

General: 1040 **Personal Information**

Filing (Marital) status code (1 = Single, 2 = Married filing joint, 3 = Married filing separate, 4 = Head of household, 5 = Qualifying widow(er)) \_\_\_\_\_

Mark if you were married but living apart all year \_\_\_\_\_ Mark if your nonresident alien spouse does not have an ITIN \_\_\_\_\_

**Taxpayer** **Spouse**

Social security number \_\_\_\_\_

First name \_\_\_\_\_

Last name \_\_\_\_\_

Occupation \_\_\_\_\_

Designate \$3.00 to the presidential election campaign fund? (1 = Yes, 2 = No, 3=Blank) \_\_\_\_\_

Mark if legally blind \_\_\_\_\_

Mark if dependent of another taxpayer \_\_\_\_\_

Taxpayer between 19 and 23, full-time student, with income less than 1/2 support? (Y, N) \_\_\_\_\_

Date of birth \_\_\_\_\_

Date of death \_\_\_\_\_

Work/daytime telephone number/ext number \_\_\_\_\_

Do you authorize us to discuss your return with the IRS (Y, N) \_\_\_\_\_

General: 1040, Contact **Present Mailing Address**

Address \_\_\_\_\_

Apartment number \_\_\_\_\_

City/State postal code/Zip code \_\_\_\_\_

Foreign country name \_\_\_\_\_

Foreign phone number \_\_\_\_\_

Home/evening telephone number \_\_\_\_\_

Taxpayer email address \_\_\_\_\_

Spouse email address \_\_\_\_\_

General: 1040 **Dependent Information**

First Name	Last Name	Date of Birth	Social Security No.	Relationship	Months in home	Care expenses paid for dependent
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

Credits: 2441 **Child and Dependent Care Expenses**

Provider information:

Business name \_\_\_\_\_

First and Last name \_\_\_\_\_

Street address \_\_\_\_\_

City, state, and zip code \_\_\_\_\_

Social security number OR Employer identification number \_\_\_\_\_

Tax Exempt or Living Abroad Foreign Care Provider (1 = TE, 2 = LAFCP) \_\_\_\_\_

Amount paid to care provider in 2016 \_\_\_\_\_

**Taxpayer** **Spouse**

Employer-provided dependent care benefits that were forfeited \_\_\_\_\_

Health Care, Coverage **Health Care Coverage**

**"Your family" for health care coverage refers to you, your spouse if filing jointly, and anyone you can claim as a dependent.**

2016 Information Prior Year Information

Was your entire family covered for the full year with minimum essential health care coverage? (Y, N) \_\_\_\_\_

Income: W2 **Salary and Wages**

Please provide all copies of Form W-2 that you receive.

Below is a list of the Form(s) W-2 as reported in last year's tax return. If a particular W-2 no longer applies, mark the not applicable box.

T/S	Description	Prior Year Information	Mark if no longer applicable
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—

Retirement: 1099R **Pension, IRA, and Annuity Distributions**

Please provide all copies of Form 1099-R that you receive.

Below is a list of the Form(s) 1099-R as reported in last year's tax return. If a particular 1099-R no longer applies, mark the not applicable box.

T/S	Description	Prior Year Information	Mark if no longer applicable
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—

Income: K1, KIT **Schedules K-1**

Please provide all copies of Schedule K-1 that you receive.

Below is a list of the Schedule(s) K-1 as reported in last year's tax return. If a particular K-1 no longer applies, mark the not applicable box.

T/S/J	Description	Form	Mark if no longer applicable
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—

Income: W2G **Gambling Income**

Please provide all copies of Form W-2G that you receive.

Below is a list of the Form(s) W-2G as reported in last year's tax return. If a particular W-2G no longer applies, mark the not applicable box.

T/S	Description	Prior Year Information	Mark if no longer applicable
—	_____	_____	—
—	_____	_____	—
—	_____	_____	—

Educate: 1099Q **Qualified Education Plan Distributions**

Please provide all copies of Form 1099-Q that you receive.

