Anspach Financial Group

LETTER OF ENGAGEMENT

We appreciate the opportunity to work with you in 2022. This letter confirms and specifies the terms of our engagement with you and clarifies the nature and extent of the services we will provide. To ensure an understanding of our mutual responsibilities, we ask you to confirm the following arrangements.

We will prepare your 2021 federal and state income tax returns from the information you provide us. We will not audit or otherwise verify the data you submit, although we may ask you for clarification of some of the information. We will provide a questionnaire and organizer to guide you in gathering the necessary information.

It is your responsibility to provide all of the information required for the preparation of complete and accurate returns. You should retain all of the documents and data that substantiate your income and deductions as 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 returns and, therefore, you should review them carefully before they are filed.**

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless instructed otherwise by you, we will resolve such questions in your favor whenever possible. If your return is selected for review by a tax agency, you may engage us to assist or represent you.

You are responsible for reporting foreign activities. By signing this letter you acknowledge that you will inform us if you have any foreign assets, income from foreign sources, or if you have signatory authority over any foreign accounts. We will review any income/account information if you are unsure of its source. **Note: The penalties for failure to report foreign activities are severe.**

All invoices are due and payable upon presentation. A service charge may be assessed on delinquent accounts.

We require all of our clients to return this signed engagement letter and the completed questionnaire that follows. Please ensure that you include these with your tax documents when you submit them to our office.

I/we understand the contents of this letter and confirm that the questionnaire responses and all tax information provided to Anspach Financial Group for the preparation of income tax returns is complete and accurate to the best of my (our) knowledge.

Accepted By: ________________________________

Spouse, if joint return ___________________________

Date: ___________________

Questions

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

	Yes	No
Personal Information		
Did your marital status change during the year?	☐	☐
Do we have your correct/current contact information (address, email, telephone)?	☐	☐
Do you want direct deposit of tax refunds? *If yes, please complete account information form in the Appendix at the end of this questionnaire.*	☐	☐
Do you want direct debit of tax amounts due, including estimated payments? **If yes, you must complete the account information form in the appendix and confirm payment instructions directly with your advisor.**	☐	☐
Have you, your spouse or your dependent received an Identity Protection PIN from IRS or been a victim of identity theft? *If yes, submit the IRS letter with 2021 IP PIN*	☐	☐
COVID-19 Information		
Did you receive an Economic Impact Payment (EIP3)? *If yes, please provide IRS Letter 6475 which shows total amounts of EIP3 payments received to your advisor.*	☐	☐
Did you receive an adjustment to your refund or balance due for the exclusion of unemployment compensation and/or Advance Premium Tax Credit as a result of the American Rescue Plan Act (ARPA)?	☐	☐
Did you receive advanced Child Tax Credit (CTC) payments in July, August, September, October, November, and December? *If yes, please provide the IRS Letter 6419 which shows total amounts of advance CTC payments to your advisor.*	☐	☐
Did you receive emergency leave sick pay?	☐	☐
Did you receive any special unemployment benefits or compensation under the Coronavirus Relief Act during the year?	☐	☐

Dependent Information - Section Does Not Apply to Me [ ]

The IRS now requires tax preparers to obtain supporting documentation from those taxpayers claiming dependents and any related credits, and from those filing as Head of Household. Please see list in Appendix at end of questionnaire for a partial list of acceptable documents.

	Yes	No
Were there any changes in dependents from the prior year?	☐	☐
Did you provide over half the support for any other person(s) other than your dependent children during the year?	☐	☐
Do you have any dependent children, including those under age 19 or a full-time student under age 24, with unearned (investment) income in excess of $2,200?	☐	☐

	Yes	No

Dependent Information - Continued

	Yes	No
Do you have any dependents who may need to file tax returns? *We may need a copy of their returns if not prepared by our firm.*	☐	☐
Did you pay for child care while you worked or looked for work?	☐	☐
If you are divorced or separated with children, do you have a divorce decree or other form of separation agreement which establishes custodial responsibilities?	☐	☐
Did any dependents receive an Identity Protection PIN (IP PIN) from the IRS or have they been a victim of identity theft? *If yes, please provide the letter to your advisor.*	☐	☐

