



## Mickele Nowden CPA

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Dear Client:

Thank you for choosing us to help you with your tax and accounting needs. We look forward to working together.

We will always work under an engagement agreement, a form of professional contract that summarizes our intentions and responsibilities. There are two parts to our engagement agreement: 1) this “Best Practices” agreement and 2) a “Work Plan.” Both are communicated electronically and require us both to acknowledge that we agree.

We are asking you to do three things:

- 1) Read both parts of the engagement agreement (this Agreement and the Work Plan when it arrives separately, and
- 2) Sign and date the Agreement and the Work Plan to begin our work together, indicating that you understand and agree to these details.
- 3) Please ask me to discuss, clarify, or change any details that are not clear and in alignment with your thinking.

This Best Practices agreement:

- is meant to put into writing the best business practices that will lead to our joint success
- is written in plain language and organized in a way that is meant to be most practical, useful, logical, and searchable
- replaces all previous engagements unless expressly stated otherwise
- is the first part of at least two agreements that make up our entire work agreement
- begins and ends on the dates specified in the Work Plan
- applies to all of our work together
- DOES NOT CONTAIN details on a specific Work Plan, tasks, timing, or fees and does not bind us to any of these
- refers to a second part of the Agreement, a “Work Plan,” that includes other details that typically follow later

We recognize that our Work Plan may change or that a mix of services may be provided over time, different from what we see today. That’s the main reason for the second part of the Agreement, the Work Plan, which is meant to be flexible and change over time while this part remains constant.

“I,” “me,” and “we” used throughout this Agreement refers to Mickele-Sade Nowden, my supervised staff, service providers, and contractors. “You” refers to you and your spouse, if applicable, and any dependent on the tax return or other person who provides tax information. “Writing” includes text messages and e-mail communications.

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## A) WORK PROCESS

**TYPE OF SERVICES:** This Agreement encompasses one or more of these areas of services:

1. **BOOKKEEPING AND COMPLIANCE SERVICES** include bookkeeping, payroll, bill payment, income tax return preparation, and financial reporting. These services do not include franchise, exercise, payroll, property, sales and use, or local tax returns, statements of information, or any non-income tax returns or reporting except for Financial Crimes Enforcement Network (“FINCEN”) Form 114, Report of Foreign Bank and Financial Accounts (“FBAR”). If any of these services are required, we may be available to help you and would require a separate engagement letter. For bookkeeping services, no assurance is provided; if a report is provided, the report is for management use only and will reflect this on each page.
2. **REPRESENTATION** typically before the IRS or state or local revenue departments to resolve tax disputes.
3. **CONSULTING/ADVISORY** includes tax planning, data analytics, benchmarking, and business advisory.
4. **STRATEGIC COACHING SERVICES** include clarifying business and personal financial plans, developing financial forecasts, and retirement and succession planning.

This engagement may incorporate only some of these services, but we may agree to discuss and then change or expand the services provided in the future.

**WORK TO BE COMPLETED:** The work to be completed, timing, and techniques are listed in the Work Plan, a separate part of this engagement agreement.

In addition to the tasks listed in the Work Plan, we will complete the following work as part of this engagement:

1. Read the documents that you provide.
2. Read your financial plan and key financial documents that you provide. If these documents are unavailable, we will help you replace or create them.
3. If possible, electronically file the work product documents that were part of this Agreement. Provide evidence of acceptance of the electronic filing via a secure private online document portal unless paper filing or other arrangements are agreed upon.
4. Provide an electronic copy of all relevant filings via a secure private online document portal.
5. Communicate with you directly by e-mail, telephone, or video call during the engagement.
6. When necessary, occasionally communicate with you to agree to modify the Work Plan.
7. Retain and securely store copies of records used in the preparation of our work and the resulting work product for at least as long as the period required by law and industry standards.
8. Prepare quarterly estimated tax payments in the tax jurisdictions noted in your Work Plan, as applicable. We will calculate these payments based on the “safe harbor” rule. Updating recommended quarterly estimated tax payments to more closely reflect your actual current year’s income is considered tax planning. If it is a service you have elected to receive, your estimates will be updated as requested, billed at our standard hourly rates, and subject to the terms of this Agreement.