Below is a list of the Form(s) 1099-Q as reported in last year's tax return. If a particular 1099-Q no longer applies, mark the not applicable box.

T/S	Description	Prior Year Information	Mark if no longer applicable
—	_____	_____	—

**Income: B1 Interest Income**

Please provide all copies of Form 1099-INT or other statements reporting interest income.

T/S/J	Payer Name	Interest Income	Prior Year Information
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Income: B3 Seller Financed Mortgage Interest**

T, S, J \_\_\_\_\_ Payer's name \_\_\_\_\_ Payer's social security number \_\_\_\_\_  
 Payer's address, city, state, zip code \_\_\_\_\_  
 Amount received in 2016 \_\_\_\_\_ Amount received in 2015 \_\_\_\_\_

**Income: B2 Dividend Income**

Please provide copies of all Form 1099-DIV or other statements reporting dividend income.

T/S/J	Payer Name	Ordinary Dividends	Qualified Dividends	Prior Year Information
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Income: D Sales of Stocks, Securities, and Other Investment Property**

Please provide copies of all Forms 1099-B and 1099-S.

T/S/J	Description of Property	Date Acquired	Date Sold	Gross Sales Price (Less expenses of sale)	Cost or Other Basis
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

**Income: Income Other Income**

Please provide copies of all supporting documentation.

	2016 Information		Prior Year Information
	Taxpayer	Spouse	Prior Year Information
State and local income tax refunds	_____	_____	_____
Alimony received	_____	_____	_____
Unemployment compensation	_____	_____	_____
Unemployment compensation repaid	_____	_____	_____
Social security benefits	_____	_____	_____
Medicare premiums to be reported on Schedule A	_____	_____	_____
Railroad retirement benefits	_____	_____	_____
T/S/J	2016 Information		Prior Year Information
Other Income:	_____	_____	_____

1040 Adj: IRA **Adjustments to Income - IRA Contributions**

Please provide year end statements for each account and any Form 8606 not prepared by this office.

	Taxpayer	Spouse
<b>Traditional IRA Contributions for 2016 -</b> If you want to contribute the maximum allowable traditional IRA contribution amount, enter the applicable code: (1 = Deductible only, 2 = Both deductible and nondeductible)		
Enter the total traditional IRA contributions made for use in 2016	_____	_____
<b>Roth IRA Contributions for 2016 -</b> Mark if you want to contribute the maximum Roth IRA contribution		
Enter the total Roth IRA contributions made for use in 2016	_____	_____

Educate: Educate2 **Higher Education Deductions and/or Credits**

Complete this section if you paid interest on a qualified student loan in 2016 for qualified higher education expenses for you, your spouse, or a person who was your dependent when you took out the loan.

T/S	Qualified student loan interest paid	2016 Information	Prior Year Information
_____	_____	_____	_____
_____	_____	_____	_____

Complete this section if you paid qualified education expenses for higher education costs in 2016. Qualified education expenses include tuition and fees required for enrollment or attendance at an eligible educational institution.

Please provide all copies of Form 1098-T.

T/S	Ed Exp Code*	Student's SSN	Student's First Name	Student's Last Name	Qualified Expenses	Prior Year Information
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

\*Education Expense Code: 1 = American opportunity credit; 2 = Lifetime learning credit; 3 = Tuition and fees deduction

The student qualifies for the American opportunity credit when enrolled at least half-time in a program leading to a degree, certificate, or recognized credential; has not completed the first 4 years of post-secondary education; has no felony drug convictions on student's record.

1040 Adj: 3903 **Job Related Moving Expenses**

Complete this section if you moved to a new home because of a new principal work place.

