360 Accounting Solutions, LLC

Stephen P. Arkulary, EA

4455 Forest Road

Duluth, MN 55803-9248

Email: stephen@arksbizgrow.com
Website: http://www.360accountingsolutions.com
Phone or Text: 218-391-8895

October 8th, 2020

2020 Client Engagement Letter

To: Our Tax and Business Clients

Re: Engagement for Services for 2020 Tax Returns prepared during 2021.

In order to begin work on your project, my policy requires this letter to be read, signed, dated and returned to me for my files. (Signature lines on page 6). I will initiate work after I have received the last page of this document including signature date and payment information. Include a blank voided check or credit card information including the expiration date and security code. Any questions? Contact me by text or email and I will get right back to you.

Invoicing:

The proverbial elephant in the room. What is the total cost of my services? The total cost consists of a base fee for each type of Federal and State return filed. The return fee depends upon the number of each forms required for filing, complexity of the return, (credits, adjustments, business income and deductions), number of communications and requests for information, collecting information and scanning information from several sources, the supplies used, electronic filing and mailing costs, etc. Feel free to contact me if you have questions or concerns.

Billing:

My preference is direct debit from your checking account using the bank account that I have on file for your payment or refund from your tax returns.
The debit for your payment to 360 Accounting Solutions from your bank account leaves a complete paper trail. From my software to the banking system with 360 Accounting Solutions LLC debited from your bank statement. Credit, debit card, or PayPal transactions require account numbers with expiration dates and security code.

I am not currently set up for Virtual Currency Transactions. I will update.

The purpose of this engagement letter is to outline your rights and responsibilities that you as a valued client must follow as well as 360 Accounting Solutions LLC's (360ASLLC) involvement and commitment to you.

After signing this engagement letter, you are acknowledging and cooperating with the following statements and are agreeing to the following procedures with our firm to the best of your knowledge and understanding.

Communications:

I use primarily a secure email connection to keep in touch with my clients. Typically, I send my clients requests for information, checking in on a project, sharing files with my client, along with having a written record of our conversations. I will send reminders by text message with explanations in email format accompanying your return previews for your inspection. I hope this process will make the our mission to smoothly proceed for all involved. In order to work more efficiently, rapid responses to my questions are very much appreciated.

Call me a Boomer, I must insist that my clients send me their information in adobe.pdf file format. I assure you that I have a secure VPN WI-FI connection and your files are super safe. I have all the most updated security system encryption software for your files. If possible, please avoid sending me .zip drives, Google Docs, Google Drive, and other apps. Downloading these types of files create many extra steps in the workflow that could be spent working on your tax returns. I will update after I have had some practice.

How to reduce turn- around time:

Envelopes, bags, and shoeboxes filled with paper require removing the staples, time spent separating the information I require for scanning in your paperwork. The remaining pages are shredded. I scan every page that you provide, so in the event of a missing entry, I am able to be accountable for every page of your tax file. This measure is a win-win

Please remove the staples, perforated coupons at the bottom of cell phone bills, advertising and promotional pages.

You will be saving you money on my time along with postage, photocopying, and my billable hours spending time shredding a bunch of paper. I ask this out of fairness to myself and the clients after you waiting for their tax return results. I will return all of your documents and papers in your tax folder with your tax returns.

Tax preparation often feels like being stuck in traffic, and pleading for cooperation of the tax client I am working on and praying for the patience of clients stuck behind. My clients all have busy lives juggling work, personal lives and travel. I am asking my clients to be part of a team that makes informed decisions during an efficient process of my clients receiving the highest level of service possible.

TAX MATTERS

Client Responsibilities

Returning clients will receive a 2020 Income Tax Organizer by email attachment or a hard copy in the US Mail to assist you.
Please let me know which you prefer:

The email version will be a fillable .pdf attachment that you may enter your personal information on-screen. For returning clients The Organizer will show you last years entries that were on your preceding year return. Organizing your pages to follow the order of the Organizer will save valuable time. You may also choose to enter the information by printing the pages off and filling in the forms manually.

If you prefer the Tax Organizer in a printed copy to return to me, let me know and I will mail you a copy to return with your Form W-2's, 1099's, 1098's and business income ledgers, and other tax papers.

All of your information should be returned to me by US Mail, or email attachment in adobe.pdf format.
I will inform you by text message when I receive your tax documents at my office.

Clients must understand that all Federal and State tax agencies reserve the right to examine your returns, and you the client are ultimately responsible for retaining all of the documentation and records used to compile your returns.
I need your assurance that have provided true, correct and complete information regarding your income as listed on the forms W-2, 1099's, Form 8949's and/or attached written summaries. Should a form arrive late, during or after your return is filed, it is your responsibility to provide the form or letter to me for inclusion.

Expenses need to be presented in a clear manner. 360ASLLC will not be auditing these receipts. I will be reviewing them for their reasonableness. All documents, receipts, canceled checks and other records required to substantiate the items of income and expenses should be stored in a safe place for at least 3 years or more.