Purchases, Sales and Debt Information

	Yes	No
Did you buy, sell, receive or exchange virtual currencies (i.e. Bitcoin) or use cryptocurrency to pay for goods or services? **(This question must be answered)**	☐	☐
Did you sell any investments or securities in 2021?	☐	☐
Did you sell, exchange, or purchase any real estate during the year? *	☐	☐
Did you refinance a principal residence, second home or rental property in 2021? * ***If yes to either, please provide copy of final settlement statement from title company.**	☐	☐
Did you pay interest on a home equity loan or line of credit in 2021? *Note that the deduction may be limited to the extent you can document the funds were used for improvements to the property.*	☐	☐
Did you acquire a new or additional interest in a partnership or S corporation?	☐	☐

Income Information

	Yes	No
Did you receive any income from property or businesses sold prior to this year?	☐	☐
Did you receive any unemployment or paid family leave benefits during the year?	☐	☐
Did you cash any Series EE or Series I Savings Bonds issued after 1989?	☐	☐
Did you receive any payments for administering a trust or estate?	☐	☐
Did you receive any tip income not reported to your employer?	☐	☐
Do you have income from any source (including hobbies) that is not reported on a tax document or on your business or rental schedules?	☐	☐

Retirement and Other Plan Information

	Yes	No
Did you receive any Social Security, Railroad Retirement or any pension payments?	☐	☐
Did you receive distributions from any retirement accounts?	☐	☐
If you received any retirement plan distributions in 2020 that you elected to spread over 3 years, did you repay any portion of the distribution in 2021?	☐	☐
Did you complete any retirement account rollovers?	☐	☐

	Yes	No

Retirement and Other Plan Information - Continued

Did you direct any of your required minimum distribution to a qualified charity? ☐ ☐

Did you make any Roth IRA conversions? ☐ ☐

Did you make any contributions to an IRA or self-employment plan? ☐ ☐

Health Care Information

Were you and everyone in your household covered by health insurance for all of 2021? ☐ ☐
If yes, please provide the source (see below) of coverage to your advisor.

Form 1095-C employer sponsored plan
Form 1095-A Covered California
Form 1095-B Individual or family plan purchased directly from an insurance company
Other: COBRA, Medicare

Did you contribute to or receive any distributions from a Health Savings Account (HSA)? ☐ ☐
If yes, please respond to the questions in the Appendix at the end of the questionnaire.

Did you pay long-term care premiums? ☐ ☐

Education Information - Section Does Not Apply to Me [ ]

Did you have any educational expenses during the year on behalf of yourself, your spouse, or a dependent? ☐ ☐
If yes, attach Form(s) 1098-T and documentation for qualified tuition and related expenses.

Did anyone receive a scholarship and were funds used for expenses other than tuition? ☐ ☐

Did you make any withdrawals from an education savings or 529 Plan account? ☐ ☐

Did you pay any student loan interest this year? ☐ ☐

Itemized Deduction Information - Section Does Not Apply to Me [ ]

Note that you may be able to itemize deductions on your state income tax return even if you claim the standard deduction on your federal return.

Did you incur a loss due to a federally declared disaster? ☐ ☐

Do you have the required receipts for all charitable contributions? ☐ ☐
(Note: Any contribution of $250 and above, requires a letter from the charity.)

Are you claiming any noncash charitable contributions which in total exceed $500 e.g. clothes, furniture, etc.? ☐ ☐
If yes, please provide receipts listing donated items with thrift shop valuations.

Did you donate a vehicle or boat during the year? ☐ ☐
If yes, please provide Form 1098-C from the donee organization.