Description of move	_____
Taxpayer/Spouse/Joint (T, S, J)	_____
Mark if the move was due to service in the armed forces	_____
Number of miles from old home to new workplace	_____
Number of miles from old home to old workplace	_____
Mark if move is outside United States or its possessions	_____
Transportation and storage expenses	_____
Travel and lodging (not including meals)	_____
Total amount reimbursed for moving expenses	_____

1040 Adj: OtherAdj **Other Adjustments to Income**

Alimony Paid:				
T/S	Recipient name	Recipient SSN	2016 Information	Prior Year Information
_____	_____	_____	_____	_____
Street address		_____	_____	_____
City, State and Zip code		_____	_____	_____
		<b>Taxpayer</b>	<b>Spouse</b>	<b>Prior Year Information</b>
Educator expenses:		_____	_____	_____
Other adjustments:		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____

Itemized: A1 **Medical and Dental Expenses**

T/S/J		2016 Information	Prior Year Information
—	Medical and dental expenses	_____	_____
—	Medical insurance premiums you paid***	_____	_____
—	Long-term care premiums you paid***	_____	_____
—	Prescription medicines and drugs	_____	_____
—	Miles driven for medical items	_____	_____

\*\*\*Do not include pre-tax amounts paid by an employer-sponsored plan, amounts paid for your self-employed business, or Medicare premiums entered on Form Lite-3

Itemized: A1 **Tax Expenses**

T/S/J		2016 Information	Prior Year Information
—	State/local income taxes paid	_____	_____
—	2015 state and local income taxes paid in 2016	_____	_____
—	Sales tax paid on actual expenses	_____	_____
—	Real estate taxes paid	_____	_____
—	Personal property taxes	_____	_____
—	Other taxes	_____	_____

Itemized: A2 **Interest Expenses**

T/S/J		2016 Information	Prior Year Information
—	Home mortgage interest From Form 1098	_____	_____
T/S/J	Other home mortgage interest paid to individuals:		
	Payee's Name	2016 Information	Prior Year Information
—	_____	_____	_____
	SSN or EIN		
—	_____	_____	_____
	Address	City	State Zip Code
—	_____	_____	_____
T/S/J		2016 Information	Prior Year Information
—	Investment interest expense, other than on Sch K-1s:	_____	_____
	Refinance #1		Refinance #2
	Refinancing Information:		
T/S/J	Recipient/Lender name	_____	_____
	Total points paid at time of refinance	_____	_____
	Date of refinance	_____	_____
	Term of new loan (in months)	_____	_____
	Reported on Form 1098 in 2016	_____	_____

Itemized: A3 **Charitable Contributions**

T/S/J		2016 Information	Prior Year Information
—	Contributions made by cash or check	_____	_____
—	Volunteer miles driven	_____	_____
—	Noncash items, such as: Goodwill, Salvation Army	_____	_____

Itemized: A3 **Miscellaneous Deductions**

T/S/J		2016 Information	Prior Year Information
—	Unreimbursed expenses	_____	_____
—	Union dues	_____	_____
—	Tax preparation fees	_____	_____
—	Other expenses, subject to 2% AGI limitation:		
—	_____	_____	_____
—	_____	_____	_____
—	Safe deposit box rental	_____	_____
—	Investment expenses, other than on Schedule(s) K-1 or Form(s) 1099-DIV/INT	_____	_____
—	Other expenses, not subject to the 2% AGI limitation:		
—	_____	_____	_____
—	Gambling losses (enter only if you have gambling income)	_____	_____

General: Bank

**Direct Deposit/Electronic Funds Withdrawal Information**

Per IRS Security Summit requirements, verify the name of financial institution, routing transit number, account number, and type of account below. If you would like to have a refund direct deposited into or a balance due debited from your bank account(s), please enter information in the fields below. Note that electronic funds will be withdrawn only from the primary account listed below.

