

STEVE CLOTT, CPA EA CFP®
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Phone: 610-446-0440 • Fax: 610-446-0441

January, 2018
Dear Valued Client,

As 2017 ends and the new year begins, it's time to start thinking about taxes again. We hope 2017 has been a happy and prosperous year for you. As has been our custom in the past, if you don't update us, we will assume you will want us to file an extension request for you, if we don't receive your tax info by April 15.

Enclosed you will find your Tax Organizer that we will use to prepare your tax return(s). It summarizes your 2016 tax information you gave us last year. It will help you gather your thoughts about the data we'll need, and should stimulate your thinking regarding matters and events which occurred that may impact your taxes. As you receive your 2017 tax documents, please collect them and keep them with this organizer.

Complete only those schedules that apply to you. If you have already prepared other schedules for the necessary information, refer to them in the organizer and enclose them for our use. Do NOT try to fit your already-prepared worksheets and personally-prepared schedules to your Tax Organizer. A fully completed organizer lessens the likelihood of omissions from your tax return. PLEASE CONCENTRATE ON THE QUESTIONS, RATHER THAN THE AMOUNTS THAT ARE ON YOUR W-2 and 1099 FORMS YOU WILL BE PROVIDING.

Below are some helpful hints as you prepare your organizer for tax filing:

- COLLECT your tax documents as you receive them and keep them with this organizer. (e.g. W-2s, Form 1099s, K1s, your last paystub for December showing your year-to-date deductions, year-end AND December brokerage and/or retirement statements. Your check register may also include pertinent information.
- MARK your Purple Heart, American Family Service, Salvation Army, and Goodwill receipts with the values that you gave away. The IRS is becoming more strict in this area.
- Enclose Form 1098-C for any donated vehicles.
- Refer to the "Table of Contents" and "Topic Index" for a list of forms that may apply to you for the first time, and ASK FOR THEM.
- COMPLETE only those schedules that apply to you. If you have already prepared other schedules for the necessary information, note that fact in the organizer and enclose them for our use. DO NOT DUPLICATE YOUR EFFORTS, AS THIS DUPLICATES OUR EFFORTS, TOO. Feel free to correct and remove information as necessary and *write down ANY questions on any page.*
- **NEW CLIENTS** - Have you prepared your own individual or business returns using TurboTax last year and now seek professional help? If so, bring your TurboTax data disk, (CD, DVD, or Flash Drive), from your last year's return, and/or read these articles:
<https://ttlc.intuit.com/questions/3404575>
<https://ttlc.intuit.com/questions/3984973-pdf-of-2016-return>
<https://ttlc.intuit.com/questions/3230443-pdf-file-of-my-2015-tax-returns>
<https://ttlc.intuit.com/questions/1899779-what-s-the-difference-between-the-tax-data-file-and-the-pdf-file>
<https://ttlc.intuit.com/questions/3402965-what-is-the-specific-file-name-with-my-2015-transferable-data-so-i-can-copy-it-to-a-new-computer>

Other features of preparation include:

- A *personalized* list of "Tax Documents to Send to Preparer" – this list is based upon last year's tax return, and might not include any new tax forms that apply to you this year. Ask us for other forms that may apply, by referring to the "Table of Contents" and "Topic Index".
- PARENTS/STUDENTS: We will complete, at no charge to you, a separate supporting schedule of the income tax portion of the college **FAFSA** form, and you will be the **FAFSA** preparer, as there are other questions we will not answer. Please complete the ORG36 page, and **write "FAFSA" in large letters on the outside of your return envelope.**

After you have gathered all your tax information, AND completed the Tax Organizer:

- Mail-in, or drop-off, the enclosed envelope with the completed organizer and your various tax documents for preparation.
- We will contact you if there is any missing information. When we finish, we will inform you of the results and our tax preparation fee. Hold your payment until then.
- Hours: 9AM - 5:30PM Monday through Saturday; January through April

Please contact us if you have **any** questions. We look forward to hearing from you. May this year bring Peace, Good Health, and Prosperity to you.

Sincerely,
Steve Clott, CPA EA CFP®

Your referrals are welcomed and appreciated – friends, family and neighbors are always welcome! We're here all year, whether it is for personal taxes, business taxes, financial services, retirement planning, long-term-care insurance or life insurance. The finest compliment that we can receive is your referrals. Working primarily by referrals means that we can devote more time to you, our valued client. With this in mind, please do not keep us a secret.

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YOUR REFERRALS ARE WELCOMED AND APPRECIATED.

