

December 31, 2024



Karen Ortenzio Byers CPA, Inc.

Dear _____:

Thank you for the opportunity to serve you in the preparation of your 2024 individual income tax returns. This letter is to confirm our understanding of the terms and objectives of our tax services to be provided.

The Internal Revenue Service imposes penalties and interest on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We will prepare your federal, _____, and _____ city individual income tax returns for calendar year 2024. **We will be electronically filing all federal and state returns that qualify as we are required by the taxing agencies.** Your finalized tax packet from us this year will include the following:

1. **A form to sign and mail back to our office, Federal Form 8879.**
2. Any paper forms to file that did not qualify for electronic filing.
3. A complete paper copy of all forms filed, electronically or traditionally.
4. Your original tax documentation.
5. An invoice for our services.

Before your returns will be filed electronically, we must receive the signed form and your payment in full. Signed forms will be returned to you if received without payment.

We are responsible for preparing only the returns listed specifically in this letter. If you have taxable activity in a state or city other than those specifically listed you are responsible for providing our firm with all information necessary to prepare any additional applicable state or local income tax returns as well as informing us of the applicable states or cities.

You acknowledge that you have reported all 2024 income you received including barter, crypto-currency, consumer-to-consumer activity, cash-based revenues and all other income whether received in-person, in-kind or electronically.

If you have derived income from a foreign country, we will use the foreign country income information which you provide to calculate any applicable federal or state foreign tax credit or other affected federal or state income tax items. However, you are responsible for meeting any foreign country income tax or other foreign country reporting requirements.

It is our responsibility to prepare these returns as accurately as possible from the information you provide. It is your responsibility to provide us in a timely manner with all the information necessary for the preparation of complete and accurate income tax returns. If items are not received in a timely manner, it may become necessary to extend your return which we will do when time warrants. An extension of time will be sent into the IRS by us if your return has not been completed by April 1, 2025, and if you have notified us that we are to prepare your returns for the year 2024. **Your notification to us will be fulfilled by sending in a signed copy of this letter by April 1, 2025 either with or without your tax information. We do not file extensions for clients unless specifically requested to do so. An extension is granted to extend the time to file. It is not an extension of time to pay any balance due. If your personal data is not received in our office by 3/1/2025, it will be extended and may not be finished by the first deadline of 4/15/25. If you know you owe or think you owe – PLEASE TELL US!**

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment and related expenses and the required documents to support charitable contributions. It is also your responsibility to carefully examine and approve your completed tax returns before signing your form 8879 permitting us to e-file your returns, or if paper filing, before you mail them to the tax authorities. We are not responsible for the disallowances of doubtful deductions or inadequately supported documentation, nor resulting taxes, penalties and interest. We will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, W-2's, K-1's, 1099's, 1098's, and receipts and similar items.

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value exceeding \$10,000 in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic

entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties. Such disclosure includes filing Form 8938 with this Form 1040. *If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required Income Tax related forms, and penalties may be due, for which we have no responsibility. In the absence of such information being provided we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization.*

If you and/or your entity have a financial interest in any foreign accounts, you are also responsible for filing Form FinCen 114 required by the U.S. Department of the Treasury on or before April 15th of each tax year. US citizens are required to report worldwide income on their US tax return.

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.

Effective 1/1/2024, there is new small business reporting requirement. If your business is an LLC, corporation, partnership, or single member LLC, you must report specific Beneficial Owner Information. For new entities formed after 1/1/2024, you have 90 days to file your initial report via www.fincen.gov. If your entity was formed prior to 1/1/2024, you have twelve months to file your initial report or before 12/31/24. Any assistance provided by this office will be handled under the scope of a separate engagement letter at your written request and will only be technical support in nature, not filing of any forms. Please be advised that we do not file this form for you as it requires your personal information as well as other entity specific information we are not privy to.

Business Owners - When a self-employed taxpayer reduces taxable income through tax deductions there is also a reduction in earned income reported to the Social Security Administration, which could reduce current and future benefits for the taxpayer and his or her dependents. You acknowledge and agree to the current tax reduction and also acknowledge and agree to the potential negative effects on future social security benefits. Additionally, new state laws regarding the collection of sales tax by online sellers require separate registration, collection, filing and payment with many states at very low activity levels. We were not engaged to, nor did we, determine whether individual state sales tax rules apply to your business. Determination of whether an individual state's sales tax rules apply to your activity are your responsibility unless we have a SEPARATE written engagement letter acknowledging our responsibility to determine or apply sales tax rules for an individual state. Failure to register and file with an appropriate state may expose you to severe penalties.

We have enclosed an update questionnaire for you to complete. Please answer all questions and return the update with your year end information. We will not verify the information you give us; however, we may ask for additional clarification as needed on some information. Verification of the information given to us is your responsibility.

