

JK Associates, LLC, Tax and Consulting Services
9520 Berger Road, Suite 310, Columbia, MD 21046

Preparation of Your Individual Tax Return(s)
Tax Year: 2023

Thank you for choosing JK Associates, LLC, to assist you with your tax affairs. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide. Please sign this letter and return it to us along with your tax materials.

Scope

We will prepare your tax year federal and all state income tax returns you request using information you provide us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you give us. We have enclosed a questionnaire to help you to gather the information required to complete your return(s).

Not included in the scope of this engagement is any accounting or bookkeeping necessary to complete the tax return, tax planning (including estimated taxes other than safe harbor estimates), filings that are not income tax returns, responding to IRS or state notices (including audits) or responding to third parties (including subpoenas). This also includes calling the IRS about your account. ***These are all separate engagements and will be billed separately.*** If you need to include accounting or tax planning with your tax return preparation, please let us know.

Client's Responsibility

It is your responsibility to provide information required for preparation of complete and accurate returns. You should keep all original documents, canceled checks and other data that support your reported income and deductions for seven years. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. ***You are responsible for your returns; review them carefully before signing them.***

After the engagement, you are responsible for pickup of any documents you want returned. We will mail them to your address *at an additional cost*. If you do not pick up your documents by the end of the calendar year, we will shred them.

You are responsible for mailing any returns or documents to the IRS or state taxing authorities if you do not e-file.

We consider both spouses to be our clients. Married couples should know that we will share information between both spouses and consider the actions of one spouse to speak for both. If you are not living together, considering separating, or have separate interests, we will require you to sign a Conflict of Interest Waiver.

If you receive any letters from the government, please notify us immediately. We will correct returns at no charge and pay any penalties ***if we are at fault. However, we are not responsible for any taxes owed.***

Communications

We may consult with you by telephone, fax, text and e-mail, as necessary, to answer questions. Communications with you made by telephone, fax, text and e-mail will normally not be encrypted. We can provide secure file transfer for you. **DO NOT SEND ANY SENSITIVE INFORMATION VIA AN UNENCRYPTED E-MAIL.** Sensitive information includes social security numbers, birthdates, bank account numbers, etc. We encourage you to use our secure portal for all documents.

To complete your return(s) in a timely manner, we have many staff members who help with data entry. They may call or e-mail with questions. We can provide a list of staff members so that you will know who you are communicating with. All returns are reviewed and signed by a CPA or Enrolled Agent.

Deadlines

This year's Federal and Maryland filing due date is **4/15/2024** and the extended due date is 10/15/2024. We request that you bring us as many documents as you now have so we may begin preparing your return. We generally work

on returns in the order received, and by early March we expect the queue to be full. **We must have a completed engagement letter and questionnaire as well as all your tax documents (except for late arriving consolidated brokerage statements and K1s) before we can begin work.** This is a “complete client folder” – if you are dropping off/mailing your documents please allow an additional week for us to scan your documents and complete your client folder. If you fill out the Engagement Letter/Questionnaire online and submit your documents through our secure portal, your folder will be complete and ready to work on sooner.

The table below indicates when we will be filing extensions. We expect to file extensions starting in March and will not be using direct debit for payment of balances due for extensions. An extension is only an extension to file, not an extension to pay - tax is still due by the filing due date and first quarter estimates for the current year are also due that day. Any taxes not paid by the filing deadline will be subject to late payment penalties and interest. We are not liable for penalties due to underestimates of your tax liability determined for extensions or estimates. We may charge a fee for filing an extension unless you have provided all documents and answered any questions we have by March 15th. We will endeavor to give you your balance due amounts as soon as possible but you may be required to make payments just before the deadline.

Client folder is complete and ready to work on:	Expectation
January 1 – February 28	We plan to complete by the filing due date (April 15)
March 1 – March 15	Will be placed on extension, and we will estimate your balance due with your extension and first-quarter estimated payments
March 15 – April 15	Will be placed on extension, but we will not prepare balance due with extension or first-quarter estimate payments
April 16 – October 1	We will begin working on these returns in July and plan to complete by the extended due date (October 15)
September 15	Additional rush fees may apply if we have not received all your required information

We plan to semi-close our office on April 1st to work on filing extensions, calculating extension and first quarter estimate payments and completing returns received by March 1st. During this time, we most likely will not begin work on any new returns, review returns with client packets completed after March 1st, or answer tax planning questions. After the filing due date the office will be closed for a week to recuperate.

Audits

Your returns may be audited based on an entry that the taxing authorities question. They may also be randomly selected for audit by a taxing authority. In the event of a tax examination, we can represent you. Such representation will be a separate engagement. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement.

Disengagement

This engagement is at-will – either party may withdraw at any time with written notice. However, if you withdraw from the engagement before the completion of the tax return(s), you will be billed for the time we have spent on the return to that point.

Limitations

Any litigation arising out of this engagement (other than actions by us to collect fees owed to us) must be filed within one year from the completion of the engagement. Any judgement you obtain shall be limited in amount and shall not exceed the fee charged and paid for the services in this engagement letter.

