Andrea Hyson, CPA
Policies and Procedures

(Effective January 1, 2017 to December 31, 2017)

Meeting Hours (Starting January 9, 2017):
Tuesday: 9:00 am to 3:00 pm
Wednesday: 4:00 pm to 9:00 pm
Thursday: 9:00 am to 9:00 pm
Saturday: 9:00 am to 3:00 pm

Appointment website: https://andrea-hysontax.youcanbook.me/

- **Terms & Conditions**
- **Tax Return Preparation Process**
- **Extensions**
- **Tax Payments, Interest and Penalties**
- **Notices of Adjustment, Examination or Audit**
- **Agreement to Policies & Procedures**

Terms & Conditions

- By submitting your information to me for your tax return preparation, you have engaged my services, we have established a valid contract and you are agreeing to the policies and procedures outlined here.

- It is your responsibility to provide all the information required for the preparation of a complete and accurate return. You should retain all the documents, canceled checks, receipts and other data that form the basis of income and deductions for 3 years from the due date of the tax return (or better yet 6 years). These may be necessary to support items contained in the tax return in the event of an inquiry by a taxing authority.

- I will not audit or otherwise verify the accuracy or completeness of any information you submit, although it may be necessary to ask you for clarifications. My work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcation or other irregularities, should any exist.

- During the tax preparation process I try to make sure that I have everything pertinent to your situation. I do this by reviewing your tax questionnaire, comparing to last year, inquiring about pieces that appear to be missing, sending periodic reminders, and other methods. However, ultimately it is up to you to make sure I have all necessary information and to follow up as needed. It is also important to note that legally you are responsible for what is on your tax return, so even though I always do a thorough, professional job, it is important to review the numbers reported on your return. You have the right to ask me about anything that appears on the return or is used in the calculations.
- While I strive to be generally able to provide services in an expeditious manner, I make no guarantees regarding the timing of communication, completion of work or making deadlines. It is your responsibility to provide your information to allow sufficient time to complete the process and to follow up with me, if necessary.
- If you decide to discontinue using my services before the tax return is completed, or if you elect not to use the completed return, fees for work performed will still be due.
- Fees for preparation of a tax return:
    - I believe in being upfront and straightforward with my clients. Your fee will be quoted before any work is started. If issues arise that require significant time for research, I charge an additional fee of $175.00 per hour, or any part thereof. Rest assure, I will discuss the issue(s) with you to obtain your advance approval of this extra work ($75 minimum).
    - A $25 is charged to schedule an appointment. The $25 will be applied to your overall fee but forfeited if rescheduled or cancel your appointment within 24 hours of your schedule time. The fee will be returned if you cancel (outside of 24 hours) or do not engage my services.
    - Fee due when the final draft (subject to client review) is finished. I will inform you of this with a **"Return Ready"** email. The draft return will be provided via my secure portal or Dropbox.
    - Payment is due upon receipt of the **"Return Ready"** email and invoice.
- Concerns about the results (refund or tax due) are not grounds for withholding fee payment. Rest assured there will be ample time and opportunity to address and resolve any issues during the review process, which will take place immediately after you have paid the fee and I have sent you your tax return draft. Always keep in mind that your return is never final until you have given your signature authorization on the e-file forms or the tax return itself, so changes can still be made if need be.

Tax Return Preparation Process

Submission of Information

Please furnish me by in person meeting, secure portal, faxed or another mutually agreed upon method, all relevant information to prepare a complete an accurate tax return and/or FBAR. This includes:

Individual Returns:

- Any U.S. tax documents that you received (e.g. W-2's, 1099's, 1098's, etc.),
- A completed organizer (available on my website, www.hysontax.com, click on Tax Organizer). This will help ensure that pertinent information is not overlooked.
- If you're a new client, your prior year two tax returns, if any were filed one.

Self-employed, S-Corporate or Partnership:

- An income statement (i.e. profit & loss statement (P & L)) and balance sheet. This could be generated by an accounting program such as QuickBooks.
- Formation documents, if this is the first year I am working on the company.
- Names, addresses & social security numbers of all owners, if not previously provided or if there has been a change.
- If you're a new client, the prior year's tax return, if one was filed.