**LIMITATIONS OF OUR WORK:** Our work in connection with this engagement does not include any procedures or work not listed above or in the Work Plan. If you have obligations for other periods of time, in other countries, in other states not indicated in the Work Plan, or tax returns for local governments that are not listed above, then we agree that we are not engaged to work on those filings or prepare those documents or filings. We will not prepare any work not initially covered by the Work Plan without your written request and our written consent to do so. Our work under this Agreement does not include any procedures designed to detect errors, fraud, theft, noncompliance with laws or regulations, or other wrongdoing. Accordingly, this engagement cannot be relied upon to disclose such matters. We are not responsible for identifying or communicating deficiencies in internal controls. You are responsible for the design, implementation, and maintenance of internal controls applicable to your operations. If we suspect defalcations or other irregularities, our responsibility is to notify you, but we are not responsible for investigating or addressing these issues. We will use our judgment in resolving questions where the law is unclear or where there may be conflicts in the work process or differences between the applicable authorities’ interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible. In certain circumstances, tax law requires disclosure of positions taken on a return. If we determine that disclosure is required and you decline to authorize such disclosure, we will be unable to proceed with preparation or filing of the return. We may decline to prepare, sign, or continue work on any tax return or related service if you request that we take a position that, in our professional judgment, is contrary to applicable tax law, lacks a reasonable basis, requires disclosure that you decline to make, or otherwise does not comply with professional or ethical standards. In such circumstances, we may terminate this engagement upon written notice, and we shall not be liable for any resulting penalties, interest, or other consequences.

Any advice provided is dependent upon the timeliness, accuracy, and completeness of the information and representations that we receive from you, as well as your stated intended use of the advice. Providing us with inaccurate or incomplete information or representations may result in inaccurate findings or inappropriate recommendations, and critical recommendations may not be identified. If information changes during a consulting or advisory engagement, you must provide us with updated information and representations on a timely basis, as the change in information may affect our advice. Our advice is based upon tax reference materials, facts, assumptions, and representations that are subject to change. The deliverable(s) presented as part of any consulting, advisory, or bookkeeping engagement are for internal use only and are not to be distributed externally to third parties, in whole or in part, or used for any other purpose without the express written permission of the firm. Any tax returns prepared are solely for filing with the Internal Revenue Service (“IRS”) and applicable state and local tax authorities. Our work product, including tax returns, schedules, analyses, and communications, is prepared solely for your use and for filing with applicable taxing authorities. It is not intended to

benefit, influence, or be relied upon by any third party, including lenders, investors, or governmental agencies other than taxing authorities. We will not respond to third-party requests for verification or copies of tax information unless legally required to do so. You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of these services by unauthorized third parties regardless of the nature of the claim, including negligence of any party, excepting claims arising from the gross negligence or intentional wrongful act of Mickele Nowden CPA.

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 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](http://fincen.gov/boi). Consider consulting with legal counsel if you have questions regarding the applicability of the CTA's reporting requirements and issues surrounding the collection of relevant ownership information.

**YOUR RESPONSIBILITIES:** You are responsible for providing complete copies of the required documents and other relevant information that may be requested. We will depend on you to provide the information needed to prepare complete and accurate deliverables. We will not audit or otherwise verify the data you submit, although we may ask you to clarify certain information. We will require a copy of your personal identification each year to meet the government's new identity theft prevention requirements. Also, if you plan to pay or receive funds by electronic transaction, we will need your bank account and routing number. You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. Our records are not a substitute for yours. You should retain all documents that provide evidence and support for reported income, credits, deductions, and other information on your returns, as required under applicable tax laws and regulations. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You will be responsible for any liability, including but not limited to additional tax, penalties, interest, and related professional fees, resulting from the disallowance of tax deductions due to inadequate documentation.

