



Signature
Required

INDIVIDUAL ENGAGEMENT LETTER

Dear Client:

The Internal Revenue Service (IRS) imposes penalties on taxpayers, and on us as preparers, for failure to observe due care in reporting for income tax returns. In order to confirm your understanding of our engagement and the nature and limitations of the service we will provide, we ask all clients for whom we prepare income tax returns to confirm the following arrangements prior to the start of your tax return preparation.

We will prepare your 2018 federal and requested _____state income tax returns from information which you will furnish to us. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses for meals, entertainment, travel, contributions and vehicle use are supported by records as required by law. The firm relies solely on information furnished by you. There is no responsibility on the part of the firm to audit, verify or extensively analyze the information provided. It is therefore your responsibility to make certain that all information submitted is accurate and complete, though it may be necessary to request clarification of some information. We will render bookkeeping assistance as determined to be necessary for the preparation of your returns. **If additional bookkeeping/accounting work is necessary to prepare a Schedule C, E, or F for your tax return, there will be an hourly charge for this service in addition to the cost of the actual return. If you would like to request a quote for these services in advance, please let us know.**

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all documents, cancelled checks and other data that form the basis of income and deductions for a period of seven years. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. Our firm policy is to retain copies of selected documents used in the preparation of your returns for a period of three years. After three years, our files are destroyed by an outside contractor.

Please note any person or entity subject to the jurisdiction of the United States having a financial interest in foreign accounts over \$10,000 is required to report this relationship. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required income tax related forms and penalties may be due, for which we have no responsibility. In the absence of such information being provided we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization.

'Accounting Solutions for Small Businesses'

8 West Main Street
Middletown, MD
301-473-5880
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www.faragallaandassociates.com

9099 Ridgefield Drive, #204
Frederick MD 21701
301-360-9500
301-360-9501

According to IRS regulations, **you have the final responsibility for the data used in preparing income tax returns** and, therefore, you should review them carefully before you sign them. If any changes are required, **it is your responsibility** to inform us so necessary corrections to your returns are made prior to their filing.

In connection with the preparation of your income tax returns, we do not perform any procedures designed to discover defalcations or other irregularities, should any exist. We will use our professional judgment in resolving questions where the tax law is unclear. However, it is understood that you remain responsible for any adverse determination by the taxing authorities or the courts. Any information you provide us during the preparation of your returns is confidential; however, the courts have held it is not protected by any Accountant-Client privilege.

It is understood that if this engagement involves a joint return, this firm shall provide a copy (including copies of supporting data) to either of the parties upon request, at any time upon payment of applicable charges. **Also, this form must be signed by both parties.**

Our fee for all of the aforementioned services will be based upon the forms needed and the amount of time required, at standard billing rates in effect at the time the services are rendered. **The firm's fee does not include responding to IRS inquiries**, and the firm is not responsible for IRS disallowance of doubtful deductions unsupported by adequate documentation, nor for resulting penalties and interest. If your returns are selected for examination by the taxing authorities, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred. All invoices are due and payable upon completion of your returns. In the event of collection proceedings, you will be charged collection expenses and reasonable attorney fees.

The engagement does not include any services not specifically stated in this letter. If this letter fairly sets forth your understanding, please sign it in the space indicated. If there are other tax returns you expect us to prepare, such as local Business License, Federal Gift tax, local tax, or prior year returns, please inform us by noting so at the end of this letter.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

Tim Miller

Brandon Layo

Steven Katz

Tim Miller, CPA

Brandon Layo, CPA

Steven Katz, CPA

Accepted By: _____ Date: _____

Accepted By: _____ Date: _____

Printed Names: _____



9099 Ridgefield Drive, #204, Frederick, MD 21701
 P: 301-360-9500 F: 301-360-9501
 8 West Main Street, Middletown, MD 21769
 P: 301-473-5880 F: 301-371-6721
 1420 N Street, N.W., Ste. 102, Washington, DC 20005
 P: 301-257-1540 F: 202-355-7615

ACA Requirement to Have Health Insurance

In March 2010 President Obama signed the Affordable Care Act. One provision of the Act required that in 2018 all Americans must have qualified health insurance or face a “Shared Responsibility Payment” more commonly known as the Health Care Penalty. In order to remind you of the rules and to protect us both from future IRS liability in the event of an audit, we ask all individual taxpayers for 2018 to positively affirm the following items related to Health Care. Please check the appropriate box and sign the bottom of the affirmation.

- We have qualified health insurance for the entire year for our entire household, either through employer provided health insurance or directly through an agent or insurance company.
- We have alternate government provided qualified health care insurance for the entire year from **Medicare, Medicaid, or TriCare** that covers all members of our household.
- We have partial year coverage or no coverage - please list details of coverage below.
- We have received healthcare credits from the government, and will provide form 1095-A showing these credits.