What I don't need**:** I generally will not review your receipts, foreign documents, bills, bank statements, personal worksheets or any kind of backup documentation, so please keep those for your own records. If you require assistance calculating your income, expenses or deductions, I will be happy to refer you to a bookkeeping service, or provide consulting at my normal billing rate.

Timing: The sooner I have your complete tax information, the more likely I am to have it ready on time. Generally, my cutoff is around March 24th for individual tax returns, although later accepted submissions can sometimes still make the deadline.

Urgent work**:** While I will always provide service as quickly as I can, I cannot promise instant or express work (unless we engage same day return service). If something is important, please give me advance notice during our meeting.

Priority service is not available**:** I always do work on a first come, first served basis, even during busy periods. In fairness to my other clients, I don't offer preferential service for an additional fee.

Preparation of Tax Return

Once I have your complete tax information, a draft of your tax return is usually ready within about one week, and the whole process is finished within about two weeks. Returns are always prepared on a first come, first served basis. During busy periods such as the last week of March, and the first full week of April and October, an extension may need to be filed, and the process can take longer, perhaps 2 to 4 weeks. So, if you have not heard from me for more than 10 days after I have acknowledged the receipt of your information, please contact me.

Resolving Open Items

If I need additional information or clarifications, I will contact you by email with any open items. I ask that you respond within a week and answer all questions concisely. If needed, a phone call can be arranged to discuss an issue, although I am generally not available for calls for the 3 weeks preceding a tax deadline. Please note that long, unexpected delays in getting back to me could increase your fee if they cause me to have to re-review your information.

I always acknowledge email communication, generally within 36 hours (sometimes longer over weekends), so if you don't hear back from me, please resend your email.

I will use my 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. I will perform reasonable research to support positions taken in your income tax returns. Unless otherwise instructed by you, I will resolve such questions in your favor, whenever possible. Tax rules change constantly and any opinion expressed in connection with a transaction at one time may not apply to the same or to a similar transaction at a later date. You should let me take a fresh look each time a transaction of a material nature is proposed.

Fee Payment

When your tax return and/or FBAR are complete based on the information provided, I will send you a **"Return Ready"** email. Upon receipt of this email your fee payment is due.

- A separate invoice email will be sent (QuickBooks)
  - Payment options:
    - QuickBooks' invoice – debit or credit card via link,
    - PayPal – andrea@hysontax.com
    - Venmo – Hyson-Tax (andrea@hysontax.com)
    - Square – debit or credit via phone

If you have a question about the fee, please let me know and I will provide a calculation.

Concerns about the results (refund or tax due) are not grounds for withholding fee payment. Rest assured there will be ample time and opportunity to address and resolve any issues during the review process, which will take place immediately after you have paid the fee and I have sent you your tax return draft. Always keep in mind that your return is never final until you have given your signature authorization on the e-file forms or the tax return itself, so changes can still be made if need be.

Tax Return Review & Filing

After I receive your fee payment, I will email you your tax return and/or FBAR to review. It is essential that you look them over carefully since you have the legal responsibility for their accuracy. If you discover any errors or omissions made by me, I will correct them. If you discover any errors or omissions made by you, I will correct those as well, however additional fees may apply, based on time.

The tax preparation fee includes 15 minutes of review time – either by email or phone (the latter is not available the last week of March, and first two weeks April and October). It is generally best if you ask your questions by email so that I have time to sufficiently review your situation.

Once you are satisfied that your tax return and/or FBAR are accurate, they are ready to be filed. If your tax return is being filed electronically, you will sign and date the e-file authorization form(s) which will be contained in the tax return file. If I prepared an FBAR for you, you will also need to sign an authorization form so I submit it electronically (it cannot be paper filed). Do not assume that your forms have been e-filed unless you receive an email from me confirming it has been done. If your tax return is not eligible for electronic filing, I will mail you a filing copy to be signed and mailed to your tax return to a taxing authority.

<u>Extensions</u>

An extension extends the time to file your tax return, not the time to extend the time to pay. Only one extension is available. For personal tax returns, it generally extends the deadline to October 15. Extensions are a routine procedure and are filed by more than half of my clients each year. There are no negative consequences for filing an extension.

If you submit your complete tax information shortly before the tax deadline (my cutoff for timely filing is generally March 24th for individual returns, but sometimes I agree to accept some through about April 7th) but I am unable to prepare and/or finish your tax return in time, I will file a federal extension free of charge. I will also file any state extensions that I anticipate will be required.