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, vehicle use, gifts, and related expenses are supported by documentation and records required by the IRS and other tax authorities. At your written request, we can provide you with answers to your questions on the types of supporting records required. You are responsible for determining your filing obligations with any state or local tax authorities, including but not limited to income, franchise, sales, use, and property taxes or abandoned and unclaimed property. If, upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You acknowledge that the scope of our services under this Agreement does not include any services related to your compliance with filing obligations other than those identified in the Work Plan.

You are responsible for informing us of all foreign assets owned directly or indirectly, including but not limited to financial accounts with foreign institutions, other foreign non-account investments, and ownership of any foreign entities, regardless of the amount. If, upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you. You are responsible for informing us, in writing, of any transactions that may be considered reportable, listed, or abusive under applicable tax law. If you fail to timely disclose such transactions, we shall not be liable for any resulting taxes, penalties, interest, or related costs.

There are specific tax implications for investing in digital assets (e.g., virtual currencies such as Bitcoin, non-fungible tokens, virtual real estate, and similar assets). The IRS considers these to be property for U.S. federal income tax purposes. As such, any transactions in, or transactions that use, digital currency are subject to the same general tax principles that apply to other property transactions. If you transacted in digital assets during the tax year, you may have tax consequences and/or additional reporting obligations associated with such transactions. You agree to provide us with complete and accurate information regarding any transactions in, or transactions that have used, digital assets during the applicable tax year. If you have any questions regarding your digital assets and/or transactions, please ask us, and we will respond in writing.

You have final responsibility for the accuracy of your tax returns. We will provide a copy of your electronic tax returns and accompanying schedules and statements for review before filing with the IRS, state and local tax authorities, as applicable. You agree to review and examine them carefully for accuracy and completeness. You will be required to verify and sign a completed e-file Signature Authorization Form before your return(s) can be filed electronically. You are solely

responsible for the timely filing of all tax returns, extensions, and related forms, and for ensuring that such filings and any required payments are actually received by the appropriate taxing authorities. While we may assist with preparation or electronic transmission when agreed, this engagement does not create an agency relationship, and we do not guarantee acceptance, receipt, or processing by any taxing authority.

**PRIVACY AND SECURITY:** We follow a privacy and security policy that meets or exceeds industry standards. The policy is available online at <https://www.mickelenowdencpa.com/privacy-and-security> and is incorporated in our Agreement by reference. This policy also explains how we share and control private information when working with a team of service providers. In this case, each may have its own privacy and security policies. Please let me know if you want an electronic copy of the privacy and security policy. You are not required to adhere to any specified privacy and security standards. You may take the lead in modifying the standard, and we may follow your lead. For example, if you ask a question in a public area and we answer, that changes our communication privacy level. You may submit documents via text message, and we may respond to the same text message number with personal tax information.

Protecting your privacy and maintaining a high level of security are our highest priorities. This section describes the allowable uses of your name and story while still maintaining your rights.

Use of Client Stories Without Names – My marketing, publishing, and educational programs are based on client stories presented so that the client's identity cannot be determined. For example, we may say, "Today, I settled a client's \$222,000 tax debt for an agreed monthly payment of \$305 to the IRS".

Use of Individual Client Names – We may use individual client names only as necessary to privately confirm a fact, acquaintance, or familiarity related to our work. For example, to verify employment, check a reference, or verify the completion of a transaction with a third party or ownership of an asset. We do not discuss private information without your specific written authorization, as expanded in this Agreement.

Use of Business Client Names – Unless otherwise agreed, we may use the names of business clients publicly in a collaborative manner and supportive of our businesses. We may also reveal the nature of the service or engagement as long as that reference is in a positive context and does not imply any negative connotation. For example, we may say, "I am honored to be selected as the controller for ABC Companies," but not, "I gave bankruptcy advice to XYZ Company." Or, in the instance where we purchase a gift card or item from a business client to give away, we may indicate that the business is a client without revealing the nature of the service or engagement.

