

# KLEINHENZ & COMPANY, LLP

TAX • ACCOUNTING • ADVISORY

www.kleinhenzcpa.com

TAX AND BUSINESS ACCOUNTANTS  
FINANCIAL CONSULTANTS

January 2024

Dear Client:

We wish all the best to you and your family as we start the new year!

To ensure a seamless process in preparing your tax returns this year we ask that you:

1. **Please Sign and return the Engagement letter with your paperwork. We cannot prepare your returns without the signed Engagement letter.**
2. Complete and return the questionnaire.
3. Use the Tax Information Checklist located on the back of this page to gather the relevant documents required to complete your return.

**Preferred** ways to get your information to us. You can:

1. **Drop off your tax information Monday- Friday 9:30AM to 5:00PM.**
2. **Send it via Postal service, UPS, FedEx, etc. -or-**
3. **Request a link to upload documents to our secure online portal.**

If you have questions about this process or require special arrangements, please call our office.

Please provide your information to us by **March 20, 2024**. If not received by this date your return may be placed on extension.

**Please note:** In-office appointments during tax season are limited to **no more than 30 minutes**. Additional time will be billed at our regular rate.

If you have questions, need to discuss unusual circumstances, or have a complicated issue, please contact our office to schedule a telephone or video conference.

Thank you for supporting our business in 2023. We look forward to serving you again in 2024.

Sincerely,

Kleinhenz & Company, LLP

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## Year 2023 TAX INFORMATION CHECKLIST

Be sure to bring, mail, email or drop off the following information if applicable:

- ☐ SIGNED ENGAGEMENT LETTER
- ☐ COMPLETED QUESTIONNAIRE

- |   |  |
|---|--|
| <input type="checkbox"/> 2023 IRS Identity Theft PIN (if applicable)  | <input type="checkbox"/> Purchase or sale of real estate ( <u>Closing Docs</u> )   |
| <input type="checkbox"/> Forms <u>1095-A (Marketplace Statement)</u>  | <input type="checkbox"/> Medical and dental expenses- <u>SUMMARIZED</u>  |
| <input type="checkbox"/> <u>W-2(s)</u>  | <input type="checkbox"/> Real estate and personal property taxes/ <u>1098-MTG</u>  |
| <input type="checkbox"/> Schedule C business income and expense summary   | <input type="checkbox"/> PA Use Tax to be reported   |
| <input type="checkbox"/> Rental Property-income and expense summary   | <input type="checkbox"/> <u>Fed/PA/Local Quarterly Estimated tax payments made</u>   |
| <input type="checkbox"/> All <u>1099-MISC</u> , <u>NEC</u> and/or <u>1099K</u> Forms  | <input type="checkbox"/> Charitable donations ( <u>Receipts Required</u> )   |
| <input type="checkbox"/> Pension, retirement income/ <u>1099-R</u>  | <input type="checkbox"/> Mortgage or home equity loan interest/ <u>1098-MTG</u><br>(New rules limit deductions to loans used to <u>buy, build, or improve the principal residence only</u> ) |
| <input type="checkbox"/> Unemployment income/ <u>1099-G</u>   | <input type="checkbox"/> Teacher classroom expenses-Out of Pocket  |
| <input type="checkbox"/> Canceled Debt Amount/ <u>1099-C</u>  | <input type="checkbox"/> Tuition Paid/ <u>1098-T (Payment Detail Required)</u>   |
| <input type="checkbox"/> Social Security income/ <u>SSA-1099</u>  | <input type="checkbox"/> Student loan interest/ <u>1098-E</u>  |
| <input type="checkbox"/> IRA contributions-Traditional or ROTH  | <input type="checkbox"/> Childcare expenses and Provider EIN   |
| <input type="checkbox"/> Statements on the sales of stocks or bonds/ <u>1099-B</u><br>(Cost basis info also required to calculate gain or loss) | <input type="checkbox"/> <u>Copy of voided check for direct deposit of refund</u>  |
| <input type="checkbox"/> Interest and dividend income/ <u>1099-INT/1099-DIV</u>   | <input type="checkbox"/> <u>Foreign Accounts Valued Over \$10,000.00 at any time during the year MUST BE REPORTED</u>  |
| <input type="checkbox"/> Lottery or gambling winnings/losses/ <u>W-2G</u>   | <input type="checkbox"/> Invoice for energy efficient home improvements OR the purchase of an electric vehicle (VIN Required)  |
| <input type="checkbox"/> Partnership income/losses/ <u>Form K-1</u>   | <input type="checkbox"/> Please Include Any Questions You Have On A Separate Sheet   |
| <input type="checkbox"/> State refund amount/ <u>1099-G</u>   |  |
| <input type="checkbox"/> Estate or Trust Income/ <u>Form K-1</u>  |  |
| <input type="checkbox"/> Alimony paid or received (If divorced prior to 01/01/19)   |  |

### Some Items May Not Apply

Receipts may be requested

## **2023 Engagement Letter for Individual Tax Return Preparation**

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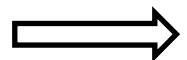
This letter is to inform you, the taxpayer, of the services we will provide to you and the responsibilities you have for the preparation of your tax return.

