Garcia Garman & Shea, PC

Certified Public Accountants and Consultants

ENGAGEMENT LETTER (Page 1 of 3)

____
Taxpayer(s) Name(s)

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

The objective of the tax services portion of the engagement is to prepare the tax returns in accordance with Statements on Standards for Tax Services issued by 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 will prepare your 2024 federal, state, and local income tax returns from information which you will furnish to us. We will furnish you with questionnaires and worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping the fee to a minimum.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure to us of all relevant facts affecting the return. You also have final responsibility for the tax return and, therefore, the appropriate persons should review the return(s) carefully before signing and filing.

If, during our work, we discover information that affects prior-year 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 any verification by us.

In accordance with federal law, 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 for purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on 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 do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit disclosure, we reserve the right to withdraw from the tax services portion of the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the 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.

Certain communications involving tax advice may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The returns may be selected for review 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 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 our fees for preparation of the tax returns.

Our fee for these services will be based upon the amount of time required at standard billing rates and/or fees for certain forms as we deem appropriate, plus out-of-pocket expenses. All invoices are due and payable upon presentation.

Our engagement to prepare your tax returns will conclude with the delivery of the completed returns to you (if paper filing) or your signing, and the subsequent submittal, of your tax return (if e-filing). If you have not selected to e-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities.

We will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, cancelled checks, etc., as these items may later be needed to prove the accuracy and completeness of a return. We will retain copies of your records as we determine appropriate, and our workpapers for your engagement according to our record retention policy, which is available upon request and at our website at www.g2scpa.com.

Any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and the parties will engage in the mediation process in good faith. Any mediation initiated as a result of this engagement shall be administered within the county of Lebanon, Pennsylvania, by Conflict Resolution Associates, LLC, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to Pennsylvania law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding (other than professional fees incurred by each party) shall be shared equally by the participating parties.

If this firm does not receive from you the original of this letter, in fully executed form, but does receive from you a completed copy of a Client Organizer and/or supporting documentation requested herein, and/or a completed Client Questionnaire, then a copy of this letter will be included with your completed tax return and your signature on the returns for filing purposes will be deemed to evidence your acceptance of all the terms set forth above. Under IRS Circular 230, without your written or verbal consent, we are not able to prepare any 2024 tax returns for you, including, but not limited to, a request for extension.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office.

Very truly yours,

Garcia Garman & Shea, PC

(Both the Taxpayer and the Spouse SHOULD sign for the preparation of joint tax returns.)

Accepted By:

______________________	______________________	__________
Taxpayer Name	Taxpayer Signature	Date
______________________	______________________	__________
Spouse Name	Spouse Signature	Date

Lebanon office: 216 S. Eighth Street, Lebanon, PA 17042 \ ph 717-274-5600 \ fx 717-228-3353
Lancaster office: 1725-B Oregon Pike, Suite 105, Lancaster, PA 17601 \ ph 717-393-6434 \ fx 717-435-8399
Website: www.G2Scpa.com **E-mail:** info@G2Scpa.com

(Please note: All correspondence, including mail and faxes, should be directed to our Lebanon office.)

Client Questions 2024

Taxpayer(s) Name(s)____

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

Personal Information	**Yes**	**No**
Did your marital status change during the year? If yes, explain: ____	☐	☒
Did you live separately from your spouse during the last six months of the year?	☐	☐
Do you have a separate decree, instrument, or agreement and are not living in the same household by the end of the year?	☐	☐
Did your address change from last year?	☐	☐
Can you be claimed as a dependent by another taxpayer?	☐	☐
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?	☐	☐
Do you, your spouse (if applicable), and any dependents have a taxpayer identification number (SSN, ITIN, or ATIN)?	☐	☐
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 for filing returns in 2023.	☐	☐
Did you reside in or operate a business in a Federally declared disaster area? The Federally declared disaster areas include victims of hurricanes, tropical storms, floods, as well as wildfires and other disaster situations.	☐	☐