In accordance with our firm's current retention policy, we will retain our work papers and your income tax returns for 4 years. However, we do not keep any original client records, so we will return these 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. We will provide you a copy of the tax returns prepared and if requested in writing a copy of the depreciation schedules. If you should need replacements, we will provide additional copies at our standard copy rates. After 4 years, our work papers and files will no longer be available. Physical deterioration or catastrophic events may shorten the term during which our records will be available. All your original source documentation will be returned to you. It is your responsibility to maintain these records for at least 6 years and some of them permanently.

The privacy policy of this firm is as follows. We collect nonpublic personal information about you from the following sources:

1. Information we receive from you on applications, tax organizers, worksheets, and other documents we use in tax preparation or other financial and related services;
2. Information about your transactions with us, our affiliates, or others.

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as listed below unless permitted, required or **approved by you in writing.**

1. Requirements to comply with Federal, state or local law,
2. Requirements to comply with National, state or local licensing rules,

3. Information, which you authorize us to disclose by signing this engagement letter, to electronically file your tax returns, when applicable,
4. Information, which you authorize us to disclose by signing this engagement letter, that discloses that you are our client, without disclosure of financial or other personal information.

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the internet. Such communications may include information that is confidential to you. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable law and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

The fees for preparation of income tax returns and projections will be based on a per form fee schedule. Fees for 2024 are expected to be 10% to 25% higher than 2023. The fees for consultation, compliance, and tax advice will be at the standard rates of \$125.00 per hour for CPA services, \$85 per hour for EA services and \$60.00 to \$75.00 per hour for support staff services. We will provide you with a hard copy (paper) of your returns. The fee for an extra copy of your returns will be \$15.00. **Payment for 2024 income tax preparation is due upon receipt by you and before your return will be filed electronically from our office. Signed Federal Form 8879 will be returned to you if received without payment in full.** Balances unpaid in excess of 30 days from the billing date will be charged interest at a rate of 1% per month or 12% annually. If for any reason we incur collection costs regarding your fee, those costs will be added to the final amount to be collected.

We reserve the right to require payment when your returns are picked up or before they will be mailed out to you.

Please be aware that your returns are subject to examination by the 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 your tax returns. If an examination occurs, we will represent you if you request. However, these additional services are not included in our fee for preparation of your returns. You will be billed at the standard rates at the time these additional services are requested and performed. When claiming deductions for business travel, auto, and meals please also be aware that the IRS does require you to have documentation that shows the who, what, where and when in addition to the actual cost. **For auto deductions you do need a daily record of your business miles along with total miles driven for the year.**

The Internal Revenue Service requires a receipt for all charitable donations. If you do not have a receipt you cannot claim a charitable deduction on your 2024 income tax returns.

From time to time various third parties may request that we sign, for you, some verification of income, employment or tax filing status. Because we were engaged only to prepare your income tax return, without examination, review, audit or verification, our insurance carriers as well as the state board of accountancy prohibit us from signing any such document and we suggest that you have them send IRS Form 4506 to the IRS to obtain such verification.

Please complete all questionnaires for preparation of individual taxes including all questions on the update questionnaire and the multiple items on the individual tax filing acknowledgement form. Please mark N/A if they do not apply. We will rely without independent verification on the information you have provided on the questionnaires to determine your eligibility for credits, application of penalties and reconciliation of any advance credit payments where applicable.

We appreciate this opportunity to serve you. If you have any questions or need any additional information, please do not hesitate to call. Please sign and date this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter. In other words, you will not be put on the "TO-DO" list until we receive this signed letter. You must return all questionnaires to have your returns completed.

Sincerely,


Karen Ortenzio Byers, CPA

I have read the above terms of the engagement letter and agree with the terms of this engagement.

Signature

Date

2024 INDIVIDUAL TAX FILING ACKNOWLEDGEMENT FORM

Ohio Sales & Use Tax

The State of Ohio requires all individuals to report any amount of unpaid sales tax from out-of-state purchases made during 2024. **If you did not pay sales tax to another state on purchases, Ohio taxes you on the purchase.** This tax is reported on your Ohio 1040. Please indicate below the total amount of out-of-state purchases on which you paid -0- sales tax or Ohio use tax for 2024.

Total taxable purchases: _____

Signature **Date** **Spouse** **Date**

Home Equity Loan Interest

Please provide details of the amount of your loan that was used to **buy, build or improve** your primary residence. If not provided, interest is not deductible.

Home Equity Loan Number: _____

Percentage of Loan used to **buy, build or improve** primary residence: _____

Signature **Date** **Spouse** **Date**

Virtual Currency

At any time during 2024, did you receive, sell, exchange or otherwise acquire any financial interest in any virtual currency? Yes____ No____

Did you use virtual currency to purchase anything? Yes____ No____

If you marked yes to either question, please supply your 2024 transaction analysis:
Please call our office with questions.

