

GARY D HARTMAN CPA

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Subject: Preparation of Your 2018 Tax Returns

Thank you for choosing Gary D Hartman CPA to assist you with your 2018 taxes. This letter confirms the terms of my engagement with you and outlines the nature and extent of the services I will provide.

I will prepare your 2018 Federal and Resident State Tax Return. (If you are aware of any additional State Returns to be prepared please inform me, or if I become aware of an additional State Return that needs to be filed, I will inform you. These returns will be prepared at an additional cost upon your approval.)

I offer a secure server to those who wish to participate. The secure server allows you to upload your tax information to me and allows you to download a draft copy of your return for review. You will also be able to download the E-File Signature pages as well as your copy of the return. If you wish to take advantage of this free service please send me an email with your requested user name to garyd@hartmancpa.com so I can create your account. If you previously used this service your login information remains the same.

For those that mail their information to me or do drop offs, I still maintain a secured mailbox.

I will prepare your 2018 federal and resident state income tax returns in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants and the U S Treasury Department Circular 230. I will depend on you to provide the information I need to prepare complete and accurate returns. I may ask you to clarify some items but will not audit or otherwise verify the data you submit.

Under IRS and AICPA rules I can not respond to any request from banks, mortgage brokers or others for verification of any information reported on these returns after the return has been filed. I can provide you with an additional copy of the returns to submit to the above and confirm that I did prepare the return.

An Organizer is enclosed to help you collect the data required for your return. The Organizer will help you avoid overlooking important information. By using it, you will contribute to efficient preparation of your returns and help minimize the cost of my services. **Please note at the end of this letter is some additional items that I need that are not addressed in the organizer.**

I will perform accounting services only as needed to prepare your tax returns. My work will not include procedures to find defalcations or other irregularities. Accordingly, my engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. I will, of course, inform you of any material errors, fraud, or other illegal acts I discover.

The law imposes penalties when taxpayers underestimate their tax liability. Please call me if you have concerns about such penalties.

Should I encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, I will outline the reasonable courses of action and the risks and consequences of each. I will ultimately adopt, on your behalf, the alternative you select.

My fee will be based on the time required at standard billing rates plus out-of-pocket expenses. Invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

My Fee Schedule for 2018 Returns

This year there is no 1040EZ or 1040A, now there is only the Form 1040 with potential Schedules 1 to 6.

The simplest of the 1040, with wages and/or retirement income and the standard deduction and the child and/or dependent credit will be priced at \$80.00. This will include the filing of one state return and the e-filing of the Federal and State return.

For all other returns the price will start at \$80.00 and go up based upon the time involved.

Additional State Returns	\$25.00
Returns for dependents on a parent's return	\$25.00
Extension Requests	\$10.00

I will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, canceled checks, etc., as these items may later be needed to prove accuracy and completeness of a return. I will retain copies of your return and my work papers for your engagement for three years, after which these documents will be destroyed. However, I recommend that you retain copies of your records and return for at least seven years as that is the longest the IRS has been known to go back in non-fraud cases.

My engagement to prepare your 2018 tax returns will conclude with the delivery of the completed returns to you (if paper-filing), or your signature and my subsequent submittal of your tax return (if e-filing). If you have not selected to e-file your returns with my office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

It is your responsibility to inform me if you directly or indirectly hold any interest or signatory authority in any assets located in a foreign country. Based upon the information which you provide, this information will be used to calculate any applicable foreign tax credits. I will also use this data to inform you of any additional filing requirements, which may include Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts (FBAR). Failure to file required forms can result in the imposition of both civil and criminal penalties, which can be significant.

As a service to you, it is my policy to check the box on all returns to allow the IRS and other taxing authorities to discuss your tax account information with me; checking this box will not cause them to send me copies of notices sent to you. If you do not want this box checked please let me know.

The regular tax return filing deadline is April 15, 2019. This may change depending on the length of the shutdown of the Federal Government that started just before Christmas.

For my Virginia resident, it is believed that tax conformity will not pass early in the session as has been the case in recent years. Therefore, I would suggest that Virginia returns not be filed before the tax

conformity is resolved. If conformity is not resolved by April 15th [Virginia has a May 1st deadline], you will have the option of filing the return or filing an extension [in this case no extension fee will be assessed]. But please note this may require a payment with the extension as Virginia anticipates an increase in revenue because Virginia has such a low standard deduction amount.

Your information must be received by April 1, to give me proper time to complete your return. If I receive your information after April 1, I may have to file an extension.

To the extent you wish to engage me to apply for extensions of time to file tax returns on your behalf, you must notify me by phone or in writing. In some cases, your signature may be needed on such applications prior to filing. Failure to timely file for an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign this letter in the space indicated and return it to me. If I receive the organizer and other tax information and this letter unsigned or without this letter it will be treated that you are agreeing to be bound by the terms set forth above.

Thank you for the opportunity to be of service. If you have any questions, contact my office at 757.301.1040.

Sincerely,

Gary D Hartman CPA

(Both spouses must sign for preparation of joint returns.)

Accepted By:

Taxpayer

Spouse

Date

NOTE: Due to the IRS Security Summit, which put initiatives designed to help prevent identity theft in place, each individual electronic filing requires Drivers License [or State Issued Photo ID] Information for the Taxpayer and Spouse for all E-Filed returns. Be sure to include a copy of your Drivers License or the following Information. If you do not have a license or photo ID please indicate "None Issued"

Drivers License [D] Photo ID [P] _____

State that Issued the License _____

Date of Issuance _____

Expiration Date _____

Drivers License Number _____

If you have a Drivers License and a CDL License please provide the Drivers License information.

For those that claim any Tax Credits I will be making my usual inquires and there may be an additional one or two question that I will have to ask this year. Also, this year those taxpayers who are claiming the Head of Household status, I will be asking additional questions.

For those that have Schedule C income and/or any pass through income [from partnerships or S Corporations] there is a new Deduction [Qualified Business Income]. However, the IRS has not yet finalized the regulations [estimated to be finalized in late January] so those returns may have to be put on extensions, if so the extension fee will be waived.