Fees

Our fee for preparation of your tax returns varies based on the condition of your records, the complexity of the return, and the amount of correspondence and length of meetings required in order to obtain complete and organized information. Fees might also include other factors deemed relevant, including the difficulty of the issues

and the skill required to perform the accounting, tax, or other service properly, time limitations imposed either by you or the circumstances and length of the professional relationship between us.

There will be additional fees for mailing your tax return or documents to you (this includes organizers starting in 2023). Additional fees will apply to rush jobs and extensions. Items outside the scope of this engagement or after your tax return is complete also have additional fees - please see our additional fee list at <http://jkassociatetax.com/files/Additional-Fee-Schedule.pdf>.

We require full payment BEFORE your return is delivered to you, and before we e-file. As always, you will have a copy of your return to review and, if necessary, make corrections before filing.

Our tax preparation fees increase every year even when your return is "the same". We do not know how much your preparation fee is until we have determined the extent of the work.

To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days. We may require a deposit if you are a new client.

If either party withdraws by written notice from this engagement before the completion of the tax return(s), you will be billed for the time we have spent on the return to that point.

Please initial:

Taxpayer Spouse (if applicable)

_____ _____ **If JK Associates must mail your tax return or your documents back to you, a minimum additional fee of \$15 will apply.**

_____ _____ **I (we) understand that JK Associates, LLC must be paid before we release a copy of your return to review.**

_____ _____ **I (we) give JK Associates permission to file an extension for us if needed.**

_____ _____ **I (we) understand I (we) may have to make a payment with an extension.**

JK is not liable for late payment penalties and interest even if we are unable to estimate your extension payment.

JK Associates, LLC, is not responsible for providing documentation for any of the deductions taken on my (our) tax return(s). I (we) have provided this information from my (our) own records and I (we) have proof of my (our) deductions and income. I (we) give my (our) permission to prepare my (our) tax return(s) and I (we) have read, understood and agree to the terms of this engagement and have read the Privacy Policy Act of this firm.

Taxpayer _____ Date: _____

Spouse _____ Date: _____

Client Address: _____

Telephone: (Home) _____ (Cell) _____

Email: _____

JK Associates, LLC
7216 Consent to Use Form

Taxes have an effect on many parts of our lives, but the IRS restricts us in providing information and advice to our clients. Internal Revenue Code Section 7216 states that we may not use *any* information you provide for *any other purpose* than preparing your income tax return. Penalties are a \$1,000 fine, a year in jail, or both.

Because the penalties are so severe, we would like to ask for your consent now, so that we can continue to assist you however we feel we need to. **We will not disclose your information to any third party based on this consent.** We only want to ensure we have flexibility in responding to your questions and concerns.

The paragraphs in bold below are *required by law, exactly as written*. The first paragraph says the same thing as our first paragraph. The second paragraph reminds you that signing this form is voluntary, and that your consent only lasts for one year.

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use your tax return information for purposes other than the preparation and filing of your tax return without your consent.

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of signature.

By signing below, I authorize JK Associates, LLC to use the personal, financial, and tax information I provided for preparation of my tax return for the purpose of communications (mail, email, phone, text and fax) and/or recommendations pertaining to the non-tax services the firm offers and non-tax news and information that might apply to my individual situation (for example, information on accounting, financial/retirement planning, or business planning).

Taxpayer
Name: _____

Spouse
Name: _____

Taxpayer
Signature: _____

Spouse
Signature: _____

Date: _____

Date: _____

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 email at complaints@tigta.treas.gov.

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Privacy Policy

The Federal Trade Commission has issued regulations that require tax preparation firms to provide an annual statement of firm privacy policies. Here is our policy:

We handle all information you provide us with the utmost confidentiality. Your personal information will only be shared with members of our firm who need to know this information in order to complete the work you have hired us to do. We will not disclose your personal information to anyone outside our firm without your express written permission to do so, or unless we are legally required to do so. Our preference is to provide you with any information requested by a third party and allow you to deliver it.

We restrict access to your personal information to those professionals necessary to the functioning of our firm. For example, our IT support company has access to our network to provide support and thus potentially has access to tax information. Our tax preparation software providers have access to your tax information in order to e-file your tax returns or troubleshoot software issues. On occasion we use the service Gruntworks to OCR and process tax documents. ATOM tax management software is a cloud-based client database and our secure portal provider. We are now using CognitoForms for our questionnaires.

We maintain physical, electronic and procedural safeguards to guard your non-public personal information. Our staff annually attends continuing education on tax office security and follows recommended procedures.

You should also be aware that anything you tell us during the interview for the preparation of your tax return is confidential, but not protected from the IRS. Privileged communications (those that are protected from IRS authority to compel our testimony) are limited to non-criminal tax advice on matters before the IRS or non-criminal tax proceedings in federal courts. Although we consider any information you provide us as confidential, return preparation engagements are not covered by advisor-client privilege. If you feel the nature of any subject matter to be discussed requires protected communications, please raise that issue so that we can discuss your possible need to consult with an attorney for legal advice.