As a client, it is your responsibility to contact me immediately if you discover additional information that will lead to a change in your return. In the event your returns have been filed, I would require a new Client Engagement Letter to be signed and dated in order to begin the Amended version of your IRS and State tax returns.

Clients should maintain written documentation supporting all amounts, including logbooks, spreadsheets (with receipts in your tax file). You understand that if a question arises regarding the interpretation of tax law, and a conflict exists between the authorities' interpretation of the law, and other supportable positions, that 360 ASLLC will use my professional judgment in resolving these issues.

IRS and State Tax Agency Notices:

It is your responsibility to contact me immediately if you receive any notice from the IRS. Please send me a copy of the original notice immediately. These IRS and State notices have firm due dates for reply. DO NOT TO WRITE ON THE OFFICIAL IRS CORRESPONDENCE. 360ASLLC reserves the right to charge a reasonable fee for assisting in handling and responding to any and all IRS letters and notices. Responding to an IRS notice may be subject to signing a new Engagement Letter for contacting the IRS and/or State, Power of Attorney (POA) Form 2848 matters will have an additional Engagement Letter and hourly fee will be billed by 360ASLLC for the assignment.

Driver's License or State I.D. Requirement:

As many of you have already experienced and complied with providing your valid State ID or Driver's License information In order for your refunds or return processing to not be delayed. The compliance requirements for some states are stricter than others. If you do not have a valid driver's license or outdated card, please renew them before I begin work on your tax returns.

New Clients joining 360 Accounting Solutions LLC: Welcome!

There is a comprehensive list of Informational Newsletters to explain and assist you in comprehending your individual tax situation. Resources Tab>Tax Topics>Complete Listing

Preparation services provided include individual and business income tax returns.
For new clients joining my practice must provide me their previous year tax returns along with your original documents for your 2018 preparation. These include all W-2's, Form 1099's, Form 1098's and any K-1's you may have for sole proprietorships, partnerships, and corporations, documents showing income from other sources.

All Clients: Welcome back!
Deductions requiring documentation:

Charitable giving includes cash and non-cash donations. The IRS requires documentation from any religious organization that received $250.00 or more. Non-cash donations must include the Fair Market Value of the donated property in order to compute your deduction. Along with the Tax ID number and address of Goodwill, Salvation Army, Damiano Center, Habitat for Humanity or other IRS 501c (3) organizations.

All non-cash Goodwill, Salvation Army, Damiano Center, and other 501c (3) organization receipts for donated items must contain what was donated, a Fair Market Value (the value of what you are taking for a donation) and what your approximate original purchase price total. Be sure the organization that receives your donation is a designated 501c (3) by the IRS.

Fair Market Value of Non-Cash Charitable Donations is included in the:
Resources Tab >Tax Topics>Menu
Form 1098-T is required for Education Credits
Form 1098-I is required for Home Interest Deductions, etc.

The Tax Cuts and Jobs Act legislation signed into law in late 2017 has had a significant impact on many taxpayer's returns. Job expense deductions for employees, professional fees, amounts paid to brokers for managing your financial accounts. have been eliminated. Dependency exemptions have been greatly reduced, the Personal Exemption was increased. SALT Cap: $10,000.00 cap on the State and local taxes paid which include state tax withholding, property taxes, state and local taxes (license plate fees, street light and city park fees) that add up to a figure exceeding $10,000.00 is not deductible on the Federal level. Not all of the states have adopted the Federal rules at this time.

Clients retain full control when making decisions for making responsible decisions for making any changes to the tax return. I will point out areas that are advantageous to your situation now or in the future.

I may request additional information to complete your tax returns. It will not be my responsibility to uncover any defalcations or irregularities in your information. If the tax laws are unclear, I will outline reasonable courses of action along with any risks or consequences. In the event an informational form is reported to the IRS, and I do not receive the taxpayer copy of said form and the income or credit goes unreported on the returns I file, I cannot be held responsible for the interest and penalties from the IRS cross-checking your information with the information they already have on file from 3rd party sources.
Foreign income must be disclosed so the proper forms are filed. The penalties for non-disclosure of foreign income

Self-Employment and Gig Economy

Self-Employment: Individuals with self-employment income must pay self-employment tax on their income. When a taxpayer reduces their self-employment income reported to the Social Security Administration, future benefits from the SSA will be reduced and have negative effects on payments.

Extra Services Provided: In the event any additional projects such as amended returns, responding to letters from the IRS, or various states require additional information, audits, representation for audits, filing appeals, etc. will require a separate signed and dated Engagement Letter. An hourly fee along with any additional out of pocket expenses will be invoiced to you. All fees must be guaranteed and paid in full before the correspondence will be forwarded to the entity requesting the information.

Liability of 360ASLLC: In the event of exclusions, omissions or errors on my behalf, the liability and cost of the errors shall not exceed the amount of the filing. Client recourse may not exceed the fee charged by 360ASLLC for the original return in question.