Name (Covered Family Members)	Period of Coverage (Enter 2018 or List Covered Months)	Name of Health Insurance Company
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_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Signature (required): _____

By (Print Name): _____

Date: _____

PLEASE NOTE: In the absence of the completion of items above, you will be responsible for any resulting penalties from the IRS.



Do You Wish to Sign Your Returns Electronically?

YES

NO

Please check the appropriate box and include all necessary details and documentation

	Yes	No
Personal Information		
Did your marital status change during the year?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, explain: _____		
Did your address change from last year?	<input type="checkbox"/>	<input type="checkbox"/>
Can you be claimed as a dependent by another taxpayer?	<input type="checkbox"/>	<input type="checkbox"/>
Dependent Information		
Were there any changes in dependents from the prior year?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, explain: _____		
Do you have any children under age 19 or a full-time student under age 24	<input type="checkbox"/>	<input type="checkbox"/>
Do you have dependents who must file a tax return?	<input type="checkbox"/>	<input type="checkbox"/>
Did you provide over half the support for any other person(s) other than your dependent children during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay for child care while you worked or looked for work?	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay any expenses related to the adoption of a child during the year?	<input type="checkbox"/>	<input type="checkbox"/>
If you are divorced or separated with child(ren), do you have a divorce decree or separation agreement which establishes custodial responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>
Purchases, Sales and Debt Information		
Did you start a new business during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you acquire a new or additional interest in a Partnership or S Corporation?	<input type="checkbox"/>	<input type="checkbox"/>
Did you sell, exchange, or purchase any real estate during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you purchase or sell a principal residence during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you foreclose or abandon a principal residence or real property during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you acquire or dispose of any stock during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you take out a home equity loan this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you refinance a principal residence or second home this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you have any debts canceled or forgiven this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you purchase a new hybrid, alternative motor, or electric motor energy efficient vehicle this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay any student loan interest this year?	<input type="checkbox"/>	<input type="checkbox"/>
Income Information		
Did you have any foreign income, have any foreign financial accounts or own property in a foreign country?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive any income from property sold prior to this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive any lump-sum payments from a pension, profit sharing or 401(k) plan?	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any withdrawals from an IRA, Roth, Keogh, SIMPLE, SEP, 401k, or other qualified retirement plan?	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any withdrawals from an education savings or 529 Plan account?	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any contributions to an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive any distributions from a Health savings account (HSA), Archer MSA, or Medicare Advantage MSA this year? If so, were all distributions used for qualified medical purposes? Circle one: Y N	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive any Social Security benefits during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive any unemployment benefits during the year?	<input type="checkbox"/>	<input type="checkbox"/>

- Did you receive any disability income during the year?
- Did you receive tip income not reported to your employer this year?
- Did any of your life insurance policies mature, or did you surrender any policies?
- Did you receive any awards, prizes, hobby income, gambling or lottery winnings?
- Did you have any educational expenses during the year on behalf of yourself, your spouse, or a dependent?
- Did you cash any Series EE or I U.S. Savings bonds?

Itemized Deduction Information

- Did you incur a casualty or theft loss during the year?
- Do you have evidence to substantiate charitable contributions?
- Did you make any noncash charitable contributions (clothes, furniture, etc.)?
- Did you donate a vehicle or boat during the year? If yes, attach Form 1098-C.
- Did you have an expense account or allowance during the year?

Health Care Information

- Did you have qualifying health care coverage, such as employer-sponsored coverage or government-sponsored coverage (i.e. Medicare/Medicaid) for every month of 2017 for your family? “Your family” for health care coverage refers to you, your spouse if filing jointly, and anyone you can claim as a dependent?
- Did anyone in your family qualify for an exemption from the health care coverage mandate?
- Did you enroll for lower cost Marketplace Coverage through healthcare.gov under the Affordable Care Act? If yes, please provide any Form(s) 1095-A you received.

Miscellaneous Information

- Did you make gifts of more than \$15,000 to any individual?
- Did you have any educational expenses during the year on behalf of yourself, your spouse, or a dependent?
- Did you make any contributions to an education savings or 529 Plan account?
- Did you make any contributions to a Health savings account (HSA) or Archer MSA?
- Did you pay long-term health care premiums for yourself or your family?
- Did you utilize an area of your home for business purposes?
- Did you retire or change jobs this year?
- Did you pay any individual as a household employee during the year?
- Did you receive correspondence from the State or the IRS?
- If yes, explain: _____
- Did you receive an Identity Protection PIN from the Internal Revenue Service or have you been a victim of identity theft?
- Do you have an interest in receiving professional help with your financial planning, investing, or insurance needs?
- When do you plan to retire? 1 year 5 years 10 years + Other: _____

**** Options for receiving your tax return and support documents (please check one):**

- Paper copy to be picked up at the Spring Ridge Middletown Jefferson Street
- Paper copy to be sent via Priority Mail
- Electronic copy saved in ShareFile

Signature: _____ Date: _____