



FLEMING & CO., Certified Public Accountants

## **2024 ENGAGEMENT LETTER**

Dear Client:

This letter is to confirm and specify the terms of our engagement with \_\_\_\_\_  
for the tax year ending 2024. *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 may need 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 the 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 or other income producing assets. 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. 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 or through Portal 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 **the types of documents and information we require to complete your returns**. We will begin work on your return only when **ALL requested information has been provided to us**. It is useful if you are unsure of which documents and information to provide. It encompasses information from the prior tax year. Depending on changes to your finances, there could be additional documents needed such as a new K1, source of interest, a brokerage account, etc.

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**

- All tax documentation and information, including signed client forms, are due by the **Appointment & Paperwork Deadlines below**.
- Documents received **after the Appointment & Paperwork Deadline will result in your tax return being placed on extension**. 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.**
- The deadline to submit your e-file signature forms to our office to file your taxes or extension is the **Office Filing Deadlines below**.

#### **Business Tax Returns, LLC, and S-Corp:**

- Appointment & Paperwork Deadline: **February 28<sup>th</sup>** Office Filing Deadline: **March 12<sup>th</sup>**

#### **Personal Tax Returns, Fiduciary, and C Corporation:**

- Appointment & Paperwork Deadline: **March 20<sup>th</sup>** Office Filing Deadline: **April 9<sup>th</sup>**

#### **Non-Profit Tax Returns:**

- Appointment & Paperwork Deadline: **April 24<sup>th</sup>** Office Filing Deadline: **April 24<sup>th</sup>**

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Taxpayer's

Initials

## FILING & FEES

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 on the 2024 Filing Preference Form and we will provide you with the government opt-out forms at the time the return is complete. Please sign and return it to our office.

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 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 it 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 complete another Engagement Letter or 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*

Date: \_\_\_\_\_

Accepted by: \_\_\_\_\_ Signature: \_\_\_\_\_  
*Taxpayer Print Name* *Taxpayer*

Accepted by: \_\_\_\_\_ Signature: \_\_\_\_\_  
*Spouse Print Name* *Spouse*

**Additional Tax Returns covered by this document:**

\_\_\_\_\_



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# Annual Consent to Use Tax Information 2024

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**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 additional 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 one year and may be revoked at any time by written notification.

## 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.

## 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 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.

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.

**The duration of consent is one year from the date below. Your consent may be revoked at any time by written notification.**

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_  
*Taxpayer Print Name* *Spouse Print Name*

I consent to have you communicate with me for purposes other than this tax return.

Accepted by: \_\_\_\_\_ Accepted by: \_\_\_\_\_  
*Taxpayer's Signature* *Spouse's Signature*

I decline consent to communicate with me for purposes other than this tax return.

Declined by: \_\_\_\_\_ Declined by: \_\_\_\_\_  
*Taxpayer's Signature* *Spouse's Signature*

*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](mailto:complaints@tigta.treas.gov).*

**Please note we are unable to provide additional services, such as tax planning, without this signed consent. Please call if you have any questions or concerns.**



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## TAX RETURN HANDLING FORM

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Fleming & Co. CPA will provide one courtesy copy of your tax return at no charge. You may either pick up a paper copy in our office or have a digital copy sent via DocuSign. Please indicate your preference below as well as any other copies you may need.

### Courtesy Copy

- Pick up a paper copy in the office
- Receive a digital copy via **DocuSign**

### Additional Paper Copies

- None
- Pick up a paper copy - **\$45/per copy**

### Additional Digital Copies

- None
- Send me a digital copy via **DocuSign - \$45**
- Prepare a digital copy on a **PDF Stick - \$45**
- Upload a digital copy to my or **Client Portal - \$45**

### Shipping

If you would prefer to have your copies shipped to you, the charge is \$30 per package. Packages are sent UPS Ground\* and do not require a signature. You will be contacted, prior to shipping, to verify the address.

- None
- Send my copies UPS – **Additional \$30 shipping charge**

- *Please send **copies**, if possible, instead of the original tax documents. Copies will be scanned and securely shredded. Original documents will be returned to you via UPS Ground\* at a charge of **\$30 per package** or you can pick them up in the office at no charge.*
- **Payment is required when you pick up your tax return or have it sent to you.**
- \*UPS Ground charges are subject to change.

**Total Additional Copies:** \_\_\_\_\_ **Shipping: \$** \_\_\_\_\_ **Total: \$** \_\_\_\_\_

Date: \_\_\_\_\_

Accepted by: \_\_\_\_\_ Signature: \_\_\_\_\_  
Taxpayer Print Name Taxpayer

Accepted by: \_\_\_\_\_ Signature: \_\_\_\_\_  
Spouse Print Name Spouse



# Filing Preferences

## Tax Year: 2024

Fleming & Co. CPA 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.