**CONFIDENTIALITY AND DIVORCE:** If the tax returns prepared in connection with this engagement are filed using the married filing jointly filing status, both spouses are deemed to be clients of the firm under the terms of this Agreement. Both spouses acknowledge that there is no expectation of privacy from the other concerning our services in connection with this Agreement. We are at liberty to share with either of you, without prior consent of the other, documents and other information concerning the preparation of your tax returns.

If you inform us of your pending divorce, we will advise you to seek independent tax advice, as we will not be able to advise either of you until your divorce is finalized. In order to prepare your return, we will require written instruction from your respective divorce attorneys providing decisions we need to prepare your tax return. For example, your income tax return filing status is an item about which we will need instruction. Electing a filing status of married filing jointly establishes joint liability for taxes owed. If we do not receive instruction agreed to by you and your spouse to prepare your returns prior to the filing deadline, you will be responsible for any late filing and late payment penalties assessed. If you elect to file separate tax returns, you will both be required to sign new, separate written agreements prior to the preparation of the returns. As you may have conflicting interests with your spouse, you will both be required to sign a conflict-of-interest waiver before we are able to prepare your returns.

**ONLINE DOCUMENT HANDLING:** We will provide a private, secure online portal as the safest and most reliable way to deliver electronic documents. The preferred and most common electronic document format is PDF. Other communication methods are accepted (fax, e-mail, text, etc.); however, you assume the additional security risk if you elect to use those less secure methods.

**DOCUMENT RETENTION:** We will retain and securely store electronic copies of your records that we use for our work and our own workpapers used for your engagement for seven years. Copies of these or paper printouts of these documents are available, either under the engagement if still active or at an additional fee if the engagement is terminated. If an item is not used, it may be deleted from your folder.

**PAPER DOCUMENT HANDLING:** If we accept your original paper records, they will be returned to you as soon as possible. We will not return envelopes, blank pages, mailing stuffers, or advertisements unless you ask for them. You should store your original paper records, including all supporting documents, canceled checks, etc., as these items may later be needed to prove the accuracy and completeness of a tax return. We recommend scanning and saving electronic copies of all original paper documents as part of an ongoing functional accounting system. We offer help with the setup of this service or "catch up" on this on request. We recommend that you install and use document scanning and storage systems that are available for smartphones. Otherwise, we do not keep copies of original paper documents. If you decide to mail any documents, you authorize my use of a third-party mail servicer who will scan the documents and return the original documents. If you require paper copies of documents, you authorize my use of a third-party document printer, like a print shop, and accept the security risks associated with paper documents. There is a charge for handling, copying, scanning, and mailing paper copies of documents. If you have not selected to e-file your return(s) with our office or your return(s) are unable to be e-filed, you will be solely responsible for mailing the tax return(s) to the appropriate taxing authorities. We recommend that all documents be mailed via certified mail with a return receipt which will serve as proof of mailing for all taxing agencies.

**TIMING OF WORK:** The timing of this engagement Work Plan is critical. Details on the timing of work are included in the Work Plan part of this Agreement. Unless otherwise stated in the Work Plan or this engagement agreement, completion of this work is expected on or before the due date. The work under this engagement starts when the Agreement is signed, any related documents are received, and payment of the online invoice is received. The timing of the completion of work depends on the date of delivery of all requested information. Our policy is to work on projects on a first-come, first-serve basis. For tax work, all documents are due one month before the original IRS deadline. For bookkeeping services, the work is typically completed between the 5th and 15th of the month, except during deadline months which includes; March, April, June, September, October, and January. Anything outside of these timelines will be communicated in writing. In the event that work is not complete when a filing deadline approaches and other specific communications have not been made with regard to timing and the filing deadline, we have the right but not an obligation to file for an extension of the filing deadline. This engagement ends as described below in section (D).

**BANKING SERVICES:** Some of our work together may involve banking transactions such as collecting customer payments, bill payments, or payroll and benefits expenses. In some engagements, this is a primary focus of our work. There are two primary working options, and you may select one or more that best match your preferences:

1. No bank access: you do not authorize us to access your bank accounts, and you allow only specific authorized transactions. For example, you may sign an authorization to allow IRS to draft a tax payment from your bank account.
2. Shared bank access: You allow us to access banking records through an accounting or online banking system. We use this for accounting but not for processing transactions except as specifically directed in the work plan. For example, linking your bank account to your QuickBooks accounting system where we are named as the accountant.

