☐ ☐ Provide total **gallons** of motor fuel purchased and the cost of routine repair/maintenance expenses per vehicle for 2022. SC limits to 2 vehicles per resident taxpayer. **NOTE: We will not compute total gallons**. If preferred, call to request the SC I-385 Form to complete details for the SC Motor Fuel Tax Credit for each vehicle.
- ☐ ☐ Do you anticipate any significant changes to your income, marital status, dependents, etc., for the 2023 tax year?

Comments/Questions