### Changes in 2024

- None
- Marital Status
- Number of Dependents
- Address
- Bank Account

### Additional Timing Need for Completion of My 2024 Tax Return

- None
- College FAFSA
- Vacation/Travel Plans
- Waiting on K1s not prepared by this office
- Other: \_\_\_\_\_

### E-File Opt-Out

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 indicate below and state the reason:

- Mail-in Reason: \_\_\_\_\_

*\*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. Additionally, in some instances, a state may not allow opt-out and we will file accordingly.*

### If due a Refund for 2024 ...

- Direct deposit to my bank account (new clients or bank change, please provide a voided check)
- Mail my tax refund check to me
- Apply my tax refund to my estimated taxes for 2025

### If you owe Taxes for 2024\* ...

- I will mail in my payment/pay online myself
- Automatically withdraw funds from my bank account (please provide a voided check)

### If you owe Estimated Taxes for 2025\* ...

- I will mail in my payment/pay online myself
- Automatically withdraw funds from my bank account (please provide a voided check)
- I prefer not to pay my estimated taxes and acknowledge that the **government will assess a penalty** if they determine I have underpaid my 2025 taxes.

*\*Note, if you have ever owed CA FTB \$20,000 or more, you must pay online. If you owe PTE taxes, you must pay online.*

Date: \_\_\_\_\_

Accepted by: \_\_\_\_\_  
*Taxpayer Print Name*

Signature: \_\_\_\_\_  
*Taxpayer*

Accepted by: \_\_\_\_\_  
*Spouse Print Name*

Signature: \_\_\_\_\_  
*Spouse*

## 2024 General 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".

Please read each disclosure below and initial that you have read and understand. Either the taxpayer or spouse may initial. Both the taxpayer and spouse, if applicable, should sign below.

Initial

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 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. (**BOI**)

\_\_\_\_\_

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 may 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 also acknowledge that these individuals may require a 1099.

\_\_\_\_\_

*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, year-end 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.*

Date: \_\_\_\_\_

Accepted by: \_\_\_\_\_

Taxpayer Print Name

Signature: \_\_\_\_\_

Taxpayer

Accepted by: \_\_\_\_\_

Spouse Print Name

Signature: \_\_\_\_\_

Spouse





## Medical Insurance – (Personal Tax Returns Only)

Medical Insurance is required by California state law; other states may have similar requirements. If you had medical insurance for 2024, please provide the appropriate documentation. If you did not have medical insurance, a tax penalty may be assessed by the state.

	Medi-Cal/ Medicare	Covered California 1095A	Private/Employer 1095B - 1095C	None
<b>Taxpayer</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Spouse</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Dependents</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Foreign Assets – (All Tax Returns)

U.S. Taxpayers are required to report their worldwide income that is from both U.S. and foreign sources. If you own, have an interest in, or signature/authority over assets in a foreign country you are required to report it.

	No, I do <b>NOT</b> have foreign assets or income	Yes, I have foreign assets or income
<b>Taxpayer</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Spouse</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Dependents</b>	<input type="checkbox"/>	<input type="checkbox"/>

## Out of State Use (Sales) Tax – (All Tax Returns)

Many states now require taxpayers to pay use tax for their out of state purchases when no tax was previously paid. Please indicate below if you purchased items outside of the state you reside in and how much you spent. If the purchase was made through Amazon, do not include as taxes were already calculated by them.

### Out of State Purchase

Yes	No	Amount \$	State you Reside
<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	_____

Date: \_\_\_\_\_

Accepted by: \_\_\_\_\_ Signature: \_\_\_\_\_  
Taxpayer Print Name Taxpayer

Accepted by: \_\_\_\_\_ Signature: \_\_\_\_\_  
Spouse Print Name Spouse



## Beneficial Ownership Reporting

If you form an entity (i.e. LLC or a Corporation) that registers with the Secretary of State in the state that you live in, you have 30 days after formation to register your **Beneficial Ownership Reporting (BOI)**.

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 [fincen.gov/boi](https://fincen.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.

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**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.**

Date: \_\_\_\_\_

Accepted by: \_\_\_\_\_  
Taxpayer Print Name

Signature: \_\_\_\_\_  
Taxpayer

Accepted by: \_\_\_\_\_  
Spouse Print Name

Signature: \_\_\_\_\_  
Spouse