All banking transaction services we may perform require your explicit approval.

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## **B) COMMUNICATIONS**

**GOAL OF COMMUNICATIONS:** Our goal is to minimize the time, stress, and cost over the scope of our engagement while providing specific information and service on a timely basis. Clear communication, including this engagement agreement, plays an integral part in this process.

**PROGRESS UPDATE COMMUNICATIONS:** We will provide informal updates or reminders throughout the engagement. We will use your e-mail address and/or your phone number for calls and text messages for these non-secure communications. If you do not receive these communications, it is your responsibility to ask about the engagement status.

**BROADCAST COMMUNICATIONS:** Important non-protected information about changing laws, markets, regulations and technology, and other similar information is typically broadcast in four formats: update e-mails, Facebook business page, website, and Instagram. Please let us know if you want to opt out of e-mail broadcasts. It is your responsibility to gain a general understanding of these news items that may affect your finances. Please be aware that communications on online platforms are not private or secure. We will be pleased to discuss any issue in greater depth privately.

**NON-SECURE COMMUNICATIONS:** Non-secure communications can be made through the following: E-mail: [mickele@mickelenowdencpa.com](mailto:mickele@mickelenowdencpa.com), Office phone/text/WhatsApp: +1-510-689-1845, or Web: [mickelenowdencpa.com](http://mickelenowdencpa.com).

**SECURE COMMUNICATIONS:** Secure communications are safely and easily sent through a document portal. The secure document portal is private, password-protected, and under your control. You would have already received an e-mail invitation to use this service.

**CLEAR COMMUNICATIONS:** We agree that clarity of communication is a primary goal in this engagement. If any part of this Agreement is unclear or in conflict, we will discuss this as soon as possible before continuing to rely on unclear, conflicted, or possibly misunderstood communications.

## ----- C) FEES AND PAYMENT

**BASIS OF FEE:** The fees for services included are communicated separately in an electronic quotation, invoice, or Work Plan from us that you agree to so that it becomes part of this Agreement by reference. The Work Plan may include a minimum fee. More information on the pricing process can be found on the Firm documents [page](#).

**USE OF ESTIMATES:** In most cases, the fees you agree to are based on estimates. For individual tax preparation, the estimates are based on forms used on your prior year's return. An estimate of the amount of time to complete said service may be given for hourly services. Unless a fixed cost is agreed to, you are on a tax advisor plan, or a total hour agreement is reached, you understand that the final cost may differ from the estimate. If there is a large discrepancy, we will provide additional details about the variance and may ask you to sign a new Work Plan. You can also request a revised fee estimate at any time.

**EFFECT OF DELAY OR RUSH:** In the event that the timing of the Work Plan is changed, the fee may be raised to include a surcharge during rush periods that typically occur before tax filing deadlines. While rush fee periods are typically announced, they remain in effect after the document deadline (one month before the IRS deadline) and end on the date of the deadline.

**ADVANCE RETAINER FEE PAYMENT:** Most work requires a non-refundable retainer. A retainer is required for all tax work and may be required for larger projects and for any clean-up work. For all tax returns, the retainer is equal to the current minimum fee for that tax return type. The retainer is typically two times the hourly rate for any bookkeeping or larger projects.

### WE USE TWO TYPES OF FEE AGREEMENTS:

- 1. AUTOMATICALLY RECURRING MONTHLY FEE:** Most clients use an automatic recurring monthly fee option, which is an automated banking transaction designed to result in the lowest overall fee. This is the most common and popular with small and long-term business clients. The estimated or agreed fees for all services is divided by 12 (1/12 the total fee each month). Under this arrangement, you may stop the payment anytime to end the engagement. If you end the fee payment, the balance of any services completed to date is due immediately.