YEAR-ROUND – TAXES – PORTFOLIO MANAGEMENT – ROLLOVERS – LIFE and LONG-TERM-CARE & LIFE INSURANCE (PA, NJ)

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OFFICE PROCEDURE & "LEGALESE"

Valued Client

There is a special discount for dependent students' returns. TURNAROUND TIME, based on last year, is about 2 weeks in February, 3 weeks in March, and up to 4 weeks in April & May. Therefore, you should try to have your information in before March 31, or you may have to file an extension. Your chances of an audit do not increase with an extension, and there are no penalties, as long as you have enough withholding and estimated taxes paid in. **MAKE SURE YOU FUND YOUR 2017 TRADITIONAL IRA OR ROTH IRA, AS THE 4/15/2018 CONTRIBUTION DEADLINE CANNOT BE EXTENDED**, and you **MUST TELL** your IRA custodian that it's for the year that just ended.

Finance charges on unretrieved returns begin accruing after April 15th. All fees must be paid in full before workpapers, work product, etc. are made available, as consistent with Statement On Standards for Accounting & Review Services Number 4, Paragraph 8, and ET Section 501.02 under AICPA ethics rulings.

"Sit-down" appointments during tax season for existing clients MIGHT incur an extra fee, depending on time spent, UNLESS you are willing to go "on extension". HOWEVER, for no additional fee, ANY questions may be called in, asked at the front desk, e-mailed, OR written into the organizer.

We will prepare your returns without audit or other verification of your data, although we may ask for some clarification. By using the questionnaires and worksheets that we furnish you, you keep our fee to a minimum. It is your responsibility to provide us with all information, and to review the returns before signing, as you have the final responsibility for them. For at least three years, you should retain all documents, canceled checks, diaries, etc., to prove the accuracy and completeness of your returns. **IF YOU ARE APPLYING FOR A MORTGAGE, WE WILL NOT PREPARE A COMFORT LETTER OR FINANCIAL STATEMENTS FOR ANY PROSPECTIVE LENDERS, OR OTHER THIRD-PARTIES, AS THIS CREATES A POTENTIAL LIABILITY TO US, UPON YOUR DEFAULT.**

Your returns will be prepared consistent with the codes and regulations and interpretations that have been promulgated. If the IRS, state or local government agency should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

A tax-planning report, of this or future years' taxes will be an extra charge at an hourly rate for each year projected. For example, you may want projections of taxes for this year, next year, or the year after that, etc. for reasons such as (1) lump-sum distributions or minimum distributions from retirement plans, (2) new or increased pension income, (3) taxable social security benefits, (4) bonuses, (5) sales of property, (6) opening a new business or becoming self-employed, (7) income on sudden gifts or inheritances, (8) interest expense on new refinancing, (9) changes in tax laws, (10) change in filing status, or (11) any other unusual occurrence that may crop up.

We are a "general practitioner" CPA firm with a background in a lot of areas, but not all areas. We reserve the right to turn down work if we feel that you deserve a "specialist", or if we feel there might be a problem in servicing you on a timely basis, or for other reasons, among those being, but not limited to, any clients who do not cooperate in providing information at our request, or who have time deadlines in advance of ours.

You may have to file for an extension in certain situations, or we may refer you to other professionals for other situations. Even after filing an extension, we may still have to refer you to someone else.

If it is late in the season, you are to double check with us as to your status, as you are solely responsible for meeting the deadlines. Our silence is not an assumption that we have agreed to file your return. Since activity tends to increase the closer it gets to the deadline, we reserve the right to return your information to you if you do not want an extension. Therefore, you should start working on your organizer early to make sure your tax returns are filed on time. When it comes down to the wire, there is nothing wrong in filing for an automatic extension, as long as you pay your estimated tax with it. Your chance of audit does not increase and it allows us more time to do a more thorough job, rather than having to rush to beat the filing deadline. It also allows more time to calculate retirement plan contributions, or decide to file an IRS election with the tax return.

Our work will NOT include any procedures to discover fraud, defalcations, or other irregularities. The only analysis work we will do is that which is necessary for preparation of your income tax returns. The information provided by you may not be verified, corroborated, compiled, reviewed, or audited. Our tax return engagement cannot be relied on to disclose errors, fraud, misappropriation of assets, or illegal acts that may exist. Our services are not intended to determine whether you have filing requirements in other taxing jurisdictions than the one(s) you have informed us of. Our firm is available under the terms of a separate engagement letter to provide a nexus study, requested by you, that will enable us to determine whether any other state tax filings are required.

The Internal Revenue Code and regulations impose preparation and disclosure standards with non-compliance penalties on both the preparer of a tax return and on the taxpayer. Unless we have a reasonable belief that any tax position in your return will more-likely-than-not be sustained on its merits, a preparer penalty will be imposed on us unless that position has a reasonable basis and is adequately disclosed in the return. And, while we might be able to avoid a preparer penalty by adequately disclosing the return position, you might not have to disclose the position in order to avoid applicable taxpayer penalties. If we determine that we would be subject to a preparer penalty by delivering your return to you, you agree to either adequately disclose that position on your return or change the position to one that would not subject us to penalty. If you do not choose to change your position or adequately disclose so as to eliminate, in our sole opinion, our exposure to the preparer penalty, we, in our sole discretion and at any time, may withdraw from the engagement without completing or delivering tax returns to you. Such withdrawal will complete our engagement and you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of our withdrawal.