	Yes	No
Business Activities - Section Does Not Apply to Me [ ]		
Did you start a new business, or were you paid as an independent contractor?	☐	☐
Did you buy or sell any business assets or equipment?	☐	☐
Are you required to issue 1099s to any individuals or companies for services provided? (*If you paid $600 or more to an individual or businesses during the year the 1099 rules are applicable.*)	☐	☐
If you are required to issue 1099s, have you or will you issue and file them? (*We will need a copy of your filed 1099s unless prepared and filed by our firm.*)	☐	☐
If you used your auto for business, did you keep all of the required records for us to calculate the business use deduction?	☐	☐
If you have a retirement account established for your business, did you make or do you plan to make any contributions for the 2021 tax year?	☐	☐
Did you engage in any bartering transactions?	☐	☐
Did you receive a Paycheck Protection Program (PPP) loan?	☐	☐
If yes, did you apply for Paycheck Protection Program (PPP) loan forgiveness?	☐	☐
Did you receive any federal, state or local government grants? *If yes, please provide detailed information to your advisor.*	☐	☐
Rental Activities - Section Does Not Apply to Me [ ]		
Did you purchase a new rental property or convert a personal use property to a rental in 2021?	☐	☐
Did you rent out any portion of your primary residence, secondary or vacation home on a temporary basis? *If yes, please provide any reports generated by the rental agency/service.*	☐	☐
Do you have a business license for your rental activity, if required?	☐	☐
Are you required to issue 1099s to any individual or business for services provided? (*If you paid $600 or more to an individual or businesses during the year the 1099 rules are applicable.*)	☐	☐
If you are required to issue 1099s, have you or will you issue and file them? (*We will need a copy of your filed 1099s unless prepared and filed by our firm.*)	☐	☐
Foreign Assets		
Note that failure to report foreign accounts can result in severe penalties.		
Do you own or have signature authority over any foreign bank or security accounts?	☐	☐
If yes, did the maximum value of your accounts exceed $10,000 at any point during the year?	☐	☐
Do you have an interest in a foreign trust, corporation, or partnership?	☐	☐

Yes **No**

Foreign Assets - Continued

Do you own any foreign real estate or other assets?

Do you own any foreign issued life insurance policies?

Foreign Income

Did you receive income from any source outside the US, including but not limited to any of the following:

Wages or other form of compensation from foreign company or government?

Self-employment income from a foreign source?

Retirement income including foreign pensions and Social Security?

Rents from Property located outside the US?

Investment income from foreign sources? **Note:** *This does not include foreign securities held in US financial institutions reported on 1099 Forms.*

Any other source of foreign income?
If yes, please provide details to your tax advisor.

Miscellaneous Information

Did you receive or pay alimony?
If yes, please provide date of the agreement to your advisor.

Did you make gifts of more than $15,000 to any individual?

Did you make any online or out-of-state purchases on which sales tax was not collected? **If yes, please provide total amount of purchases**: $______________

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

Did you add any solar energy improvements to your main home this year?

Did you purchase a qualified new model plug-in electric drive vehicle or qualified fuel cell vehicle this year?

If you are the beneficiary of an estate or trust, will you receive a tax document for the current tax year?

Did you incur any foreclosures or have any debts cancelled or forgiven this year?

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.)
Spouse (If applicable)

Did you receive correspondence from the Internal Revenue Service or a state tax agency that you have not already submitted to our office?*
***If yes, please explain and include a copy with your tax documents.**

APPENDIX TO CONFIDENTIAL QUESTIONNAIRE

Direct Deposit or Direct Debit Account Information:

Financial Institution Name: ____

Routing Number: ____________________ Account Number: ____________________
Type of Account: (1 = Savings; 2 = Checking) _______
Check if married filing jointly and this is a joint account _______
Note that direct debit instructions must be discussed and confirmed with your tax advisor.

Health Savings Account (HSA) Information Required:

1. Provide Forms 1099-SA and 5498-SA (You can log into your HSA account and download 2021 tax documents).
2. If Form 5498-SA isn't yet available, please provide a copy of the 12/31/21 account statement.
3. Indicate if HSA plan is for ______ self only or _______ family plan
4. Was coverage under a qualified high deductible health plan in place for the full year? If not, please provide dates the coverage began ________ or ended ________
5. Indicate if all HSA distributions were used for qualified medical expenses for individuals in the plan. Yes ____ No ____ (Please Explain) ____
6. If you haven't made the maximum allowable HSA contribution for 2021, do you want to make an additional contribution before April 15, 2022? Yes ____ No ____

Supporting Documents for Dependency-related credits and HOH filing status:

1. Records with child's name and your address (school, medical, daycare or social services)
2. For education credits, receipts or documents for qualified expenses are required in addition to Form 1098-T from higher education institution.
3. In some situations, receipts documenting the costs of providing support for dependents may be required.