Information Security: 360ASLLC utilizes the most up to date McAffee Security Software Suite to avoid any malware, spyware, or computer viruses form invading your private information. Drake Tax Software has a secure connection to the IRS and states. The communications that handle all of your information requires 2-Step Authentication to prevent any intrusions to your information.

Privacy: Your financial information is secure and none of your information may be disclosed to anyone. Any lending institutions, or third parties will not receive any of your information without your previous written permission. If you do consent to disclose your information, must sign and date an IRS Disclosure to Release Information Form in order to legally you must consent to having your confidentiality agreement with 360ASLLC considered invalid.

Identity Theft: My clients must inform me about stolen identity. Your data breach must be disclosed to me before your income taxes may be filed. Circumstances of identity theft may severely delay your returns from being processed by the IRS and the States.

<u>360 ASLLC Policy: You will be receive a preliminary .pdf copy by email of your income tax return for your review and approval before your tax returns will be filed. If you approve, you will receive a Docusign or .pdf Form 8879 and Transaction Summary to sign, date and return to me.</u>

The following are procedures that you are agreeing to and policies that 360ASLLC will follow.

Authorization and verification forms for signature

Docusign or .pdf Form 8879: The IRS demands a signed and dated Form 8879 (E-file Authorization) returned to me and in your file before I may transmit your tax returns electronically. The IRS Form 8879's contains your private PIN number for electronic filing. The corresponding Form 8879 for my files is due to the preparer penalty of $125.00 per day. States such as (CA/NY/OH/MO) may have their own form requiring your signature and date in your file.

Docusign or .pdf Transaction Summary: This form verifies your account information is correct and requires your signature(s) and date and returned to me before the returns may be filed. Please read these Forms Carefully. These forms verifies your bank name, routing, and account number where your refunds or amount due are going to be either debited or credited. The form also shows the amounts of the refund deposit or amount due. Incorrect information will delay your refunds or create penalties for any errors. Outdated or incorrect information may result in your refunds or amounts due delayed at a minimum of 6 weeks.

Filing Deadlines

Business Clients: The IRS requires the business tax returns, Form 1065, 1120S, or 1120 to be filed before March 15th. If you are not able to have your information to be prior to March 1st, 2021, you must let me know if you will require an extension to file at a later date. The IRS is very firm in collecting their late filing fees and penalties.

Individual Clients: In order to do my very best to have your returns filed before April 15th, 2021,
I must ask my clients to have their tax information delivered to me before March 29th, 2021 to ensure timely filing. Any information received after March 29th, 2021 will have an extension automatically filed, to prevent late filing penalty issues.

I am not allowed to file an Extension for you if I do not hear from you in advance of the filing date. The IRS takes a dim view of multiple extension filings from various tax preparers.

Audits
Audits: The IRS and individual states are stepping up the frequency of their audits. Due to the increasing number of audits, the devil is in the details. Time spent in assembling, and preparing your tax records prior to my receiving them the effort may be an ace in your pocket someday. In the event of an audit, a new Client Engagement Letter that lists the steps and scope of the audit must be signed, dated and in your file.

This is especially important in the area of self-employment, education credits, and child tax credits, earned income credit information may be extracted from bank and credit card statements. The IRS and States like to see copies of the original receipts and invoices for documentation.

Organizing your documents and receipts: An hourly fee will be assessed for the extra time involved in categorizing, adding up bank, credit card entries, invoices, bills paid and receipts. Files that are delivered in a disheveled or disorganized manner may result in delaying the processing of your information. Delivering your documents in an orderly manner will be appreciated and make the process go much more smoothly.

Signature Authorization Form to begin work on your tax information

January 1. 2020
360 Accounting Solutions LLC
Stephen P. Arkulary, EA
Client Engagement Letter 2019 Tax Returns Prepared during 2020.
Please sign and date below:

Taxpayer:____**Date:**________________

Spouse:____**Date:**________________

By signing and dating the Client Engagement Letter, the Client(s) agree to the terms and conditions herein.

Please include a copy of your blank voided check or your complete banking or credit card information.

No funds will be debited to your bank or debit card account without your express permission.

Voided Blank Check area. (This is not necessary if your account information has not changed from last year).

Debit or Credit Card Information.

Card Number____
Expiration Date____________________
3 digit Security Code:________________

Thank you. I will accept return information by U.S. Mail or FedEx or Adobe.pdf email attachment
You may scan and send your information in Adobe.pdf format to: stephen@arksbizgrow.com

I will send you an email or text message verifying that your information has arrived. I appreciate your business and my goal is to provide excellent, precise and affordable service to you.

360 Accounting Solutions LLC
Stephen P. Arkulary, EA 4455
Forest Road Duluth, MN
55803-9248
Cell or Text: 218-391-8895
Email: stephen@arksbizgrow.com
Website: http://www.360accountingsolutions.com