### **Tax Return Preparation**

- We will prepare your 2023 federal, state, and local tax returns based on information you provide and based on the assumption that it is authentic and accurate. If quarterly estimated tax payments are required, we will calculate these payments for the 2024 tax year based upon the information you provide to prepare your 2023 tax returns and have no obligation to update recommended payments after the engagement is completed. Services for preparation of your returns do not include auditing or verification of information provided by you. In the event your return is audited, you will be responsible for verifying the items reported.
- We are not engaged to detect errors, fraud, embezzlement, or any wrongdoing.
- Our engagement does not include tax planning or bookkeeping services. These services may be available for an additional fee.
- Fees charged for tax return preparation do not include audit representation or preparing materials to respond to correspondence from taxing authorities. Audit Insurance for these services may be available for an additional fee.
- Preparation fees may cover certain limited assistance and consultation during the year.
- The engagement to prepare your 2023 tax returns terminates upon delivery of your completed returns and original documents to you.
- We will complete our engagement as promptly as possible. We cannot predict exactly when we will finish. If you need your returns by a particular date, please notify us in writing.
- If we do not receive timely payments for our services or if you do not make available to us the information we request, we reserve the right to withdraw from the engagement.

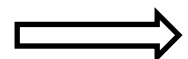
### **Taxpayer Responsibilities**

- You agree to provide us with all income and deductible expense information in a timely manner. If you receive additional information after we begin working on your return, you will contact us immediately to ensure your completed tax returns contain all relevant information.
- You affirm that all expenses or other deduction amounts are accurate and that you have all the required supporting written records. In some cases, we will need to review your documentation.
- You must be able to provide written records of all items included on your return if audited by either the IRS or state tax authority. We can provide guidance concerning what evidence is acceptable.
- You must review the return carefully before signing to make sure the information is correct.
- Fees must be paid before your tax return is delivered to you or filed for you. If you, or we, terminate this engagement before completion, you agree to pay a fee for the work completed. An up-front deposit may be required for the preparation of certain returns.
- You should keep copies of your tax returns and any related tax documents in a secure place for a minimum of three years. You may be assessed a fee if you request additional copies of your returns in the future.
- You understand that, even in the event of preparer error, you are responsible for additional tax, interest and penalties that may be due.



**2023 Engagement Letter for Individual Tax Return Preparation, Pg 2****Additional-PLEASE READ CAREFULLY**

- Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value exceeding \$10,000 in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties. Such disclosure includes filing Form 8938 with this Form 1040. ***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.***
- You acknowledge that you have reported all 2023 income you received including barter, crypto-currency, consumer-to-consumer activity, cash-based revenues and all other income whether received in-person, in-kind, or electronically. You also confirm that you have or will timely file any applicable required Forms W-2 and W-3 with the Social Security Administration and IRS for business employees or home-workers.
- ***We DO NOT automatically file tax extensions for clients-you must notify us in writing, email, or fax if you wish us to file an extension, and the notification should include your estimate of any balance due with the extension. We must receive your information by March 20 in order to complete your return in a timely manner and information received after that date may cause your return to be extended and completed after the April 15 due date.*** Failure to file an extension may make you subject to various penalties and interest. Additionally, if your return is extended it does not relieve you from paying any tax due on the due date or making quarterly estimated tax payments for the current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may make you subject to various penalties and interest.
- ***Business Owners: When a self-employed taxpayer reduces taxable income through tax deductions there is also a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his or her dependents. You acknowledge and agree to the current tax reduction and also acknowledge and agree to the potential negative effects on future social security benefits for you, your spouse and any dependents. Additionally, new state laws regarding the collection of sales tax by online sellers may require separate registration, collection, filing and payment with many states at very low activity levels. We were not engaged to, nor did we determine whether individual state sales tax rules apply to your business. Determination of whether an individual state's sales tax rules apply to your activity are your responsibility unless we have a SEPARATE written engagement letter acknowledging our responsibility to determine or apply sales tax rules for an individual state. Failure to register and file with an appropriate state may expose you to severe penalties.***