Mark to verify all accounts listed below have been reviewed, updated as needed, and are correct. \_\_\_\_\_

**Primary account:**

Financial institution routing transit number \_\_\_\_\_

Name of financial institution \_\_\_\_\_

Your account number \_\_\_\_\_

Type of account (1 = Savings, 2 = Checking, 3 = IRA\*) \_\_\_\_\_

Mark if married filing jointly and this is a joint account (Both taxpayer and spouse names are on the account) \_\_\_\_\_

Mark if financial institution is foreign based (Not located in the territorial jurisdiction of the United States) \_\_\_\_\_

Enter the maximum dollar amount, or percentage of total refund Dollar \_\_\_\_\_ or Percent (xxx.xx) \_\_\_\_\_

**Secondary account #1:**

Financial institution routing transit number \_\_\_\_\_

Name of financial institution \_\_\_\_\_

Your account number \_\_\_\_\_

Type of account (1 = Savings, 2 = Checking, 3 = IRA\*) \_\_\_\_\_

Mark if married filing jointly and this is a joint account (Both taxpayer and spouse names are on the account) \_\_\_\_\_

Mark if financial institution is foreign based (Not located in the territorial jurisdiction of the United States) \_\_\_\_\_

Enter the maximum dollar amount, or percentage of total refund Dollar \_\_\_\_\_ or Percent (xxx.xx) \_\_\_\_\_

**Secondary account #2:**

Financial institution routing transit number \_\_\_\_\_

Name of financial institution \_\_\_\_\_

Your account number \_\_\_\_\_

Type of account (1 = Savings, 2 = Checking, 3 = IRA\*) \_\_\_\_\_

Mark if married filing jointly and this is a joint account (Both taxpayer and spouse names are on the account) \_\_\_\_\_

Mark if financial institution is foreign based (Not located in the territorial jurisdiction of the United States) \_\_\_\_\_

Enter the maximum dollar amount, or percentage of total refund Dollar \_\_\_\_\_ or Percent (xxx.xx) \_\_\_\_\_

\*Refunds may only be direct deposited to established traditional, Roth or SEP-IRA accounts. Make sure direct deposits will be accepted by the bank or financial institution.

Electronic Filing: ID Auth

**Identity Authentication**

**Taxpayer -**

Form of identification (1 = Driver's license, 2 = State issued identification) \_\_\_\_\_

Identification number \_\_\_\_\_

Issue date \_\_\_\_\_

Expiration date \_\_\_\_\_

Location of issuance \_\_\_\_\_

Document number (New York only) \_\_\_\_\_

**Spouse -**

Form of identification (1 = Driver's license, 2 = State issued identification) \_\_\_\_\_

Identification number \_\_\_\_\_

Issue date \_\_\_\_\_

Expiration date \_\_\_\_\_

Location of issuance \_\_\_\_\_

Document number (New York only) \_\_\_\_\_

**NOTES/QUESTIONS:**

## Questions

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

	Yes	No
<b>Personal Information</b>		
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"/>
Did you change any bank accounts, or did routing transit numbers (RTN) and/or bank account number change for existing bank accounts that have been used to direct deposit (or direct debit) funds from (or to) the IRS or other taxing authority during the tax year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive an Identity Protection PIN (IP PIN) from the IRS or have you been a victim of identity theft? If yes, attach the IRS letter.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Dependent Information</b>		
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 with unearned income in excess of \$2,100?	<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 other form of separation agreement which establishes custodial responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>
Did any dependents receive an Identity Protection PIN (IP PIN) from the IRS or have they been a victim of identity theft? If yes, attach the IRS letter.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Purchases, Sales and Debt Information</b>		
Did you start a new business or purchase rental property 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 sell an existing business, rental, or other property this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you lend money with the understanding of repayment and this year it became totally uncollectable?	<input type="checkbox"/>	<input type="checkbox"/>
Did you have any debts canceled or forgiven this year, such as a home mortgage or student loan(s)?	<input type="checkbox"/>	<input type="checkbox"/>
Did you purchase a qualified plug-in electric drive vehicle or qualified fuel cell vehicle this year?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Income Information</b>		
Did you have any foreign income or pay any foreign taxes during the year, directly or indirectly, such as from investment accounts, partnerships or a foreign employer?	<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 unemployment benefits during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive any disability income during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive tip income not reported to your employer this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did any of your life insurance policies mature, or did you surrender any policies?	<input type="checkbox"/>	<input type="checkbox"/>

- Did you receive any awards, prizes, hobby income, gambling or lottery winnings?
- Do you expect a large fluctuation in income, deductions, or withholding next year?