You agree to honor our decisions regarding the need to make protective disclosures in your returns.

Penalties can be imposed on you for failing to disclose participation in "reportable transactions," that is, certain arrangements the IRS has identified as potentially abusive. We will not prepare your return if you have such a transaction.

The law also imposes penalties when taxpayers understate their tax liability, or who do not report gifts exceeding \$14,000 during the calendar year, or who do not report foreign accounts exceeding \$10,000, including banks, securities, retirement, pensions, insurance cash values, and gold bullion. If you have concerns about such penalties, please call us. We do NOT handle the foreign aspects of your returns. You are responsible for filing foreign bank account reports (FINCEN114 / FBAR). Please ask us for the proper forms for you to complete, and then we will attach them to your returns.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal. In the event of a tax examination, we can arrange to be available, or have you contact another professional to represent you. Such representation will be a separate engagement for which an engagement letter will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement. If the IRS should later contest any position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments.

It is our policy to retain electronic copies of your computer-printed tax returns for seven years, after which they will be destroyed.

IMPORTANT - DON'T BE OVERWHELMED BY THE PAPERWORK HERE. IF YOU THINK YOU'VE GOT EVERYTHING TOGETHER, AND DON'T WANT TO COMPLETE ANYTHING ELSE, REMEMBER TO SIGN EVERYWHERE INDICATED, AND GIVE IT ALL TO US, SO WE CAN MAKE HEADS OR TAILS OF IT.

...JUST REMEMBER TO SIGN WHERE INDICATED...

Sincerely,
Steve Clott, CPA EA CFP®

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YEAR-ROUND – TAXES – PORTFOLIO MANAGEMENT – ROLLOVERS – LIFE and LONG-TERM-CARE & LIFE INSURANCE (PA, NJ)

(Clients' brokerage accounts / securities custodied at TD Ameritrade Institutional)
(Clients' annuity accounts custodied at TransAmerica Premier)

PRIVACY OF TAXPAYER INFORMATION

Valued Client

Background on IRS Regulations under IRC Section 7216: Tax preparers must now obtain a signed *Consent to Use* the taxpayer's tax information and a signed *Consent to Disclose* the taxpayer's information to a third party such as a bank for a Refund Transfer, e.g. The *Consent to Use* form must be signed before the tax return is prepared. The *Consent to Disclose* can be signed with bank product documentation. An explanation can be found here:

<https://www.irs.gov/tax-professionals/section-7216-frequently-asked-questions>

Concerning Sharing of Taxpayers' Personal Information

Several organizations representing consumers have argued that recent regulations by the IRS would make it easier for tax preparers to sell or otherwise use taxpayers' personal information for purposes other than the preparation of the income tax return. Certified Public Accountants want consumers to be aware of all the circumstances regarding IRS regulations.

We are dedicated to the fundamental right of taxpayers to keep their taxpayer information private and completely agree with the consumer groups' interest in protecting taxpayers' privacy.

That is why CPAs notify taxpayers if it should become necessary for the CPA to provide any of the taxpayer's information to an individual or entity not directly involved in the preparation of the return.

Moreover, CPAs are trusted professionals in their business communities who are intent on establishing long term relationships with their clients. Dissemination of information without the taxpayer's complete approval and understanding of the purpose and necessity would jeopardize a fundamental aspect of that relationship.

Is it true, as some consumer advocates have argued, that the regulations would loosen the current rules that limit the use of taxpayer information?

The intent of the IRS in drafting the regulations was to update the rules which were unchanged since 1974 and that did not address current common industry practices, such as electronic preparation or filing of tax returns. As part of this revision, the regulations do permit taxpayers' information to be made available to third parties in the normal course of performing legal or accounting services "unless the taxpayer directs otherwise." Some consumer groups have interpreted this provision as representing a dramatic loosening of the current rules that require an "implied or actual consent" from the taxpayer in this circumstance. Although this change in language does reflect a slight liberalization of the current rules, given that it is applicable only under limited circumstances, many people would not consider this a significant loosening.

Also, some consumer groups have implied that, under current rules, even with the taxpayer's permission, it is not possible for accountants to share taxpayer information with a party unrelated to either the tax preparer or the taxpayer. Actually, with the taxpayer's advance permission, the current regulations do permit this under a wide variety of circumstances. Regulation 301-7216-3(a)(2) provides:

If a tax return preparer has obtained from a taxpayer a consent, he may disclose the tax return information of such taxpayer to such third persons as the taxpayer may direct.

It's this ability of the preparer to share information that makes it so important that taxpayers choose their preparer carefully.

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(Clients' brokerage accounts / securities custodied at TD Ameritrade Institutional)
(Clients' annuity accounts custodied at TransAmerica Premier)

Why would it be necessary for a CPA to share your information with a third party?