Dependent Information	**Yes**	**No**
Were there any changes in dependents from the prior year? 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 $2,600?	☐	☐
Do you have dependents who must file a tax return?	☐	☐
Did you provide over half the support for any other person(s) other than your dependent children during the year?	☐	☐
Did you pay for child care while you worked, looked for work, or while a full-time student?	☐	☐
Is there any other person(s) who lived with you more than half the year but not claimed by you last year?	☐	☐
Did you pay any expenses related to the adoption of a child during the year?	☐	☐
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?	☐	☐
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 for use during the 2025 filing season?	☐	☐

Purchases, Sales and Debt Information	**Yes**	**No**
Did you start a new business or purchase rental property during the year?	☐	☐
Did you have ownership interest in any type of business?	☐	☐
Did you sell, exchange, or purchase any assets used in your trade or business?	☐	☐
Did you acquire a new or additional interest in a partnership or S corporation?	☐	☐
Did you sell, exchange, or purchase any real estate during the year?	☐	☐
Did you purchase or sell a principal residence during the year?	☐	☐
Did you foreclose or abandon a principal residence or real property during the year?	☐	☐
Did you acquire or dispose of any stock during the year?	☐	☐

Client Questions 2024

Taxpayer(s) Name(s)____

	Yes	No
Did you take out a home equity loan this year?	☐	☐
Did you refinance a principal residence or second home this year?	☐	☐
Did you sell an existing business, rental, or other property this year?	☐	☐
Did you lend money with the understanding of repayment and this year it became totally uncollectable?	☐	☐
Did you have any debts canceled or forgiven this year, such as a home mortgage or student loan(s)?	☐	☐
Did you purchase a new or previously owned clean vehicle this year that is eligible for the new clean vehicle credit? If yes, attach the vehicle statement from the dealer.	☐	☐
Did you receive a Form 1099-K for the sale of personal property for a gain or loss?	☐	☐

Income Information

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?	☐	☐
Did you receive any income from property sold prior to this year?	☐	☐
Did you receive any unemployment benefits during the year?	☐	☐
Did you receive any disability income during the year?	☐	☐
Did you receive any Medicaid waiver payments as difficulty of care during the year?	☐	☐
Did you receive tip income not reported to your employer this year?	☐	☐
Did any of your life insurance policies mature, or did you surrender any policies?	☐	☐
Did you receive any awards, prizes, hobby income, gambling or lottery winnings?	☐	☐
Did you receive any income considered to be nonemployee compensation?	☐	☐
Did you receive a Form 1099-K, 1099-MISC, 1099-NEC, or other income statement for work done in what is commonly referred to as the "gig" economy?	☐	☐
Did you receive a Form 1099-K for a distribution payment from an online crowdfunding solicitation?	☐	☐
Did you receive a Form 1099-K that you believe is in error?	☐	☐
Do you expect a large fluctuation in income, deductions, or withholding next year?	☐	☐
Did you have any sales or other exchanges of digital assets (including from an airdrop or a hard fork, or used digital assets to pay for goods or services?	☐	☐

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?	☐	☐
If yes, were any withdrawals due to a Federally declared disaster?	☐	☐
If you received any qualified disaster retirement plan distributions, did you repay any of the distributions in 2024?	☐	☐
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, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan?	☐	☐
Did you receive any qualified birth or adoption distributions, emergency personal expense distributions, domestic abuse distributions, or terminal illness distributions in 2024?	☐	☐
If yes, did you repay any of the distributions in 2024?	☐	☐
Did you make any qualified charitable distributions (QCD) during the year?	☐	☐

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?	☐	☐

Client Questions 2024

Taxpayer(s) Name(s)____

	Yes	No
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?	☐	☐
If yes, were any of the scholarship funds used for expenses other than tuition, such as room and board?	☐	☐
Did you make any withdrawals from an education savings or 529 Plan account?	☐	☐
If yes, were any of these withdrawals rolled over into an ABLE (Achieving a Better Life Experience) account?	☐	☐
Did you make any contributions to 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?	☐	☐
Would you like a worksheet to aid in the completion of a Free Application for Federal Student Aid (FAFSA) with the U.S. Department of Education?	☐	☐

