Innovative Tax Solutions

2026 Engagement Letter & Privacy Policy

This letter confirms the terms, scope, and limitations of services provided by **Innovative Tax Solutions ("ITS," "we," "our," or "the Firm")**. By engaging our services, you ("Client," "you") agree to the following.

Term of Engagement

This engagement applies solely to services performed for the **2025 tax year** and related filings, and for bookkeeping, payroll, and advisory services performed during the **2025 AND 2026 calendar year**, unless otherwise agreed to in writing.

This engagement **automatically terminates** upon the earlier of:

1. Completion of the agreed-upon services, or
2. December 31, 2026

A renewal agreement or a new engagement letter or written renewal for the next tax year will be executed for the subsequent year. Renewal may include revised scope, fees, and terms.

Scope of Services

Depending on your engagement, services may include one or more of the following:

- Individual, business, nonprofit, trust, or estate tax return preparation
- Bookkeeping and accounting services
- Payroll processing and payroll tax filings
- Tax planning and advisory services

- Amended returns and compliance filings

Services are limited to those expressly agreed upon. Any additional services require a separate agreement or written confirmation.

Client Responsibilities

You are responsible for:

- Providing **complete, accurate, and timely information**, including all taxable income (cash, digital assets, and foreign-sourced income)
- Retaining all source documents and records supporting income, deductions, credits, and payroll
- Reviewing all returns and filings before signing or authorizing electronic filing

We rely entirely on the information you provide and do **not audit, verify, or independently validate** that information.

Record Retention Recommendations

- Tax records: minimum **4 years**
- Payroll records: minimum **6 years**

Deadlines & Extensions

To ensure timely filing, all information must be received by **March 31**. If information is received after that date, an **extension may be required**.

An extension extends the time to file, **not the time to pay**. You are responsible for timely payment of any estimated tax due. We assume no liability for penalties or interest resulting from late payment, late filing, or incomplete information.

Tax Positions & Professional Judgment

We will prepare returns using our professional judgment in accordance with applicable tax law, regulations, and guidance available at the time services are rendered.

- We will not take positions we believe are unsupported under applicable law
- We reserve the right to **withdraw from an engagement** if requested positions are improper
- You are responsible for any additional tax, penalties, or interest assessed by taxing authorities

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Foreign Reporting & Digital Assets

You must disclose:

- Foreign bank accounts, assets, or ownership interests
- Signature authority over foreign accounts
- Cryptocurrency, virtual currency, NFT, or other digital asset activity

Foreign reporting (including FBAR and IRS foreign disclosure forms) involves **significant penalties for noncompliance**. Written authorization is required for us to file foreign reporting forms on your behalf.

We assume no liability for penalties resulting from incomplete or undisclosed foreign or digital asset information.

Electronic Filing & Authorizations

Federal and state authorities generally require electronic filing.

- You may opt out of e-filing by written request
- Returns will not be filed until we receive signed authorization

- If authorization is not received, an extension may be filed, and you remain responsible for payment

We are not responsible for transmission errors occurring after successful submission from our office.

Fees & Payment

Fees are based on complexity, time required, and services performed.

- Payment is due **prior to electronic filing**, unless otherwise agreed
- Bookkeeping cleanup or reconstruction may result in additional fees
- Amended returns are billed separately
- Refund-based fee payment options are available

We do not refund taxes or interest. Penalties caused by preparation error may be addressed through abatement requests when appropriate.

Payroll & Bookkeeping Limitations

Payroll and bookkeeping services rely on information you provide regarding employees, contractors, wages, classifications, and filing requirements.

We are not responsible for penalties resulting from:

- Worker misclassification
- Late or incomplete information
- Agency correspondence not provided to us

Audits, Notices & Representation

This engagement does **not** include audit, examination, or notice representation. If representation is requested, a separate engagement letter and fee agreement will apply.

Confidentiality & Privacy Policy

We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information as required by law.

- Access is restricted to authorized personnel
- Information is not disclosed without consent, except as required by law
- Third-party service providers (including cloud-based systems) may be used under confidentiality safeguards

No electronic system is completely secure. By engaging our services, you acknowledge and accept the inherent risks of electronic communication and data storage.

Email & Electronic Communication

Email and electronic communications may be used for convenience but cannot be guaranteed secure. We disclaim liability for interception, misdelivery, or unauthorized access.

Record Retention

We retain engagement records for **three (3) years**, after which they may be destroyed. We do not retain original client documents. You are solely responsible for maintaining your records.

Legal & Professional Limitations

- Tax return preparation communications are **not privileged**
- Firm-client privilege is limited and does not apply to criminal matters

- You agree to indemnify the Firm for claims arising from false or incomplete information provided

If we are required to respond to subpoenas, testimony, or document requests related to your engagement, you agree to reimburse all associated costs and fees.

Dispute Resolution & Governing Law

Any dispute arising out of or relating to this engagement shall first be attempted to be resolved in good faith through **nonbinding mediation**. If mediation is unsuccessful, the parties agree that any unresolved dispute may be resolved through **binding arbitration** in accordance with the applicable rules for resolving professional accounting and tax services disputes.

This engagement shall be governed by and construed in accordance with the **laws of the state in which Innovative Tax Solutions maintains its principal place of business at the time the services are performed**, without regard to conflict-of-law principles.

Acceptance of Engagement

You acknowledge and agree to the terms of this engagement by:

- Signing this letter
- Providing information for tax preparation
- Authorizing electronic filing
- Paying fees for services

This engagement letter represents the **entire agreement** between the parties and supersedes all prior understandings, agreements, or representations, whether written or oral.

Client Certification

By signing below, you certify that all information, records, documents, explanations, and representations you have provided to **Innovative Tax Solutions** are **true, correct, and complete to the best of your knowledge and belief**. You acknowledge that you are solely responsible for the accuracy and completeness of the information provided and for the final contents of all tax returns, filings, and reports prepared based on that information.

Acknowledged and Accepted

Client Name: _____
Signature: _____
Date: _____

Firm: **Innovative Tax Solutions**
Authorized Representative: _____
Date: _____