These circumstances are relatively unusual, but one example is taxpayers who have frequent stock market trades. These taxpayers usually want their tax preparers to work closely with their stock brokers in an effort to minimize their taxes. Similarly, taxpayers who are partners in a partnership will probably want the tax preparer to be able to discuss certain aspects of their personal tax situation with the preparer of the partnership return. This will enable the partnership to make the elections that are most advantageous to the partners.

Other typical examples would be for us to acquire any necessary information from such sources as, (in alphabetical order), your accountants – business and prior personal tax preparers, banks (including those that might accept or issue your refund checks if you choose a FREE "IRS Direct-Refund" or a bank-fee-based "Refund Transfer" instead), your bookkeeper, brokers, business services, domestic relations personnel, elder-care facilities, FAFSA, family members, financial institutions, governmental agencies, grant sources, health care providers, insurance agents, insurance companies, investment managers, lawyers, non-support personnel, pharmacies, powers of attorney, social welfare agencies, SSA, tuition/financial aid offices just to name a few. For business taxes, typical examples of disclosure consent would apply to payroll returns provided to workmens compensation auditors, online payments to IRS EFTPS, and online payments to the PA E-Tides online computer system and/or the PA Unemployment Compensation Management System (UCMS).

Other examples or notes include:

- (1) If you have a durable power of attorney to act on behalf of your principal's tax matters, providing the preparer with a copy will help to serve all parties better.
- (2) If you are away from home for college, or in the armed services, or for other reasons, and your parent(s) or relative(s) give us your individual tax information, providing your consent to discuss your data and tax returns with them and/or furnish your returns to them, they will forward the completed returns to you for your review and signature.
- (3) Providing your consent to discuss any tax notices from any date in time, (past, present, and future), with any federal, state or local governmental agency will speed resolution of your account.
- (4) Providing your consent to receive update announcements of our tax and financial planning newsletters at your email address.
- (5) CPAs cannot honor verbal requests to send out taxpayer information.
- (6) Your return will be based only on information you provide and it must be reviewed before signing.
- (7) This tax return engagement ends with the delivery of the return to you.
- (8) Pursuant to the updated disclosure rules on tax returns, we may withdraw from the preparation if you fail to cooperate in providing us complete and accurate information in a timely manner.

Except as noted below, any information received from you, or on your behalf from other sources, in connection with the preparation of your local, state and federal income tax returns will be held in absolute confidentiality, and will not be disclosed or released to any individual or organization without your full knowledge and informed consent in writing. Please refer to federal Form 2848, and the related state form enclosed.

In most cases, we will ask YOU to contact third parties for missing information, since THEY, TOO must now also abide by privacy rules. For those who are willing to work with us, your signed consent is a help in completing your return quicker.

Further, except as noted below, such requested information will be released only to you, so that you may choose to forward, or decline to forward, the information to any requesting third party, (e.g. lender or school), at your sole discretion.

We are not responsible for the release of confidential information given up in response to a search warrant, subpoena, court order or other legal process which compels involuntary disclosure of such information.

Two Authorizations follow the Tax Engagement Letter on the next page:

- (1) Consent to Use
- (2) Consent to Disclosure

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STEVE CLOTT, CPA EA CFP®
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Tax Engagement Letter
(inclusive of "Legalese" page referenced previously)
Valued Client

(Please return these pages, signed in both places, with your organizer. Do NOT separate.)

I (We) have submitted the information on the enclosed Form 1040 organizer and/or related schedules for the purpose of preparing my (our) federal, state and requested local individual income tax return(s) and related forms and schedules. This information can be substantiated by my (our) receipts, canceled checks or other documents, which I (we) will retain for at least 3 years after the filing date. I (we) have been advised of our responsibility to maintain adequate contemporaneous documentation to support all my (our) deductions or credits, including such expenses as, but not limited to, charitable contributions, mileage, lease, rental, gifts, and/or travel & entertainment expenses. I (we) will make sure that my (our) Form K-1 pass-thru deductions have shareholder tax basis, partner tax basis, or loan tax basis to take their respective loss as deductions on my (our) personal returns, unless otherwise noted by me (us).

Your scope of services will be tax compliance and limited planning services will be provided, and does not include advisory services, or working with our financial adviser(s), or monitoring my (our) investment activity or my (our) investment adviser, which are covered via separate engagement letter. Investment planning services are not within the scope of this engagement and may be available as additional services. If you receive monthly brokerage statements or have online access to review my (our) investment account activity, your responsibility is limited to the preparation of my (our) tax returns, including reliance on any of my (our) other advisers.

You will prepare the returns from information which I (we) will furnish to you. It is my (our) responsibility to provide all the information required for the preparation of complete and accurate returns. You will furnish me (us) with questionnaires and/or worksheets as needed to guide you in gathering the necessary information. Your use of such forms will assist you in keeping my (our) fee to a minimum. To the extent you render any accounting and/or bookkeeping assistance, it will be limited to those tasks you deem necessary for preparation of the returns.