2. **SINGLE MATTERS FEE:** A “single matter” is defined as a single occurrence work project. This is suitable for a project defined by a beginning and ending date. Tax preparation, amended tax returns, or tax return audit representation may fall under this category. The fee amount is stated in a separate written agreement and on the invoice.

In all cases, the fee or an estimate is stated in advance except for a “small single matter fee.” A small single-matter fee is not communicated in a separate quotation or agreement between us because it is expected to be a small task completed in less than a day. The minimum fee for a “stand-alone” small matter not combined with other services will be the amount for an hour of time.

**TAX PREPARATION FEES:** The fee for tax preparation and filing services is matched to prevailing industry prices. A sample fee schedule is posted on the Firm documents [page](#) and is available on request. An estimate of your tax preparation fee may be obtained by adding the amounts on the fee schedule that apply to your tax return. The base fee is typically customized to incorporate your Work Plan’s specific details and timing. In general, CPA tax preparation fees are higher than non-CPA fees. California tax preparation fees are generally higher than most other area fees.

**ADDITIONAL FEES:**

1. **MAIL HANDLING FEE:** This is a third-party service, and the amount billed will be total costs subject to a markup.
2. **DOCUMENT HANDLING FEE:** Cost related to receiving mailed paper documents, scanning, and returning the originals. This is a third-party service, and the amount billed will be total costs subject to a markup.
3. **ADDITIONAL TIME:** There will be an additional fee of \$35 per ten minutes if the total time spent in communications of all types (e-mail, telephone, and text messages) between us on the work on this engagement is significantly more than normal for this type of work.
4. **UPDATES TO DRAFT RETURNS:** There will be an additional fee of \$35 per ten minutes spent to make changes to a tax return if new information is provided after a draft has been provided, financial statements or books have changed after the ready-to-prepare date, or if the information previously provided was inaccurate or has changed. Any updates related to preparer errors or omissions will not incur any additional fees.
5. **TAX RETURN BOOKKEEPING FEE:** We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. If the information provided to prepare a Schedule C or rental property requires accounting adjustments, a \$350/hr. fee will be billed for the time needed to get the information ready for tax purposes. For entities, this service will be billed at the regular hourly tax prep rate.
6. **COPY FEE:** A fee of \$30 will be charged for providing copies of documents after the end of an engagement once access to the secure portal has been removed.
7. **REBILLING FEE:** A fee of \$15 will be added to an updated bill if a fee remains unpaid 15 days after the end of engagement.
8. **FINANCE CHARGE:** A finance charge of one and one-half percent (1½) per month, which is an annual percentage rate of eighteen (18) percent, is charged on past due balances. Your unpaid balance is determined by taking the beginning balance of your account each month, adding new charges, and subtracting any payments made to your account. We will then multiply this amount by the 1.5% monthly periodic interest rate to compute the late charge for your account for that month.
9. **COLLECTION FEE:** Accounts more than 30 days past due date may be managed by a separate account receivables contractor. The client agrees to pay our collection fees, which are 50% of the outstanding balance plus any other expenses incurred as a result of the collection process plus court costs, cost of service, and similar fees.
10. **NSF FEE:** An NSF fee of \$25 or the NSF fee charged will be applied to all returned payments.
11. **MISSED APPOINTMENT FEE:** A fee of \$50 will be applied to all missed appointments that are not canceled or rescheduled within 24 hours of the appointment.
12. **MISSED APPOINTMENT FEE – OFF-HOURS:** A fee of \$100 will be applied to all missed appointments that are scheduled outside of normal business hours. Please see the business and appointment hours posted on the Firm documents [page](#).

**FEES AFTER THE END OF THIS ENGAGEMENT:** Fees may include charges for termination, post-engagement review and documentation, record retention, copies of records after the end of the engagement, and, if required, required third-party communication and review. The advance retainer fee payment may be used as an offset to these final fees.