Signature **Date** **Spouse** **Date**

Health Savings Accounts (H.S.A)

Did you have H.S.A. health insurance in 2024? Yes____ No____

If so, did you take any distributions from the H.S.A. in 2024? Yes____ No____

Were these distributions used to pay qualified medical expenses? Yes____ No____

***Please note that any money taken out of the H.S.A. in any taxable year will cause tax form 1099-SA to generate. Please be sure to include this tax form when sending in your documents.*

Residential Energy Credits

What improvement did you do that may qualify for the energy credit? _____

How much did you spend for this improvement? _____

Please provide copies of all receipts/documents.

INDIVIDUAL DATA UPDATE QUESTIONNAIRE

Please complete the following information so we can update our records.
DO NOT PUT SAME AS LAST YEAR – PLEASE FILL OUT ENTIRELY

Name _____ Spouse _____

Date of Birth: _____ Date of Birth: _____

Soc Sec #: _____ Soc Sec #: _____

Taxpayer Driver's License #: _____ Spouse Driver's License #: _____

Issue Date _____ Issue Date _____

Expiration Date _____ Expiration Date _____

Current Address _____

City,State,Zip _____ Phone _____

Cell Phone _____ Email _____

NEW CLIENTS ONLY: Please provide a full copy of prior year tax return, to include federal, state and city returns

E-File Information

1. Do you have an IRS issued PIN#? **If so, please supply a copy of IRS notice.** Yes ___ No ___
2. Do you want Direct Deposit? **If so, please include a voided check** Yes ___ No ___

Personal Information

1. Change of address / Date of change / Old Address

Change of Name / Change filing status

2. Dependent changes

- a. New dependents – did you have a baby? Provide details such as full name, birthdate and provide a copy of social security card
- b. Take dependent off? Dependents aged 24 are no longer dependents unless income is less than \$4,400 per year. Provide details for any questionable dependent change.
- c. We are asking the following questions regarding your dependents, should you qualify for the **Earned Income Tax Credit** or qualify to file **Head of Household**.

If you do not qualify, this does not apply.

1. Do you have full custody of all dependents? Yes ___ No ___
If not, does the dependent live with you for more than 50% of the time? Yes ___ No ___
2. To verify dependent residency, please supply a copy of the dependents School records or report cards

3. Do you have a mentally or physically disabled child? Yes ___ No ___
If so, has the Social Security Administration determined that the child is disabled? Having this done prior to the child turning 22 years old may qualify the child for a more beneficial amount on the parent's social security and Medicare Account.

4. Do you have a college student? Yes ___ No ___
If you have a student in college, provide the following: Form 1098-T, cost of room & board, computer equipment, books and supplies, in a summarized format. (a transcript or detail ledger from the school online account can provide this information)

5. Do you have distributions from a college savings plan or 529 plan? Yes ___ No ___
If so, please supply a copy of Form 1099-Q.

If your 529 plan distributions were not for a dependent on your tax return, please provide students full name and social security number and fully complete Question #4 above.

Name: _____
SS#: _____

6. Do you have any education expenses not paid directly to the university? Yes ___ No ___
If so, please provide details and copies of receipts for items such as books, supplies, and Room & Board or rent for a private facility.

7. **Did you include any tax documents/W-2's for dependents?** Yes ___ No ___

8. Did you purchase your health insurance from the MarketPlace? Yes ___ No ___
If so, you MUST provide a copy of Form 1095-A. If Form 1095-A Contains zeros in Part III, Column B – you must obtain from the marketplace the value that should have been provided on the original form.

9. Do you have a Schedule K-1 and a basis schedule from ownership in a business that **we do not prepare on your behalf**? Is Box 20 for Form 1065 Schedule K-1 or Box 17 for Form 1120 Schedule K-1 populated? Yes ___ No ___
The data for the Qualified Business Income Deduction is required to be reported in the above boxes in order for us to take the deduction on your return.
****If we do not prepare that business return, please provide a copy.**

10. Do you have military pay? Yes ___ No ___
*If yes, it is not subject to Ohio income tax

11. If you are self-employed filing Form Schedule C, we will need a copy of your business license, any Forms 1099's received and a copy of your December 31st bank statement.

