

2023 Business Income Tax Return Preparation Engagement Letter

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. The IRS imposes penalties on taxpayers and tax return preparers for failure to observe due care in preparing income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients to confirm the following arrangements.

We will prepare your 2023 U.S. Business Income Tax Return with all necessary supporting Forms and Schedules from the information provided by you. **It is your responsibility to provide all the information required for the preparation of a complete and accurate income tax return.** You represent that the information you supply is accurate and complete to the best of your knowledge. Furthermore, any expenses claimed for meals, entertainment, travel, business gifts, dues and membership, vehicle usage, and/or charitable contributions are supported by records as required by law. You have also disclosed all known tax liabilities. **You are confirming that you have not withheld any information that may affect your tax situation or tax filing. If you are unsure about an issue, we need to discuss it before you sign your income tax return.**

IRS guidelines require us to electronically file (e-file) all income tax returns. Unless you feel e-filing your income tax return will create undue hardship, your income tax return will be filed electronically. Prior to you signing the E-file Authorization Form 8879, we will provide a complete copy of your income tax return for review.

We do not audit or otherwise verify the data you submit, although it may be necessary to ask for clarification of some of the information. **You have the final responsibility for your income tax return and, therefore, you should review your return carefully.**

Due dates for filing 2023 calendar year tax returns are as follows:

- March 15, 2024 - Due date for Partnership and S-Corp Returns
All documents must be received by our office by February 16, 2024 by 5pm or an extension will be required
- April 15, 2024 - Due date for Individual, Estate/Trust, and C-Corp Returns
All documents must be received by our office by March 15, 2024 by 5pm or an extension will be required

Payment for our services are due when the work is complete, our services are dis-engaged, or as otherwise agreed. Our fee for tax return preparation does not include audit representation. Should your return be selected for audit or evaluation by the IRS or a State Tax agency, we can provide representation for an additional fee. If your return is subject to interest and/or penalties due to an error made by our office we will reimburse those costs and work to resolve the issue without any fee. We are not responsible for errors due to missing or incorrect information provided to us, or errors beyond our direct control.

Unless required by law, we will not disclose any of your confidential information without prior written authorization from you.

We want to express our appreciation for this opportunity to work with you. If the foregoing fairly sets forth your understanding, please sign below.

Sincerely,



Client Name (Print)

Signature

Date

Annual Privacy Disclosure Statement - Third-Party Disclosures

Dear Client:

Under the Gramm-Leach-Bliley Act of 1999, financial institutions must provide their customers with a "clear and conspicuous" notice about their privacy policies and practices; the conditions under which they disclose nonpublic personal information about consumers to nonaffiliated third parties; and how consumers can prevent the disclosure of their information. You already may have received such notices from the banks and brokerage firms with which you do business.

Following the passage of this legislation, the Federal Trade Commission (FTC) issued detailed rules on these privacy notices, including to whom they should apply. In those rules, the FTC defined "financial institutions" to include all those who provide "financial or investment advisory services." In turn, the FTC rules chose to broadly interpret "financial or investment advisory activities" to cover "tax planning and tax preparation."

In compliance with the FTC rules, printed below is our firm's current Privacy Disclosure Statement. Be assured that this firm has always considered our professional relationship with you to be one requiring the utmost trust and confidence. Please do not hesitate to call us if you have any questions about this notice.

PRIVACY DISCLOSURE

Churchwell Tax & Business Services does not disclose any nonpublic personal information about our clients or former clients, without their permission, to anyone except as absolutely required by law or as needed by our employees to provide services or products to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

If you have any concerns about the disclosure of your personal information to third parties, please contact us by mail or telephone (530) 885-9705.

Sincerely yours,

Robert Churchwell

**You may provide a complete Profit & Loss, Balance Sheet with Prior Year Comparison,
and Complete General Ledger in lieu of completing sections 2 & 4**

1. Business Information

| Business Details | |
|----------------------------|---|
| Owner Name | |
| Phone Number | |
| Email Address | |
| Business Name | |
| Business Address | |
| | |
| Business EIN | |
| Type of Business: | <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Single Member LLC |
| What does the business do? | |
| | |
| | |

2. Income & CoGS

| A. Income | |
|--|--|
| Sales or Receipts | |
| Other Income | |
| Returns (Reduces Income) | |
| B. Cost of Goods Sold | |
| Beginning Inventory | |
| Ending Inventory | |
| Purchases | |
| Direct Labor* | |
| Material & Supplies* | |
| <i>*Do not enter amounts in both Cost of Goods Sold and Section 4 (Expenses)</i> | |

3. Depreciable Assets

On a separate sheet, please provide a list of all business assets.
Please include:

- Assets acquired during this tax year.**
Indicate date acquired, amount paid, and any trade-in.
- Assets disposed of in this tax year.**
Indicate any gain or loss on the asset sale, or if asset was "junked."
- Prior Depreciation.**
For new clients, please provide the depreciation report from your last year's tax return, including detailed asset list and asset life history.