This information in and with the Tax Organizer is true, correct and complete to the best of my (our) knowledge. You may call me (us) if you think I (we) missed or omitted any items, and you may assume a "NO" or "N/A" response where the question is not answered. You may also call me (us) in a subsequent year, even if I am (we are) on a "do-not-call" registry. I (we) understand many surrounding townships and municipalities have local personal and/or business taxes, real estate / rent rebate forms, Tax Saver rebates, Homestead rebates, etc. I am, (we are) responsible for their government filings and will provide the forms and/or account numbers for their preparation by you.

I (We) have read your "Office procedure & 'Legalese'" page attached, along with the limitations listed, and understand the tax prep fees per form are similar but not necessarily the same as last year, which may result in an *increase or decrease* in my (our) total bill based on my (our) annually changing tax circumstances. Also, that if there may be some additional work required, this may warrant extra fees, such as: extension requests; amended returns; tax research; corresponding with brokers or on-line services for cost basis of investments sold or exchanged which are not available from year-end statements; corresponding with lawyers (specializing in taxes and tax research, business sales/purchase/setup, incorporation, insurance, medical, accident, divorce, etc.); corresponding with nurses, doctors, health care providers for deductible medical expenses; contacting business services; rendering bookkeeping assistance, or any other assistance; or corresponding with government agencies regarding estimated prepayments, tax collections etc. This is only a sample among some of the many tasks performed behind the scenes, also including but not limited to: conferences, appointments, telephone calls, e-mails, factual investigations and analysis, research, document preparation, and other services.

I (We) understand that you, Steve Clott, and the employees of companies owned and operated by Steve Clott, may process our returns on computer, and that the software may invoice us based upon a per form/schedule fee, and possible adjustments per the above paragraph. All invoices will be due and payable upon completion of my (our) tax return(s). Finance charges on unretreived returns begin accruing after April 15th.

I (We) understand that you are not auditing the information for irregularities or false statements, and my (our) returns are subject to review by the taxing authorities AND I (WE) WILL FORWARD ALL GOVERNMENT NOTICES TO YOU. I am (we are) aware that tax deductions are not allowed without proper documentation and that if you suspect impropriety, you will return all records without completing the respective tax returns. Any discrepancy which may be resolved against me (us) by the government's examining agent is subject to certain rights of appeal. In the event of such government tax examination or collection actions, upon request, you may be available at an hourly rate, or will refer another professional at an hourly rate, to help me (us) reply or correspond to notices or requests, and/or prepare for or attend a tax examination. If I (we) choose to correspond on my (our) own, I (we) understand this may prevent further assistance by you on my (our) behalf. (The hourly fee for such additional services is in addition to the tax preparation form fees, except that the first 1/2-hour of your time toward government correspondence is waived for continuing clients. This waiver does not apply to charges by outside professionals.)

Our services are not intended to determine whether you have filing requirements in other taxing jurisdictions than the one(s) you have informed us of. Our firm is available under the terms of a separate engagement letter to provide a nexus study that will enable us to determine whether any other state tax filings are required.

I (We) understand if we do not provide prior year returns and/or schedules or attachments, I (we) may lose the tax benefit of any loss

carryovers, or the amendment of any depreciation options, or the cost basis of assets, Roth-IRA's and/or traditional IRA's, and I am (we are) solely responsible for meeting annual required minimum distributions from my (our) retirement accounts through follow-up with my (our) retirement plan custodians and/or advisors. Furthermore, if I (we) furnish our tax information to you after March 31st, I (we) understand that my (our) return may not be completed by the first deadline, that it may be put on extension, and that it may be completed afterwards, which may attach interest and penalties, including jeopardizing any college aid request(s), IRA Contributions and/or Recharacterizations, sales tax rebates, property tax rebates, rent rebates, and/or any other matters relating to the tax filing deadline. I am (we are) responsible for any and all interest and penalties, including extension payments or balances due that "bounce".

*I (we), the taxpayer, do maintain the ultimate and final responsibility for the income tax returns and, therefore, I (we) will review them carefully before I (we) sign them. I (WE) UNDERSTAND YOU WILL **NOT** PREPARE A COMFORT LETTER FOR ANY PROSPECTIVE LENDER OR OTHER THIRD PARTY, (i.e., a letter assuring the going concern for my (our) business, or any other assertions that I am (we are) "good for the loan", or any other third-party application forms). The lender, or other third party making the request, may retrieve copies of your returns from the IRS through Form 4506, to make sure you have not altered them.*

My (Our) return will be prepared in accordance with IRS rules and it does not include an assessment as to my (our) credit worthiness, nor does it include a statement of my (our) financial position or income. Any lender's credit decision should be based on the lender's due diligence, considering multiple sources of information, and that you do NOT intend on establishing a client relationship with the lender or provide further information about me (us).

My (our) signature on Form 1040 or Form 8879 asserts that I am (we are) responsible for the truth, accuracy and completeness of the return(s).

I (we) have read and understand your privacy notice, and that this engagement is solely for the preparation of individual income tax returns and not for any planning advice, which would be available under separate agreement. I (we) understand that either I, or my spouse, can request copies, documents, or information from you, and you may honor any such requests. In connection with this engagement, I (we) may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, you cannot guarantee or warrant that emails from me (us) will be properly delivered and read only by the addressee. Therefore, I (we) specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by you and me (us) in connection with the performance of this engagement. In that regard, I (we) agree that you shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You have not required me (us) to sign either/both the Consent to Disclosure and the Consent to Use form letters in order for you to prepare my (our) tax returns. **If** the income tax returns you are to prepare in connection with this engagement are **joint** returns, and because we will each sign those returns, then each of us is your client. We each acknowledge that there is no expectation of privacy from the other spouse, concerning your services in connection with this engagement, and you are at liberty to share with either of us, without the prior consent of the other, any and all documents and other information concerning preparation of our returns.

This organizer will be kept by you, Steve Clott. Without signature hereon, I (we) acknowledge there will be no representation by you before government agencies and/or authorities for past years, and no offer of services for the current year. I (we) maintain all information provided is true and complete. Again, I (we) understand that I am (we are) responsible for providing Steve Clott and/or his employees/contractors with all the information necessary for filing a complete and correct return. I (we) have not knowingly omitted any income including unemployment, disability, barter, prizes, tips, hobby income, home occupation income, interest income, underground income, etc., nor have I (we) falsified any expenses. I (we) will not hold Steve Clott liable for any omissions on my (our) part. And I (we) understand that if the returns are completed, and afterwards I (we) remember additional items that were not on the original return, I (we) will be responsible for paying the additional tax preparation fees to revise or amend the returns. If any deduction on my (our) return is denied by any taxing authority, or any item of income should be reported, and is not, and you or your firm are penalized as a result of the denial or non-reporting, I (we) agree to reimburse you for the penalty imposed by the taxing authority.

Should I (we) decide to terminate this engagement, I (we) may do so by giving written notice, but will be responsible for the fees charged for any completed tax returns, or related calculations and/or worksheets calculated to date. Steve Clott may terminate this engagement by giving written notice. Reasons may include, but are not limited to, payments made with non-sufficient funds, inability to work together, disagreement over a tax position, withholding information or documentation, or making false or misleading statements.

Any rights which inure to the benefit of Steve Clott pursuant to this engagement letter shall inure to his committed successor in interest by way of merger, acquisition or otherwise in their committed assigns.

Any controversy or claim arising out of or relating to this agreement, or the breach thereof, shall be settled by arbitration in the County of Delaware, Pennsylvania, in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Notwithstanding anything contained herein, both accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at Accountant's office located in Delaware County, PA, USA, which shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of PA.

I (We) have read the tax engagement letter above, and completed the Tax Organizer, or have supplied my (our) own schedules. I (We) are aware the law imposes penalties when taxpayers understate their tax liability, or who do not report foreign accounts exceeding \$10,000, including banks, securities, retirement, pensions, insurance cash values, and gold bullion. I (We) will review the completed income tax returns and accompanying schedules prepared, for accuracy and completeness. All information supplied by me (us) is true, accurate and complete, and no material facts have been suppressed or misstated. to the best of my (our) knowledge. I (We) acknowledge gift tax returns are required for gifts I (we) make to each individual, which totals over \$14,000 per donor in a calendar year, and will be responsible for that filing. Even if the total is less than \$28,000, both spouses must both file form 709, and each sign their approval to split the gift with the other spouse. It is NOT correct to believe that a 709 is only required if the joint gift exceeds \$ 28,000.

Date

Taxpayer (or POA, parent, or guardian)

Date

{if married, spouse's name that is on file with SSA}

We appreciate this opportunity to serve you, and look forward to a continuing mutually satisfying relationship. Thank you.

In addition to tax prep, we help clients invest and manage their portfolios under separate agreement, using TD Ameritrade and well-knowns Annuity, Long-Term Care, and Life Insurance companies. If they're interested, we act as their FIDUCIARY. We believe that clients deserve a fiduciary standard of care. These services are provided through Dedicated Insurance Advisers LLC and Dedicated Investment Advisers LLC: – ASSET PORTFOLIO MANAGEMENT – REGISTERED INVESTMENT ADVISER ("Advisor" can be spelled 2 ways – Congress chose "Adviser" in 1940).

The new DOL rule expands the "investment advice fiduciary" definition under the Employee Retirement Income Security Act of 1974 (ERISA) to ensure that advisors act in the best interests of their clients, and to put clients' interests above their own. (This rule is currently under review.) See: <https://www.forbes.com/sites/brianmenickella/2017/06/08/dol-fiduciary-rule-implementation-finally-in-sight/#5d837ead7a56>

The ability of an individual or company to act as a financial advisor and tax preparer, can make Investment Advisor Representatives the most valuable resource a client has to help them manage their financial affairs and achieve their long-term goals. One of the most important concepts in the financial services industry is that, as Advisors, (or rather as "Advisers"), you must always "know your client." The tax return is possibly one of the best tools for understanding a client's financial picture, and being able to make recommendations based on that information is key. However, along with being privy to the information contained within the tax return, comes the responsibility of fully disclosing to the client how that information can be used. This can be conveyed to the client through the forms' use of the **Consent to Use** and **Consent to Disclosure**.

Since IRS Rule 7216 states that the information obtained from the client during the preparation of taxes is not to be used for any other purpose, it is necessary to utilize these Consent Forms to ensure that the client fully understands and agrees to the capacity in which his/her information may be used. **These forms are on the next pages.**

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STEVE CLOTT, CPA EA CFP®
2024 DARBY ROAD, HAVERTOWN, PA 19083
Phone: 610-446-0440 • Fax: 610-446-0441
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MANDATORY INTERNAL REVENUE CODE 7216 CONSENT TO USE OF TAX RETURN INFORMATION
Valued Client





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 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.

You agree to receive automated emails, phone calls, and/or text messages about your tax returns. (Not a condition for tax preparation)

For your convenience, Steve Clott has entered into arrangements with certain banks (TPG Electronic Filing Financial Services Program for QuickCollect), certain custodians for retirement or non-retirement accounts (TD Ameritrade for brokerage, TransAmerica Insurance Company for annuities), and various Life insurance and Long-Term-Care insurance providers.

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.

 Date	 Taxpayer (or POA, parent, or guardian)
 Date	 {if married, spouse's name that is on file with SSA}

We appreciate this opportunity to serve you, and look forward to a continuing mutually satisfying relationship. Thank you

If you do not consent, then you may still have your tax return prepared and e-filed by us.

* Typical examples of CONSENT would be for exchange of information between banks (including those that might accept or issue your refund checks if you choose a FREE "IRS Direct-Refund" or a bank-fee-based "Refund Transfer" instead), or for exchange of information between your financial planner, account manager, insurance agent, and other financial services personnel.

For those with limited means to pay our fee, we have entered into arrangements with a bank to provide qualifying taxpayers with the opportunity to apply for a bank-fee-based Refund Transfer or Electronic Refund Deposit, which will include the payment of our tax preparation fees. To determine whether these products may be available to you, we will need to use your tax return information by analyzing it and calculating the amount of your anticipated refund. Otherwise, the normal (FREE) IRS direct deposit program is the default that will be used when you're ready to pay your tax prep fee by check, cash, certain credit cards, or PayPal.

You may limit the CONSENT to certain forms, schedules, or parts of your tax return. We will NOT correspond with, or provide comfort letters to your prospective mortgage lenders or business lenders, but will send YOU an extra copy of your return to provide to them.

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MANDATORY INTERNAL REVENUE CODE 7216 CONSENT TO DISCLOSURE OF TAX RETURN INFORMATION
Valued Client

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose your tax return information to third parties for purposes other than the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form to engage our tax 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. If you agree to the disclosure of your tax return information, 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.

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.

You agree to receive automated emails, phone calls, and/or text messages about your tax returns. (Not a condition for tax preparation)

If you do not consent, then you may still have your tax return prepared and e-filed by us.

You may limit the disclosure to certain forms, schedules, or parts of your tax return.

** Typical examples of DISCLOSURE would be for us to exchange any necessary information with such sources as, (in alphabetical order), your accountants – business and prior personal tax preparers, banks (including those that might accept or issue your refund checks if you choose a FREE "IRS Direct-Refund" or a bank-fee-based "Refund Transfer" instead), bookkeeper, brokers, business services, domestic relations personnel, elder-care facilities, FAFSA, family members, financial institutions, governmental agencies, grant sources, health care providers, insurance agents, insurance companies, investment managers, lawyers, non-support personnel, pharmacies, powers of attorney, social welfare agencies, SSA, tuition/financial aid offices just to name a few. For business taxes, typical examples of disclosure consent would apply to payroll returns provided to workmens compensation auditors, online payments to IRS EFTPS, and online payments to PA E-Tides.

Date **Taxpayer** (or POA, parent, or guardian)

Date {if married, spouse's name that is on file with SSA}

We appreciate this opportunity to serve you, and look forward to a continuing mutually satisfying relationship. Thank you

You may limit the DISCLOSURE to certain forms, schedules, or parts of your tax return. We will NOT correspond with, or provide comfort letters to your prospective mortgage lenders or business lenders, but will send YOU an extra copy of your return to provide to them.

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PRIVACY NOTICE

Protecting your privacy is important to us. We strive to do business in a manner that justifies you choosing us.

We are providing you this privacy notice as required by law. This privacy notice explains the types of information we may collect from and about you or your business, how we may use or disclose that information, and how we protect that information.

Who This Privacy Notice Covers

This notice applies to personal and business information we collect when we provide tax preparation and other products and services to customers and clients of STEVE CLOTT, CPA EA CFP®. This notice does not apply to our affiliates (including Dedicated Investment Advisers LLC and Dedicated Insurance Advisers LLC). These companies may be subject to different regulations and may have different operating practices. If you are doing business with these companies, you should consult their respective privacy notices.

Information We May Collect

We collect various information about you, your spouse, your dependents, your business, and other individuals (e.g., employees as part of providing business services). This information may include:

- Contact Information (e.g., name and email address);
- Dates of Birth;
- Social Security Numbers and other government identification numbers (e.g., EIN and ITIN);
- Financial Information (e.g., income, revenue, assets, credits, deductions, and expenses);
- Payment Data (e.g., checking, debit and credit account numbers and balances and payment history);
- Payroll Information (related to business services);
- Log-In Information (only if you choose to provide); and
- Demographic Information.

We collect this information from the following categories and sources:

- Information you voluntarily provide. If you choose not to provide certain information we request, we may be unable to serve you as our services may rely upon this information.
- Information related to transactions that you complete or propose to complete with us, our affiliates, or certain non-affiliated third parties.
- Information from the Internal Revenue Service (IRS), other government entities, and certain non-affiliated third parties (e.g., credit reporting agencies).
- Information we receive when you request services or information from us, our affiliates, or companies with whom we have a business relationship.

How We May Use or Disclose Information About You

Our use and disclosure of your information is controlled by various laws, regulations and other legal requirements, as well as our own policies. We may use or disclose information that we collect, subject to the terms of this privacy notice and consistent with applicable law. The examples contained in this notice are illustrations; they are not intended to be exclusive.

- Where permitted or required by law, we may use or disclose your information for our normal business purposes. For example, this may include assigning you a unique identifier or disclosures to the IRS.
- With your consent or where otherwise permitted by law, we may disclose your information to service providers who perform business functions on our behalf (including service providers who perform "auxiliary services" in connection with tax return preparation, as permitted by IRC Section 7216, and service providers who help deliver newsletters tailored to your interests). We require service providers have written contracts that specify appropriate use of your personal information, require them to safeguard your personal information, and prohibit them from making unauthorized or unlawful use of your personal information.
- As permitted by law, we may use, or disclose to our affiliates, your information to offer you products and services that we believe may interest you. This may include delivery of newsletters and publications. In certain situations involving information collected for tax return preparation, we may be required to have your consent before we disclose this information.

- We do not sell or rent your information to third-party direct marketers.
- Where permitted by law, we may disclose your information to firm successors or business partners with whom we have agreements. We require all of them to have written contracts with us that specify appropriate use of your information, require them to safeguard your information, and prohibit them from making unauthorized or unlawful use of your information. If a state law (or other law) requires us to give you the right to opt-out prior to any disclosure of your information, we will not disclose your information for such purposes without providing such opt-out or obtaining your consent to such disclosure.
- We may disclose your information to affiliates or non-affiliated third parties (including government entities) when we have a good faith belief that such disclosure is required or permitted by law. This may occur, for example, in connection with a court order, legal process, or other judicial, administrative or investigative proceeding. This may occur in other situations as part of our business operations (including disclosure to business partners, or disclosures as part of the sale of our business or assets).

How We Protect Your Information

We maintain physical, electronic and administrative policies and procedures designed to restrict access to your information. These include programs and specifications for physical security and records retention and disposal; computer and communication security measures reflected in system design, password protection, and data management practices; and other measures to restrict access to the data we hold in physical and electronic forms.

How You May Control Use of Your Information

As described above, we or our affiliates may contact you about products and services. If at any time you wish to limit the offers you receive from us or our affiliates, you may call (610)446-0440. We will use reasonable efforts to comply with your request. In these situations, it may still be necessary for us to send you information from time to time about transactions or accounts you have with us.

We reserve the right to change this privacy notice and any of the policies described in this notice at any time, consistent with applicable law. If we make a material change to this notice, we will notify you by using one of the following methods: (1) we will post a notice on our web site describing the change; or (2) we will hand deliver or send you regular or electronic mail notifying you of the change.

Offering the best value in tax preparation since 1974 & FREE e-file since it became available in 1987

YOUR REFERRALS ARE WELCOMED AND APPRECIATED.

YEAR-ROUND – TAXES – PORTFOLIO MANAGEMENT – ROLLOVERS – LIFE and LONG-TERM-CARE & LIFE INSURANCE (PA, NJ)

(Clients' brokerage accounts / securities custodied at TD Ameritrade Institutional)
(Clients' annuity accounts custodied at TransAmerica Premier)