

GEORGE H. HERRO
CERTIFIED PUBLIC ACCOUNTANT, S.C.

Business and Tax Advisors

Dear Client/s: Taxpayer _____ Spouse _____

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we require that all clients confirm the following arrangements and sign this engagement letter **prior to the commencement of work.**

We will prepare your 2022 federal and state individual income tax returns, including any 2023 estimated tax payments, if needed, based on the information you provide us. You are responsible for informing us if you have tax filing obligations in other states. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification of some information or require additional documentation. We have not been engaged to and will not prepare financial statements under this agreement and the only accounting or analysis work we will do is that which is necessary for preparation of these returns. Also, this engagement does not include future tax-planning advice. Our work will not include any procedures to discover or disclose material errors, fraud, illegal acts, or other defalcations, should they exist. Therefore, our engagement cannot be relied upon to disclose such matters.

We will prepare the above referenced tax returns solely for filing with the Internal Revenue Service (IRS) and state tax authorities. Our work is not intended to benefit or influence any third party, to obtain credit, and additional services not identified in this engagement letter. We will perform our services in accordance with the 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 agree to indemnify and hold our firm and its employees harmless with respect to all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state tax authorities regardless of the nature of the claim, including the negligence or any party.

It is your responsibility to provide all information required for the preparation of complete and accurate returns and to the best of your knowledge, you have disclosed all relevant facts affecting these returns. **By signing this letter, you acknowledge you do not have a financial interest in or signing authority over foreign financial accounts, where you would otherwise be required to file a Foreign Bank and Financial Account (FBAR) report when the aggregate value of the foreign financial accounts exceeds \$10,000 at any time during the calendar year. ALSO, you acknowledge that at any time in 2022, you did not receive (as a reward, award, or make payment for property or services), sell, exchange, gift or otherwise dispose of digital asset (or a financial interest in a digital asset). If transactions were made, please provide ALL information for us to review. Be advised, fees will be increased to properly report these transactions.** We will rely upon the accuracy and completeness of the information you provide. Be advised, you should retain all documents, cancelled checks, and other data that form the basis of income and deductions. By signing this engagement letter, you are certifying that the information you provide us can be substantiated by appropriate documentation, and that it is true, correct, and complete to the best of your knowledge. You have final responsibility for your returns and should review them carefully before you sign them.

Tax law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of their tax liability. The IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation, such as travel and entertainment expenses and for business usage of an automobile. If you are claiming automobile expenses, you must have proper support which includes a written automobile mileage log supporting business miles. In the case of an audit, if these records and logs are not maintained, penalties and or the loss of the deduction may be imposed. In preparing your returns we rely on your representations that you understand and complied with the documentation requirements for these deductions.

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If during our work, we discover information that affects prior year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We would be happy to prepare appropriate amended returns in a separate engagement and additional fees will be charged.

We will use our professional judgement in resolving questions where the tax law is unclear or where there may be conflicting interpretations of the law. In order to avoid penalties, we will explain the possible position in writing, and we will adopt whatever position you request, if it is consistent with relevant tax authority and professional standards. If the IRS or other taxing authorities should later contest the position taken on your return, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties, interest, or assessments.

In order to timely file your tax returns, we will need all required information no later than March 20, 2023. **If you want us to file an extension, you must notify us no later than March 26, 2025. We do not file extensions automatically. If an extension is requested, any tax due for this return must be paid with the extension. Any amounts not paid by the extension deadline may be subject to interest and late payment penalties. Be advised we will charge an extra fee to file this extension and to calculate any extension payment.**

It is our policy to keep records related to this engagement for four (4) years. Our records and files are our property and are not a substitute for your own records. We do not keep any of your original records and we will return them to you along with a copy of your return, upon completion of the engagement. It is your responsibility to retain and protect these records for possible future use, including potential examination by various taxing authorities. **Additional copies of your return will be available, upon request, for a fee of \$50 per return.**

Our fee for preparation of your tax returns will be based on the complexity of your returns, the amount of time required to complete them, plus any out-of-pocket expenses. Organizing records and compiling figures for entry on the tax return will be billed at our current rate of \$375 per hour and will be billed in addition to the return fees. All invoices are due and payable upon us receiving your signed 8879 AND before the electronic filing of your return. **FOR YOUR INFORMATION, A 3% FEE WILL BE CHARGED FOR ANY CREDIT CARD PAYMENT.** A minimum fee of \$185 could be charged for each re-run or re-calculation due to the submission of additional data by you after your returns have been processed.

Upon preparation of your returns and return of your records, our engagement will be complete. Our fees do not include responding to inquires or examination by taxing authorities. If your return/s are selected for examination, we suggest you contact us immediately. We will review any notice sent to you and will provide our input as on how to proceed. If we deem further involvement, we will provide a separate engagement letter for such representation, and fees and expenses will be invoiced in accordance with terms of that engagement letter. If upon examination by the IRS or other taxing authorities, taxes, penalties, and interest are assessed due to the disallowance of doubtful deductions because of inadequately supported documentation, or any errors in your returns resulting from missing or incorrect information, be advised, our firm will not be responsible for these resulting taxes, interest and penalties, if any.

We reserve the right to withdraw from this engagement if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, misrepresent any facts, or if we feel further representation is not warranted for personal reasons. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

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In the event you terminate this engagement before completion of these returns, you agree to compensate us for our time and out-of-pocket expenses through the date of your withdrawal.

The IRS and other taxing authorities permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS and other taxing authorities to discuss your return with us. Also, you agree and acknowledge the PIN number generated by us to electronically file your return, you have verified your bank account number for direct deposit and or direct debit purposes.

By signing this letter, you acknowledge that you have read, understand, and accept your obligations and responsibilities and that you understand our responsibilities in preparing your tax returns as explained above.

If the foregoing correctly sets forth your understanding of our engagement, please sign and date this letter and return it to our office. If you have questions about this letter, please notify us immediately.

We appreciate this opportunity to serve you.

Yours truly,

George H. Herro CPA, SC

George H. Herro CPA SC

AGREED TO AND ACCEPTED BY:

Taxpayer Signature

Printed Name

Date

Spouse Signature

Printed Name

Date

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