4. Expenses

| A. Expenses | |
|-------------------------------------|--|
| Advertising | |
| Auto ----- Complete section 6 ----- | |
| Commissions & Fees | |
| Contract Labor | |
| Employee Health Ins. | |
| Self Employed Health Ins. | |
| Insurance (Not Health) | |
| Interest (Non-mortgage) | |
| Accountant & Legal | |
| Training & Seminars | |
| Outside Services | |
| Dues & Publications | |
| Office Supplies & Expenses | |
| Postage & Shipping | |
| Equipment Rent/Lease | |
| Property Rent/Lease | |
| Repairs & Maint. | |
| Supplies | |
| Taxes & License | |
| Meals | |
| Entertainment | |
| Airfare, Train, Etc. | |
| Lodging | |
| Auto Rental, Bus, Taxi, Etc. | |
| Out of Town Laundry | |
| Utilities | |
| Employee Wages | |
| Other (Specify): | |
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5. Vehicle Expense

| Vehicle 1 | |
|---|--|
| Vehicle Make/Model/Year | |
| Date Purchased | |
| Beginning/Ending Mileage for Year | / |
| Total Miles (Including Personal) | |
| Commute Miles | |
| On-the-Job Miles | |
| Is the vehicle leased? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Do you have written records to support use? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Was another vehicle available for personal use? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Cost of Fuel, Repairs & Maintenance | |
| Cost of Insurance, License & Fees | |
| Vehicle 2 | |
| Vehicle Make/Model/Year | |
| Date Purchased | |
| Beginning/Ending Mileage for Year | / |
| Total Miles (Including Personal) | |
| Commute Miles | |
| On-the-Job Miles | |
| Is the vehicle leased? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Do you have written records to support use? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Was another vehicle available for personal use? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Cost of Fuel, Repairs & Maintenance | |
| Cost of Insurance, License & Fees | |
| Vehicle 3 | |
| Vehicle Make/Model/Year | |
| Date Purchased | |
| Beginning/Ending Mileage for Year | / |
| Total Miles (Including Personal) | |
| Commute Miles | |
| On-the-Job Miles | |
| Is the vehicle leased? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Do you have written records to support use? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Was another vehicle available for personal use? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Cost of Fuel, Repairs & Maintenance | |
| Cost of Insurance, License & Fees | |

6. Business Use of Home

To qualify, an "office in the home" must be used exclusively and on a regular basis (a) as your principal place of business, or (b) by patients, clients, or customers in meeting and dealing with you in a normal course of business. A home office will qualify as your principal place of business if: 1) You use it exclusively and regularly for the administrative or management activities of your trade or business, and 2) You have no other fixed location where you conduct substantial administrative or management activities of your trade or business. If you are an employee, the home office use must also be for the convenience of the employer. Enter 100% of home taxes and mortgage interest under Itemized Deductions on the Tax Organizer for individuals, Sections 7B&C.

A. Area of Home

Total Square Footage of Home

Square Footage of Area used for Business

B. Home Office Expenses

| \$ Amount | Expense applies to: | |
|------------------|--------------------------------------|--------------------------------------|
| Insurance | <input type="checkbox"/> Entire Home | <input type="checkbox"/> Office Only |
| Rent | <input type="checkbox"/> Entire Home | <input type="checkbox"/> Office Only |
| Repairs & Maint. | <input type="checkbox"/> Entire Home | <input type="checkbox"/> Office Only |
| Utilities | <input type="checkbox"/> Entire Home | <input type="checkbox"/> Office Only |
| Other (Specify): | <input type="checkbox"/> Entire Home | <input type="checkbox"/> Office Only |
| Other (Specify): | <input type="checkbox"/> Entire Home | <input type="checkbox"/> Office Only |

7. Additional Requirements

Please provide copies of the following documents if applicable:

- Balance Sheet for tax year
- Profit & Loss for tax year
- Forms 1099 issued
- Forms W-2 issued
- Payroll Forms 941 for each of the four quarters of the tax year
- Forms 1099 received
- Any notices received from Tax Agencies for the tax year

Please attach an additional sheet with any Questions, Comments, or Notes.

8. Signature

We will complete your return based on the information provided. We will not be able to complete returns where we have reasonable suspicion that the information provided is intentionally incomplete or inaccurate.

If you are having problems providing accurate financial statements, bookkeeping services are available for an additional fee.

To the best of my knowledge, all of the information contained within this document is true, correct, and complete.

Representative:

Title:

Date: