GOMES, DaCRUZ & TRACY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

MARIA F. GOMES, MBA, CPA
MARK A. GERMAIN, CPA, CITP
DAVID J. MANTONI, CPA

December 30, 2019

Dear Client,

We hope that you had a happy holiday season and that 2020 will be healthy and prosperous for us all. Attached you will find our annual engagement letter for your personal income tax filing along with the 2019 tax questionnaire. Please take the time to review these documents and sign and return them to our office.

Over the past year our firm has gone through some changes. On July 1st we merged the practice of Elaine Korhonen CPA into ours adding a new office location at 2442 Boston Road in Wilbraham. Dorothy Kochanek and Geoff Frost are now working out of the Wilbraham office with Elaine and Lynn who were hired through the merger. We invite you to welcome the following new employees to the firm.

- Elaine Korhonen, CPA
- Lynn Laino, EA
- Michaela Dias
- Elizabeth (Betsy) Barrett
- Renee Gaulin

While we welcome new staff and clients to our firm, we are expanding the use of our firm's client portals and expanding our electronic communications to create a more efficient way of communicating with each other. Please let us know if you are interested in our client portals to securely transmit and store documents.

We will continue to provide service from the office you have used in the past. If you would like to change from the Wilbraham to Ludlow office or vice versa please let us know.

The filing deadline for individual tax returns is Wednesday April 15, 2020 (no extended days this year). In order to meet this filing deadline, the information needed to complete the return should be received by us **no later than** April 1, 2020. Returns received after this date will be extended. If an extension of the time is required, any tax that may be due with the return must be paid with the extension.

Sincerely,

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December 30, 2019

Dear Client,

This letter is to confirm and specify the terms of our engagement with you for the year ended December 31, 2019 and to clarify the nature and extent of the tax services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask that all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your individual federal and state income tax returns for the calendar year 2019. We are under no duty to review the information you provide to determine whether you may have a filing obligation with another state other than your state of residence or state of employment. If we become aware of any other filing requirement, we will tell you of the obligation and may prepare the appropriate returns at your request.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. 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. **You have the final responsibility for the income tax return and, therefore, you should review them carefully before you sign them.**

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns. This will include the ownership of or signature authority over any foreign bank accounts and the ownership of any other foreign financial assets. We will not verify the information you give us however, we may ask for additional clarification on some information.

You should also know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as travel and entertainment expenses and expenses for business usage of autos. In preparing your returns, we rely on your representations that we have been informed of all crypto-currency and bartering transactions, and that you understand and have complied with the documentation requirements for your expenses and deductions. If you have any questions about these issues, please contact us.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

In no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm, or to any other third party for any purpose without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of the tax return and the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that don't meet these standards. Accordingly, we will discuss tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement and you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records related to this engagement for **<u>seven years</u>**. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect records for possible future use, including potential examination by governmental or regulatory agencies.

By signing this engagement letter, you acknowledge and agree that upon expiration of the seven year period, we are free to destroy our records related to this engagement.

The returns may be selected for review by taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax returns.

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement, including tax planning, are based on time required, complexity of the return, plus any out-of-pocket expenses, at our standard hourly rates. Our fees are payable and due upon presentation of your tax filings.

You authorize the use of e-mail and other electronic methods to transmit and receive information, including confidential information. You acknowledge that e-mail travels over the public Internet which is not a secure means of communication. Information transmitted via electronic methods could be compromised through no fault of Gomes, DaCruz & Tracy, P.C. We will utilize reasonable methods and precautions to protect the privacy and confidentiality of transmitted information.

We have the right to withdraw from this engagement, in our discretion, if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If the services and terms outlined above are in accordance with your understanding, please sign on the next page designated for your signature (signed by both taxpayer and spouse if joint return) and return the original of this executed letter along with the enclosed questionnaire to this office.

Sincerely,

GOMES, DACRUZ & TRACY, P.C.

PLEASE SIGN AND RETURN WITH THE QUESTIONNAIRE CONTINUED ON THE BACK

ACCEPTED AND AGREED:

Taxpayer

SIGNATURE	CELL / HOME **(Circle one)**
PRINT NAME	E-MAIL

Spouse

SIGNATURE	CELL / HOME **(Circle one)**
PRINT NAME	E-MAIL

Location Preference: Ludlow / Wilbraham **(Circle one)**

1040 Questions For 2019

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

	Yes	No
Personal Information		
Did you retire or change jobs this year?	☐	☐
Did you have a change in marital status during the year? Please explain.	☐	☐
Did your address change from last year?	☐	☐
Did you change the bank account used to direct deposit tax refunds or direct debit payment due? If yes, enclose a voided check.	☐	☐
Dependents		
Do you have children under age 18 or full-time students under age 23 with unearned income in excess of $1,050?	☐	☐
Did you provide over one half of the support for any other person other than your dependent children during the year?	☐	☐
Did you pay for childcare while you worked or looked for work?	☐	☐
Did you and your dependents have health care coverage for the full year?	☐	☐

- CONTINUED ON NEXT PAGE -

1040 Questions For 2019, continued

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

	Yes	No
Income Information		
Did you sell an existing business, rental, or other property this year?	☐	☐
Did you have any debts canceled or forgiven this year?	☐	☐
Did you have any foreign income or pay any foreign taxes during the year?	☐	☐
Did you have any gambling or lottery winnings?	☐	☐
Did you make any withdrawals from an IRA, 401K, or other qualified retirement plan?	☐	☐
Did you receive any Social Security, disability, or unemployment income this year?	☐	☐
Deduction Information		
Did you refinance or take out a home equity loan this year?	☐	☐
Did you make any energy efficient home improvements to your main home this year?	☐	☐
Did you purchase a qualified plug-in electric drive or fuel cell vehicle this year?	☐	☐
Did you pay out-of-pocket medical expenses?	☐	☐
Did you pay any tuition or student loan interest this year?	☐	☐
Do you have evidence to substantiate charitable contributions?	☐	☐
Did you make contributions to a Health Savings Account (HSA) this year?	☐	☐
Miscellaneous Information		
Did you make gifts of more than $15,000 to any individual?	☐	☐
Did you make any contributions to or distributions from a 529 plan?	☐	☐
Did you make any out-of-state purchases (by telephone, internet, mail, in person) that the seller did not collect state sales or use tax?	☐	☐
Did you have any interest in or signature authority over a bank, securities, or other financial account in a foreign country?	☐	☐
Were you notified or audited by the IRS or state taxing agency? Provide details.	☐	☐
May the IRS discuss your tax return with your preparer?	☐	☐
Will you have any substantial changes of income or deductions for 2020?	☐	☐

Business Use of Automobile

Do you have business use for your automobile? If yes, how many business miles?

Total miles (personal & business) ________________

Business miles (not to and from work) ________________

Estimated Taxes Paid:

Due Date	Date Paid	Federal	State