### Retirement Information

- Are you an active participant in a pension or retirement plan?
- Did you receive any Social Security benefits during the year?
- Did you make any withdrawals from an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan?
- Did you receive any lump-sum payments from a pension, profit sharing or 401(k) plan?
- Did you make any contributions to an IRA, Roth, myRA, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan?

### Education Information

- Did you, your spouse, or your dependents attend a post-secondary school during the year, or plan to attend one in the coming year?
- Did you have any educational expenses during the year on behalf of yourself, your spouse, or a dependent?
- Did anyone in your family receive a scholarship of any kind during the year?
- Did you make any withdrawals from an education savings or 529 Plan account?
- Did you pay any student loan interest this year?
- Did you cash any Series EE or I U.S. Savings bonds issued after 1989?
- Did you make any contributions to an education savings or 529 Plan account?

### Health Care Information

- Did you have qualifying health care coverage, such as employer-sponsored coverage or government-sponsored coverage (i.e. Medicare/Medicaid) 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. If yes, attach any Form(s) 1095-B and/or 1095-C you received.
- If you had qualifying health care coverage, such as employer-sponsored coverage or government-sponsored coverage (i.e. Medicare/Medicaid) for your family, was everyone covered for every month of 2015? "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? Examples of exemptions include (but are not limited to) certain non-citizens, members of a health care sharing ministry, members of Federally-recognized Indian tribes, and exemptions requested from the Marketplace. If yes, attach the Exemption Certificate Number (ECN) or type of exemption.
- Did you enroll for lower cost Marketplace Coverage through healthcare.gov under the Affordable Care Act? If yes, attach any Form(s) 1095-A you received.
- Did you enroll for lower cost Marketplace Coverage through healthcare.gov under the Affordable Care Act and share a policy with anyone who is not included in your family?
- Did you make any contributions to a Health savings account (HSA) or Archer MSA?
- Did you receive any distributions from a Health savings account (HSA), Archer MSA, or Medicare Advantage MSA this year?
- Did you pay long-term care premiums for yourself or your family?
- Did you make any contributions to an ABLE (Achieving a Better Life Experience) account? If yes, attach any Form(s) 1099-QA you received.
- Did you receive any withdrawals from an ABLE (Achieving a Better Life Experience) account? If yes, attach any Form(s) 1099-QA you received.
- If you are a business owner, did you pay health insurance premiums for your employees this year?

### Itemized Deduction Information

- Did you incur a casualty or theft loss or any condemnation awards during the year?
- Did you pay out-of-pocket medical expenses (Co-pays, prescription drugs, etc.)?
- Did you make any cash or noncash charitable contributions (clothes, furniture, etc.)?
- If yes, please provide evidence such as a receipt from the donee organization, a



canceled check, or record of payment, to substantiate all contributions made.

Did you donate a vehicle or boat during the year? If yes, attach Form 1098-C or other written acknowledgement from the donee organization.

Did you have an expense account or allowance during the year?

Did you use your car on the job, for other than commuting?

Did you work out of town for part of the year?

Did you have any expenses related to seeking a new job during the year?

Did you make any major purchases during the year (cars, boats, etc.)?

Did you make any out-of-state purchases (by telephone, internet, mail, or in person) for which the seller did not collect state sales or use tax?

### Miscellaneous Information

Did you make gifts of more than \$14,000 to any individual?

Did you utilize an area of your home for business purposes?

Did you engage in any bartering transactions?

Did you retire or change jobs this year?

Did you incur moving costs because of a job change?

Did you pay any individual as a household employee during the year?

Did you make energy efficient improvements to your main home this year?

Did you receive a distribution from, or were you a grantor or transferor for a foreign trust?