If you cannot provide any information before the deadline, I can still file an extension for you, on request only. If you need me to make calculations in order to estimate your tax liability for an extension, there will be a charge for that service (as well as for any extra work required for revisiting the return later), and you must tell me a week before the deadline (April 10th) to allow sufficient time. There will also be a charge if you need more than one extension which requires detailed instructions for making payments.

<u>Tax Payments, Interest and Penalties</u>

The IRS (the federal tax agency) & state tax departments require that taxes be prepaid throughout the year. This is generally done in two ways: through withholding and by making estimated tax payments. For many people, the tax withheld from their salaries & wages and sometimes from other income, sufficiently covers their prepayment requirement.

If there is no withholding or if the withholding is insufficient or does not cover all forms of income, estimated tax payments must be made. These are due in four equal installments, usually on April 15, June 15, September 15 and January 15 of the next year.

An estimated tax penalty assessed when not enough tax is paid in during the year. For the federal tax return, the threshold for the penalty is 100% of last year's tax or 90% of this year's tax, unless you are considered higher income. In that case, if your adjusted gross income is over $150,000 ($75,000 if married filing separately), the threshold for the penalty is 110% of last year's tax or 100% of this year's tax. If you have paid at least these amounts, either through withholding or estimates made by the four due dates, or both, you will avoid the penalty. This penalty is calculated using the current IRS interest rate, which has lately been 3%.

If your current year tax is higher than last year's tax, you could end up with a balance of tax due, but you won't be assessed an estimated tax penalty if you paid in the amount of last year's tax as described above.

Late Penalties & Interest (on returns filed after the initial deadline):

The deadline for tax payments for individual tax returns is the regular due date of the tax return, usually April 15 (unless April 15 falls on a weekend). If you file after April 15 and are due a refund, you will not be assessed interest and penalties.

If you pay a tax balance after the regular due date of the tax return (April 15), the following late penalties and interest will apply to your federal tax return:

<u>Interest</u>: Federal short term rate plus 4%, compounded daily.

<u>Late Payment Penalty</u>: One-half of one percent for each month, or part of a month, up to a maximum of 25% on the amount of tax that remains as unpaid from the due date of the return until paid in full.

<u>Late Filing Penalty</u>: If you did not file your tax return by the regular due date of the tax return, generally April 15 (June 15 for U.S. expatriates, October 15 for taxpayers who filed an extension), the late filing penalty is usually five percent of the tax owed for each month, or part of a month that your return is late, up to five months. If your return is over 60 days late, there is also a minimum penalty for late filing; it is the lesser of $135 or 100 percent of the tax owed unless you had reasonable cause and acted in good faith.

<u>Notices of Adjustment, Examination or Audit</u>

If you receive any notices of tax adjustments, examinations or audits from a tax authority relating to a tax return that I prepared, I will review your notice free of charge. I will also provide you additional information or explanations related to the preparation of your tax return(s) should the tax authorities subsequently request it. Further assistance may be billable.

A notice of adjustment is generally issued if a possible error or omission is discovered on your tax return. This often happens due to the IRS's matching program, where third party information (e.g. from W-2's, 1099s, etc.) doesn't agree with what is on your tax return. Since these notices frequently contain errors on the part of the taxing authority, I don't recommend paying a bill before first emailing it to me to review. If any error is due to my negligence, I will assist you at no charge. If an error is due to your negligence or incomplete information provided to me, I will assist you at my billing rate of $175 per hour ($75 minimum).

Your returns may also be selected for examination by tax authorities. An examination or audit can be for all or just some of the items reported on your tax return. If this happens, I may be able to assist you depending on the circumstances of the audit. If I don't represent you, I offer my consulting services and help you prepare, at my regular billing rate. If it is determined that you owe additional tax, interest and penalties will also be assessed by the tax authority.

Please be aware that any proposed adjustments by the examining agent are subject to certain rights of appeal.

Agreement to Policies & Procedures

If you do not accept the conditions above I will be unable to provide any tax preparation services. If you have any questions regarding anything in this agreement, you may email them to me at andrea@hysontax.com.

I appreciate the opportunity to work with you.