**COST-SAVING MEASURES:** The lowest fee quoted in the pricing policy presumes the use of cost-saving measures, including the use of a tax organizer document or online accounting software, online document storage, and transfer, electronic invoice, and payment, without additional accounting services or out-of-pocket expenses. You are not required to use these cost-saving tools; however, these technologies affect the price of tax services. If cost-saving measures are not used, my fee will reflect the higher costs.

**THIRD-PARTY PAYMENTS AND DISCOUNTS:** We try to negotiate discounts on products and services we purchase and offer to sell to you. Whenever possible, we try to receive a commission or referral fee for products and services that we recommend to you. Any discount or payment we receive is considered in the overall price of future services we offer you as an additional cost-saving measure. For example, QuickBooks Online offers a discount for accounts created by us, which is reflected in the monthly bookkeeping fees. However, if you create your account or switch billing over to us later, the pricing will reflect the difference.

**PAYMENT:** Payment is due on receipt (except for tax prep retainers), typically at the beginning of the engagement and/or upon completion of any work. The invoice is usually sent via an e-mail that can be quickly and securely paid online by following the instructions. Payments may be made through the secure 3rd party payment processing system linked to the invoice. Most clients use the “Pay Now” feature from the electronic invoice, or you can make a payment by logging into the secure portal. Instead, you may initiate payment through another payment processor like PayPal, Venmo, or Zelle. Payment may be made from any bank account (using your bank routing number and account number), bank card, or credit card. Payments can also be made via my website. Tax returns may be locked to an invoice until payment is made. If payments are made late, you may be asked to prepay for future services or authorize automatic withdrawals.

**DISCOUNTS:** See [pricing and discount policy](#) for available discounts and client referral appreciation.

#### **D) AFTER THE END OF ENGAGEMENT**

**END OF ENGAGEMENT:** Unless otherwise agreed by an extension agreement, our engagement ends with the completion of tasks listed in the Work Plan part of this engagement agreement. Typically, this is the delivery date of any completed work product documents to you or our confirmation of electronic filing of your documents with government or e-filed tax returns. This is important because post-filing questions are not typically included under this engagement agreement. For open-ended engagements like ongoing tax preparation, each tax year is considered its own engagement and would follow the ending specified above. The kickoff of a new tax year would start a new engagement and the submission of tax returns to be mailed or an acceptance letter for e-filed returns would signify the end. An updated Work Plan may be required if fees or circumstances change from tax year to year.

**NO ONGOING OBLIGATION AFTER ENGAGEMENT ENDS:** Once this engagement has concluded, we have no obligation to notify you of changes in tax law, regulations, interpretations, or guidance that may affect prior filings, unless we are separately engaged in writing to do so.

**EARLY CANCELLATION/END OF ENGAGEMENT:** In the event that either of us encounters unexpected difficulties in completing the tasks anticipated under this Agreement, we may opt to end this engagement before the time described above in the “End of Engagement” section by giving written notice. There may or may not be a reason stated for the early termination, and we may recognize that a termination without stated reason is in our collective best interests to avoid further conflict. In some cases, we may be obligated to disengage before the otherwise planned end of the engagement. In the event of early termination, an accounting will be provided to determine a final payment amount on any tax advisor plans, if applicable. All work will stop at the point of notice, and provisions included in the “Work to be Completed” section above will no longer apply. Both of us acknowledge that these simple provisions in this “Early Cancellation / End of

Engagement" section are intended to be used as a previously agreed compromise agreement to resolve a potentially stressful situation in the event of unforeseen circumstances.

**POST-ENGAGEMENT WORK AND LONG-TERM SERVICE RELATIONSHIP:** After this engagement and Work Plan ends, we may open another conversation on other issues or proposed services that may be handled in other additional Work Plan agreements as long as payment and other conditions of the earlier engagement agreement were met. However, we have no obligation to offer additional services. You may accept or decline this conversation on additional service topics. This continued service would be based on our success in reaching a new written engagement agreement and Work Plan agreement.

**REPLACEMENT OF ELECTRONIC SIGNATURE WITH A MANUAL SIGNATURE:** In some cases, we agree to accept an electronic signature, and later, a third party requests a manual signature. This could be after the end of the engagement. In this case, you agree to provide the manual signature on request.