Investment Information

1. Did you make any IRA contributions in 2024 or early 2025 for the 2024 tax year?
Amount: _____ Date: _____ Circle Type: ROTH / Traditional / Non-Deductible
2. Have you ever made a **non-deductible IRA contribution** in your lifetime? Yes ___ No ___
(Please provide a copy of tracking tools being used) **You must include copy of statement showing balance at 12/31 in all IRA's.**
3. If you have any Traditional IRA distributions in 2024, did you ever make Yes ___ No ___
any **non-deductible contributions** to an IRA in your lifetime? If yes,
please provide a copy of your tracking tools.
4. Have you made a contribution to a **ROTH IRA** in 2024? Yes ___ No ___
If so, How much and when? _____
When was account opened? _____
What is balance at 12/31/24? _____
5. Do you have an H.S.A. (Health Savings Account) that you have made Yes ___ No ___
contributions to and/or distributions from? Please provide both Forms
5498-SA and 1099-SA. Please provide whether family or single coverage.
Did you use H.S.A. distributions for qualified medical expenses? Yes ___ No ___
6. Have you made contributions to a Donor Advised Fund this year? Yes ___ No ___
If so, how much? _____ Date(s): _____
7. During 2024, have you made contributions **FROM** your Donor Advised Yes ___ No ___
Fund to charities?
Please provide all details via separate sheet:
Charity Name: _____
Amount: _____
8. Did you make any gifting distributions from your IRA using your Yes ___ No ___
RMD in 2024?
If yes, please supply: dates, amounts, charity name and from which IRA
account for each donation.
9. At any time during 2024, did you have an interest in, a signature or Yes ___ No ___
other authority over, a financial account in a foreign country, such as a bank
account, securities account, or other financial account? **If yes please call us!**
10. Did you make any contributions to a Section 529 College Savings
account in 2024? If so, how much and in whose name? Please provide proof.

11. Did you purchase a new home or refinance an existing home in 2024? Yes ___ No ___
If so, please supply a copy of HUD/Settlement statement. For all lines of credit, 2nd mortgages and any secondary loan against your primary residence you will need to provide details as to what the money was used for. **See Tax Filing Acknowledgement Form.**
12. Did you sell a home in 2024? If so, please supply a copy of the HUD closing statement. Yes ___ No ___
- 13. If you have a reverse mortgage that you are making payments on- call us immediately to discuss necessary documents needed.**
14. Did you receive a 1099-C, 1099-A or notice of debt cancellation in 2024? Yes ___ No ___
Did you discuss options for debt forgiveness with any entity? If so, please supply detail of conversations or documentation.
15. Did you sell on eBay, PayPal or any other online tool? Yes ___ No ___
If you receive any Forms 1099-K, please supply us copies.
16. Do you have income from DoorDash, Instacart or other delivery Services? If so, please provide mileage expense by month. Yes ___ No ___
17. Do you own or utilize virtual currency? Yes ___ No ___
If so, please supply documentation such as a year-end statement showing value at 12/31 and transactions during the year such as bought or sold. For tax purposes, it is treated similar to an investment account.
(See Tax Filing Acknowledgement Form Included in this packet)
18. Did you make any gifts over \$18,000 to any individuals in 2024? Yes ___ No ___
Did you transfer or was a home transferred from parent to child? Yes ___ No ___
If so, a gift tax return may be due. Please provide all the details to the home transfer so we may identify if any returns are due.
19. Did you make any contributions to a state Scholarship Granting Organization in 2024? If so, you must provide a copy of your acknowledgement letter. Yes ___ No ___
20. Do you have residential or commercial rental real estate? Yes ___ No ___
If so, please provide details for each property such as type of property, physical location plus the numbers of days rented and number of days used personally, rental income and expenses.
21. Did you form a trust in 2024? Yes ___ No ___
Where you informed that you are a beneficiary of a trust? Yes ___ No ___

Medical Deductions

Please provide grand totals for the year. We do not need your actual receipts.

Category	Grand Total for Year
Prescription	
Fees for doctors & dentists	
Fees for hospitals & clinics	
Fees for labs & xray	
Eyeglasses & Contact Lenses	
Medical Mileage	
Medical Parking Expense	
Medical Equipment & Supplies	
Qualified Long Term Care Expenses **	
Health Insurance Premiums: Medicare Parts B through D	
Health Insurance Premiums: Medicare Supplemental	
Health Insurance Premiums: Private Paid Insurance	
Long Term Care Insurance Premiums	

****Please provide a transcript from facility for any qualified long term care expenses.**

Estimated Tax Payments

1. Did you make any estimated tax payments for 2024? Yes ___ No ___

If yes, please list below the estimated tax payments made.

Copies of cancelled checks are required in order for the amounts to be included on the return.

Go and print check from online banking. Copy of bank statement or receipt of EFT is ok if no cancelled check exists.

	Federal Date / Amount	State Date / Amount	City Date / Amount
April 2024			
June 2024			
September 2024			
January 2025			

****Please do not include payments made in January 2024 for the 2023 income tax returns - only include payments made in January 2025 for the 2024 estimates.**