Did you have a financial interest in or signature authority over a financial account such as a bank account, securities account, or brokerage account, located in a foreign country?

Do you have any foreign financial accounts, foreign financial assets, or hold interest in a foreign entity?

Did you receive correspondence from the State or the IRS?

If yes, explain: \_\_\_\_\_

Do you have previous years of tax returns that are either unfiled or filed with unpaid balances due?

Do you want to designate \$3 to the Presidential Election Campaign Fund? If you check yes, it will not change your tax or reduce your refund.



## Askey, Askey & Associates, CPA, LLC

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### PROFESSIONAL SERVICE ENGAGEMENT LETTER

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

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

This letter confirms and specifies the terms of our Professional Services Engagement with you, and to clarify the nature and extent of the work we will do for you. In order to ensure a clear understanding of our mutual responsibilities, we ask all of our clients to read and confirm the following arrangements.

#### **Our Responsibilities**

We will prepare your 2016 federal and requested state income tax returns from information you give us. To that end, we are only a telephone call away from answering your questions.

We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for a timely clarification of some of the information provided to us.

We will furnish questionnaires and/or worksheets as aides to gather the necessary information; your use of the forms will assist in keeping pertinent information from being overlooked.

We will use professional judgment in resolving issues when the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations and other supportable positions. Unless you instruct us otherwise, we will resolve such questions in your favor whenever possible.

We will act with integrity, honesty, and openness in everything we do for and with you. We will respect absolutely the confidentiality of our working relationship.

We will not provide any investment advisory services. Neither Askey, Askey & Associates, CPA, LLC, nor any of its employees or members are registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 as investment advisors. In our relationship, we are often advisors, not advocates, with regard to investment advice. We will advise you on the implications in light of today's tax laws and economy of specific matters you bring to our attention.

The Engagement does not include any services not specifically stated in this letter. However, we would be pleased to consult with you about income tax matters such as proposed or completed transactions, income tax projections, and for research in connection with such matters. We will render additional invoices for such services at our standard billing rates.

### **Your Responsibilities**

Your responsibility is to provide all the information required for the preparation of complete, accurate, and timely returns. To that end, you will treat material we send you as important and worthy of your time and attention.

You should retain all the documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

You represent that the information you provide to us is accurate and complete to the best of your knowledge and that your expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use are supported by records as required by law. We will not verify this information, however, we may ask for clarification of the information.

### **Timeframes**

If we do not receive your information before March 26, 2017, we cannot guarantee that your returns will be completed before the filing deadline. If we are not able to complete your return by the deadline because you did not provide your information before March 26, 2017, you solely will be responsible for any penalties or interest that result.

If you wish us to prepare an extension of your returns, an additional fee will be charged. Please note that an extension extends the time for filing a return; any income tax due must still be paid with the extension. If you are going to request a filing extension, please make your request before April 1, 2017; otherwise we cannot guarantee it will be completed by the deadline.

### **The Law Provides...**

Current tax code law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of their tax liability. For individual taxpayers, a substantial understatement exists when the understatement for the year exceeds the greater of 10 percent of the tax required to be shown on the return, or \$5,000.00. The penalty is 20 percent of the tax underpayment.

Taxpayers may seek to avoid all or part of a penalty by showing (1) that they acted in good faith and there was reasonable cause for understatement; (2) that the understatement was based on substantial authority; or (3) that the relevant facts affecting the item's tax treatment were adequately disclosed on Form 8275/8275-R attached to the return with reasonable basis.

You agree to advise us if you wish disclosure to be made in your returns or if you desire us to identify or perform research with respect to any material tax issues for the purpose of ascertaining whether, in our

opinion, there is "substantial authority" for the position proposed to be taken on such issue in your returns.

The law provides for a penalty of 20 percent to be imposed on any underpayment that results from negligence or disregard of rules or regulations - *negligence* "includes any failure to make a reasonable attempt to comply..." with the code; *disregard* "includes any careless, reckless or intentional disregard." Taxpayers may seek to avoid all or part of the penalty by showing they acted in good faith and can demonstrate reasonable basis for the understatement.