**2023 Engagement Letter for Individual Tax Return Preparation, Pg 3**

- It is our policy to keep records related to this engagement for five (5) years, after which they are destroyed. *However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.* Your signature below acknowledges that, upon expiration of the five (5) year period, Kleinhenz & Company, LLP shall be free to destroy our records related to this engagement.
- In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is our policy to initiate services after we receive the executed engagement letter. If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect. Any claim arising out of these services must be commenced within one year of the delivery of the work product to you. Any action not brought within that one-year time period shall be barred despite any other limitations period set forth by either case law or statute. Our firm's liability for claims, damages, and costs arising from this engagement is limited to the total amount of fees paid, for the year(s) at issue, by the client to our firm, for services rendered under this agreement. Should a dispute arise among the parties hereto, the parties agree to 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. All parties shall equally share the costs of any mediation proceeding.

**Signatures.** If the above fairly sets forth your understanding, please sign this letter below and return it to us. Please note that you are affirming to Kleinhenz & Company, LLP your understanding of, and agreement to, the terms and conditions of this engagement letter by any one of the following actions: returning your signed engagement letter to our firm, returning your income tax information to us in the preparation of your returns, the submission of the tax returns we have prepared for you to the taxing authorities, or the payment of our preparation fees.

**\*\*For a joint return, BOTH taxpayers must sign.\*\***

Accepted by:

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*Print Taxpayer Name*

*Taxpayer Signature*

*Date*

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*Print Spouse Name*

*Spouse Signature*

*Date*

**PLEASE CHECK THE APPROPRIATE BOX**  
**2023      PROVIDE ADDITIONAL INFORMATION FOR ALL "YES" ANSWERS**

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Did your marital status or last name change during the year?
<input type="checkbox"/>	<input type="checkbox"/>	Did your address change during the year?
<input type="checkbox"/>	<input type="checkbox"/>	Were there any changes in dependents? If any additions, please provide SSN card and Birth Certificate.
<input type="checkbox"/>	<input type="checkbox"/>	Did you receive IRS document Form <b>1095-A</b> (Marketplace Statement), if so, please attach.
<input type="checkbox"/>	<input type="checkbox"/>	<b>Did you have any foreign sourced income or pay any foreign taxes?</b>
<input type="checkbox"/>	<input type="checkbox"/>	Did you purchase, sell, or refinance your principal home or second home, or did you take a home equity loan?
<input type="checkbox"/>	<input type="checkbox"/>	Did you make any residential energy-efficient improvements or purchases involving solar, wind, geothermal or fuel cell energy sources?
<input type="checkbox"/>	<input type="checkbox"/>	Did you receive a distribution from a retirement plan (401(k), IRA, SEP, SIMPLE, Qualified Plan, etc.)?
<input type="checkbox"/>	<input type="checkbox"/>	Check if you made a contribution to a: <b>__Traditional</b> or <b>__Roth</b> IRA? <b>Amount:</b> _____
<input type="checkbox"/>	<input type="checkbox"/>	Check if your Spouse made a contribution to a: <b>__Traditional</b> or <b>__Roth</b> IRA? <b>Amount:</b> _____
<input type="checkbox"/>	<input type="checkbox"/>	Did you <b>convert</b> part or all of your traditional, SEP, or SIMPLE IRA to a Roth IRA in 2023?
<input type="checkbox"/>	<input type="checkbox"/>	Did you, your spouse, or a dependent incur any educational expenses?
<input type="checkbox"/>	<input type="checkbox"/>	Did you have an interest in or signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?
<input type="checkbox"/>	<input type="checkbox"/>	Did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust or did you have an interest in any foreign assets or accounts?
<input type="checkbox"/>	<input type="checkbox"/>	Were you notified or audited by either the Internal Revenue Service or the State taxing agency?
<input type="checkbox"/>	<input type="checkbox"/>	Did you or your spouse make any gifts to an individual that total more than \$17,000, or any gifts to a trust?
<input type="checkbox"/>	<input type="checkbox"/>	<b>Did you receive, sell, send, exchange or otherwise acquire any financial interest in virtual currency?</b>
<input type="checkbox"/>	<input type="checkbox"/>	May the IRS discuss your tax return with your preparer?
<input type="checkbox"/>	<input type="checkbox"/>	Did you make any estimated tax payments for tax year 2023? <u>Please provide a schedule.</u>