Health Care Information

	Yes	No
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.	☐	☐
Did you enroll for lower cost Marketplace Coverage through healthcare.gov under the Affordable Care Act (ACA)?	☐	☐
Did you enroll for lower cost Marketplace Coverage through healthcare.gov under the ACA 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?	☐	☐
Did you receive any withdrawals from an ABLE (Achieving a Better Life Experience) account?	☐	☐
If you are a business owner, did you pay health insurance premiums for your employees this year?	☐	☐

Itemized Deduction Information

	Yes	No
Did you incur a casualty or theft loss or any condemnation awards during the year?	☐	☐
If yes, did the loss occur in a Federally declared disaster area?	☐	☐
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 to either of the above charitable contribution questions, please provide evidence such as a receipt from the donee organization, canceled check, or record of payment, to substantiate all contributions made.		
Did you donate a vehicle or boat during the year?	☐	☐
Did you pay real estate taxes for your primary home and/or second home?	☐	☐
Did you pay any mortgage interest on an existing home loan?	☐	☐
Did you incur interest expenses associated with any investment accounts you held?	☐	☐
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?	☐	☐

Client Questions 2024

Taxpayer(s) Name(s)____

Miscellaneous Information	**Yes**	**No**
Did you make gifts of more than $17,000 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 permanent change of station as a member of the Armed Forces on active duty?	☐	☐
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?	☐	☐
Are you an owner or do you control 25% of a company's ownership interest for a company registered with a secretary of state or similar office before January 1, 2025?	☐	☐
If yes, did you file its initial Beneficial Ownership Information Report (BOIR)?	☐	☐
If you were required to file a Beneficial Ownership Information Report (BOIR) with the Financial Crimes Enforcement Network (FinCEN), has any of the previously reported information changed (for either the reporting company or any of the beneficial owners)?	☐	☐
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.	☐	☐

Please write any additional questions or comments below or attach additional pages.

Required Documents:

- Forms W-2 for wages, salaries and tips.
- All Forms 1099 (INT, DIV, B, R, MISC, NEC, G, K, etc.) for interest, dividends, retirement, miscellaneous income, Social Security, state or local refunds, gambling winnings (W-2G), etc., and Form 1098-C for Cancellation of Debt.
- Brokerage statements showing Cost Basis for stocks, bonds, etc. Provide Cost Basis and purchase dates for any sales items missing this information.
- Schedule K-1 from partnerships, S corporations, estates and trusts.
- Statements supporting educational expenses, deductions or distributions, including any Forms 1098-T, 1098-E or 1099-Q along with the tuition statement or account summary from the college.
- All Forms 1095-A, 1095-B and/or 1095-C related to health care coverage or the Premium Tax Credit. Forms 1099-SA and Forms 5498 for withdrawals and contributions to HSA Accounts.
- Statements supporting deductions for mortgage interest and taxes, along with Form 1098.
- Support for <u>all</u> charitable contributions.
- Total amount of purchases you made via Amazon, EBAY, Craigslist, etc., for which you <u>paid no sales tax</u> that you would have paid sales tax had you purchased the items locally.
- Copies of closing statements (Form HUD-1) for the <u>sale</u> or <u>purchase</u> of real estate.
- Legal papers for adoption, divorce, or separation involving custody of your dependent children.
- For all NEW dependents this year, copies of birth certificates and social security cards.
- For those claiming the Child Tax Credit, proof that your dependents were members of your household, such as school records or medical records that show your/their address.
- "Clean vehicle" paperwork for qualifying electric or fuel cell vehicles purchased.
- Any tax notices sent to you by the IRS or other taxing authority.
- A copy of your income tax return from last year, if not prepared by this office.
- **State identity security standards** require us to view a copy of taxpayer and or spouse's driver's license or other government issued photo ID, or indicate the kind of government issued photo ID, the identification number and expiration for that photo ID.
- **IRS security standards** require us to verify the bank account information you provide <u>before</u> filing your tax return. Provide verification by completing the Organizer information page, providing a copy of a cancelled check or by some other method.