Current tax code provides for a failure to file penalty of 5% per month on the total tax liability that is owed. This penalty cannot exceed 25% of the tax liability.

Current tax code also provides for a failure-to-pay penalty at .5% monthly accrual on the outstanding tax balance. The maximum amount of this penalty is also 25%. However, when the failure-to-file and failure-to-pay penalties are assessed together their combined maximum is 25% of the unpaid liability.

### **Granting IRS Permission to Contact Our Firm**

A taxpayer may authorize the IRS to discuss their tax return with the CPA who signed the taxpayer's return as the return preparer. The authorization is granted by making the election in the signature area of the tax return. By making the election on the tax return, you are granting the IRS permission to contact our firm with questions that may arise during the processing of your return. You would also be granting our firm the permission to (1) provide the IRS with any information that may be missing from your return; (2) call the IRS to inquire on the processing of your return or on the status of your refund; and (3) respond to any IRS notices that you have provided to our firm relating to mathematical errors, offsets, and return preparation. Please note that our firm will not receive separate copies of IRS notices; therefore, you must provide us with copies of any notices you receive from the IRS. Once elected, the authorization cannot be revoked. The authorization is valid for one year after the due date for filing the tax return.

It is our firm's policy to better and more efficiently serve our clients to grant authorization. As part of this agreement, you hereby agree to grant limited authorization for Askey, Askey & Associates, CPA, LLC to contact the IRS on your behalf as discussed in the above paragraph. Please check this box if you do not authorize us to discuss matters with the IRS.

AUTHORIZATION NOT GRANTED.

Federal law has extended the attorney-client privilege to some, but not all, communications between a client and the client's CPA. The privilege applies only to non-criminal tax matters that are before the IRS or brought by or against the U.S. Government in a federal court. The communications must be made in connection with tax advice. Communications solely concerning the preparation of a tax return will not be privileged.

In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

## **Please Be Advised**

We are responsible for preparing only the returns listed above. *Our fee does not include responding to inquiries or examination by taxing authorities.* However, we are available to represent you, and our fees are at our standard rates for such services and would be covered under a separate engagement letter.

Your returns may be selected for review by a taxing authority. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for time and expenses incurred.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as necessary for preparation of the income tax returns.

In the event that Askey, Askey, & Associates, CPA, LLC records are subpoenaed pursuant to any third party litigation, you agree that this engagement letter extends to any additional time or expenses incurred by Askey, Askey, & Associates, CPA, LLC, at our then prevailing rates, required to respond to said litigation.

We subscribe to a program of peer review for maintenance of quality control in our office. As part of this program, your return may be selected for review by other CPAs under strict rules of confidentiality. Your acceptance below constitutes your agreement for disclosure under the program.

## **The Affordable Care Act**

The Affordable Care Act (ACA) added various new health insurance mandates, penalties, and credits beginning in 2014. Our services in connection with this engagement are not designed to address the legal or regulatory aspects of your compliance with the Affordable Care Act. In preparing your individual tax returns, we will rely solely on the information you provide us regarding the ACA mandates and you agree to accept full responsibility for the accuracy and completeness of this information, as well as your compliance with the ACA. As such, we will not be responsible for any taxes, penalties, or interest that may be assessed.

## **Foreign Financial Interest**

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 a value exceeding \$10,000 in a foreign country, shall report such a relationship. An interest in a foreign trust or estate may also require disclosure. 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). For example, a corporate-owned foreign account would require filings by the corporation *and* by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

If you and/or your entity have a financial interest in any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare Form TD-F-90-22.1 required by the U.S. Department of the Treasury on or before June 30th of each tax year. 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 disclosure statements.