**POST ENGAGEMENT QUESTIONS:** Sometimes, questions arise after the end of an engagement because of communication from a tax authority or some other reason. We may be available upon request to provide additional service in this case. Letters from IRS, state, and local tax authorities are common and do not always require the re-engagement of a tax professional. We may require a new engagement agreement and fee to address some questions. This engagement does not include responding to notices, examinations, audits, or other inquiries from taxing authorities unless we are separately engaged in writing to do so.

**RE-OPENING AND AMENDING THE TAX RETURN:** In some cases, it becomes necessary or advisable to respond to a notice or amend the tax return. We may be available upon request to provide additional service in this case. The terms of this service and the cost of this service are not covered in this engagement agreement. Please be aware that the cost of amending a tax return can be substantial, sometimes exceeding the cost of the original tax return preparation.

**IN THE EVENT OF AUDIT:** Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. This Agreement does not include the procedures and fees for representing you in an audit. This Agreement provides no assurance that we will be available for an audit. We agree to discuss this with you and consider our options at the time that you first become aware of an audit.

**PENALTIES:** The law imposes substantial penalties when taxpayers underestimate their tax liability. Please call me if you have concerns about such penalties. Should we encounter instances of unclear facts, tax law, or potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt the alternative you select. Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns and underpayment of taxes. You will be responsible for the payment of any additional tax, penalties, and interest charges imposed by tax authorities. We do not assume the cost or risk of tax penalties that may be imposed.

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## E) MISCELLANEOUS PROVISIONS

**ARBITRATION:** If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances, the arbitrator must follow the laws of California. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY, AND INSTEAD, WE ARE ACCEPTING THE USE OF ARBITRATION

FOR RESOLUTION. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

**USE OF TAX INFORMATION:** We commonly use tax information to provide other services. Federal law requires that we obtain consent from you before disclosing your tax information to a third party for purposes other than preparing and filing your tax returns. You are not required to authorize the use of tax return information to engage our services. Your consent is valid for one year unless specified otherwise. 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 e-mail at [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov). We will not respond to any request from banks, mortgage brokers, or others for verification of any information reported on your tax returns. We do not communicate with third parties or provide them with copies of tax returns.

**COACHING, CONSULTING, AND ADVISING:** Our Work Plan may specify that some of the work is "coaching" in contrast to other work that is "advising" or "consulting." It is important that we recognize the distinction. Each type of service may be subject to different standards. One key difference is that you are responsible for the outcome of your own decisions in a coaching relationship. Generally, for example, we may not advise you to take any action that is outside the law, but we may support you in a decision you may reach in a coaching conversation. The responsibility to distinguish between coaching and advice is mine. We will use words like "we advise" or "we cannot advise" when documenting advice and words like "we support" or "we discussed" when documenting coaching.

**OTHER ADVICE:** During this engagement, we are likely to find other financial matters and accounting topics that we should discuss. In some cases, we have a legal or professional requirement to bring these to your attention, so we will do that as required. This engagement agreement does not cover the outcome of these possible additional discussions and any resulting work stemming from those discussions.

**LEGAL ADVICE:** Advice regarding business strategies may involve an application of general principles of business law, but my services do not extend to the actual practice of law. We are not lawyers, and we are not offering legal advice. You should consult with your own lawyer for legal advice. We can generally provide the following services as part of an engagement that is not considered the practice of law:

- 1) Reading your legal documents.
- 2) Sharing sample legal documents and discussing how these samples might be useful.
- 3) Sharing redacted examples of other businesses' legal documents and discussing their use.
- 4) Selling legal forms.
- 5) Filling in the blanks on a legal form.
- 6) Apply general knowledge about the law to a problem arising in my field.
- 7) Employee benefits practice.
- 8) Preparation of business formation documents.
- 9) Tax returns.
- 10) Preparing documents where we expect to be a principal in the transaction.
- 11) Work under the direction of your attorney or as part of a project workgroup that includes your attorney.