In addition, currently the Internal Revenue Service, under IRC §6038 and §6046, requires information reporting if you are an officer, director or shareholder with respect to certain foreign corporations (Form 5471); foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472); U.S. transferor of property to a foreign corporation (Form 926); and, for taxable years beginning after March 18, 2010, if you hold foreign financial assets with an aggregate value exceeding \$50,000 (Form 8938). These code sections describe the information required to be reported on the respective forms, which are due when your income tax return is due, including extensions. Therefore, if you fall into one of the above categories you may be required to file one of the above listed forms. Failure to timely file may result in substantial monetary penalties. By your signature below, you accept responsibility for informing us if you believe that you fall into one of the above categories and you agree to provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.

### **Fee For Services**

Our fees are based upon the amount of time required at standard billing rates plus out-of-pocket expenses. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. A late payment charge of 1.5 percent per month will be assessed on any unpaid balance after deduction of current payments, credits, and allowances made within 30 days of date of billing. This is an annual percentage rate of 18 percent.

This Contract shall be construed in accordance with the laws of the State of Maryland and the venue for any action brought pursuant to this Contract shall be St. Mary's County or Charles County, Maryland.

In the event of any action or proceeding involving any balance not paid within 30 days of when the balance becomes due, that invoice may be sent to any third party for collection with interest charges at the rate stated above and you would be responsible for all collection costs, including reasonable attorney fees whether or not a claim is actually filed.

If an invoice remains unpaid for 60 days and you fail to challenge the validity of the invoiced amount and/or the quality/sufficiency of the work provided within 60 days of the original invoice, Askey, Askey & Associates, CPA, LLC can resort to legal action, including, but not limited to filing a claim in any court of competent jurisdiction.

If any challenge to the validity of the invoiced amount and/or the quality/sufficiency of the work provided arises, the parties then agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

### **Record Retention**

It is our policy to keep records related to this engagement for seven years. 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.

As long as you are a client of Askey, Askey & Associates, CPA, LLC we will retain copies of your tax returns for seven years, after which they will be destroyed. Should you elect to disengage Askey, Askey & Associates, CPA, LLC services our policy is to destroy all discontinued client files within three years.

By your signature below, you acknowledge and agree that upon the expiration of the above time periods, we shall be free to destroy our records related to this engagement.

### **Electronic Filing**

Your return will be filed electronically with Internal Revenue Service and states when possible, unless you request otherwise. You must review and sign the return before it can be electronically transmitted. If you desire to file on paper please let us know. We will need you to sign a separate form authorizing paper filing.

### **Business Financial Statements**

As a part of our tax preparation engagement, you may request that we prepare the financial statements of your company, which comprise the annual statement of assets, liabilities, and equity – income tax basis and the related statement of income and expenses – income tax basis for the year ended December 31, 2016. These financial statements will not include a statement of cash flows and the related notes to the financial statements ordinarily included in financial statements prepared in accordance with the income tax basis of accounting.

### **Our Responsibilities**

The objective of our engagement is to prepare financial statements in accordance with the income tax basis of accounting based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARSs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's *Code of Professional Conduct*, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

### **Management Responsibilities**

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is the preparation of the financial statements in accordance with the income tax basis of accounting. Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARS:

- The selection of the income tax basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
- The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
- The prevention and detection of fraud.

- To ensure that the entity complies with the laws and regulations applicable to its activities.
- The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements.
- To provide us with—
  - Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
  - Additional information that may be requested for the purpose of the preparation of the financial statements, and
  - Unrestricted access to persons within your company with whom we determine it necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

**In Closing...**

If the foregoing fairly and clearly sets forth your understanding, **please sign and return to our office and retain a copy for your records.**

Please accept our sincerest appreciation for this opportunity to work with you.

Sincerely,

*Askey, Askey & Associates, CPA, LLC*

P.S. By the way, if there are other tax returns you need us to prepare, such as gift and/or personal property, that are not already specifically identified in this letter, please let us know and we will gladly prepare those returns as well.

**Acceptance & Acknowledgement**

Accepted By: \_\_\_\_\_ Date: \_\_\_\_\_

Accepted By: \_\_\_\_\_ Date: \_\_\_\_\_