

Taxpayer's Initials \_\_\_\_\_

Spouse's Initials \_\_\_\_\_

**GALICIA FINANCIAL, LLC**

16 Gettysburg Road  
Southbury, CT 06488  
813-803-0678

Client Name(s):

Street Address:

City, State and Zip Code:


Dear Client(s),

Galicia Financial, LLC ("the Firm") is pleased to confirm its understanding and specify the terms and objectives of the engagement with you ("you" or "your") and to clarify the nature, extent and limitations of the services the Firm will provide regarding the preparation of your income tax return(s). This engagement will be governed by the terms of this letter ("the Agreement").

The Firm will prepare your 2020 US Form 1040 individual Federal income tax return, and income tax returns for the state and local taxing authorities in which you deemed yourself a resident in 2020 (collectively, the "returns"). This engagement pertains only to the 2020 tax year, and the Firm's responsibilities do not include preparation of any other tax return years that may be due to any taxing authority. The Firm is responsible for preparing only the returns referenced above. If you have taxable activity in a state or local municipality other than that referenced, you are responsible for providing the Firm with all the information necessary to prepare any additional applicable state and local income tax returns. If you have income tax filing requirements in a given state or local municipality but do not file that return, there could be adverse ramifications, such as an unlimited statute of limitations, interest, penalties, etc.

The Firm has *not* been engaged to and will not prepare any financial statements on your behalf. The Firm's work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

This engagement includes the e-filing of your return. Galicia Financial, LLC will provide you the return for your review together with Form 8879 (*IRS e-file Signature Form*) which you must verify, complete and sign (and any similar state and local equivalent authorization form). ***You have the final responsibility for the income tax return and, therefore, you should review it carefully before you sign the form. The Firm will not e-file your return until it has received this signed form and full payment for services rendered.***

The law provides various penalties that may be imposed when taxpayers understate their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalty thereon, are your responsibility, and that the Firm has no responsibility in that regard. Your return may be selected for review by a governmental agency or taxing authorities or you may receive a notice requesting a response to certain issues on your tax return. In the event of such government tax examination or inquiry, the Firm may be available upon your request to respond to such inquiry. At that time, the Firm may present you a subsequent engagement letter to clarify the nature and extent of services it will provide regarding the tax examination or inquiry response and will render additional invoices for these services and any expenses incurred.

The Firm will prepare the returns from information that you will furnish. It is your responsibility to provide all the information for the preparation of complete and accurate returns. The Firm will provide you with a client tax questionnaire and checklist to guide you in gathering the necessary information. The Firm's use of such forms will assist in keeping your fee to a minimum. To the extent the Firm renders any services, it will be limited to those tasks it deems necessary for the preparation of the returns only. Any accounting and/or bookkeeping services will be considered "out of

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scope" of this engagement letter. Prior to the commencement of "out of scope" services, the Firm will discuss with you the nature and extent of the work and may provide you with a subsequent engagement letter that clarifies these services.

The Firm will not audit or otherwise verify the data you submit. *Accordingly, this engagement cannot be relied upon to detect or disclose errors, fraud, or other illegal acts that may exist.* However, it may be necessary to ask you for classification of some of the information you provide. (You are responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of a proper return.) Furthermore, you are responsible to review all of the information presented on your tax return for accuracy and completeness.

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax return. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your return, as required under applicable tax laws and regulations. You are responsible for the adequacy of all information provided in such documents. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by taxing authorities. You agree to hold our Firm harmless with respect to any additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

In connection with this engagement, the Firm may communicate with you or others via email transmission. As emails can be intercepted and read, or otherwise used or communicated to an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, the Firm cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, the Firm specifically disclaims and waives any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by it, in connection with the performance of this engagement. In that regard, you agree that the Firm 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.

Various penalties and interest are imposed when taxpayers fail to pay the full amount of taxes owed by the filing due date. Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of subsequent year tax estimates. Based on information you have provided to the Firm, it can assist you in determining the correct amount of taxes owed for the *current* year engagement. The subsequent year tax estimates are available upon request. You acknowledge that any such penalties and interest that arise due to the underestimation of current year taxes owed or subsequent year tax estimates remitted are your responsibility, and that the Firm has no responsibility in that regard.

The Firm will use its professional judgment in preparing your returns. Whenever the Firm is aware that a possible applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (i.e. tax agencies and courts), it will explain the possible positions that may be taken on your return. In accordance with professional standards, the Firm will follow whatever position you request, as long as it is consistent with the codes, regulations and interpretations that have been promulgated. When possible, the Firm will resolve questions involving application of tax rules in your favor, if there is reasonable justification for doing so. If the Internal Revenue Service (IRS) or other taxing agency should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. The Firm assumes no liability for such additional penalties, interest, or assessments. Additional services will be subject to arrangements made in writing at the time requested.

The Firm will not update its advice after the conclusion of the engagement for *subsequent legislative or administrative changes or future judicial interpretations*. Tax positions that you take should meet the "substantial authority," or "more likely than not" standard, as applicable.

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You agree to indemnify and hold the Firm harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

The Firm will not respond to any third-party verification requests from banks, mortgage brokers or others for any information reported on these tax returns.

If the income tax return the Firm is to prepare in connection with this engagement is a joint return, and because you will each sign the return, then each of you is the Firm's client. You each acknowledge that there is no expectation of privacy from the other concerning the Firm's services in connection with this engagement, and it is at liberty to share with either of you, without the prior consent of the other, any and all documents and the other information concerning preparation of your return.

***Galicia Financial, LLC must receive the information needed to process your return no later than March 25, 2021 in order to complete by the filing due dates established by the corresponding taxing authorities.***

It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if all of the necessary information has not been received from you on a timely basis. All taxes owed are due by the initial filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines. If you want to engage Galicia Financial, LLC to apply for extensions of time to file a tax return on your behalf, you must notify the Firm in writing. The Firm will not file these applications without an executed copy of this Agreement and your express written authorization to file for an extension. In some cases, your signature may be needed on such applications prior to filing. Failure to timely request an extension of time to file can result in substantial penalties for failure to file tax return, which accrue from the original due date of the return.

The law imposes substantial penalties on taxpayers and tax advisors for failure to disclose listed and other reportable transactions on *Form 8886 (Reportable Transaction Disclosure Statement)*. Reportable transactions are those that the IRS requires to be separately disclosed because it has a higher potential to be a tax avoidance transaction. You agree to advise the Firm of any reportable transactions identified under tax laws and regulations. You agree that it is solely your decision to disclose any reportable transactions in the return prepared for you. You acknowledge your responsibility to inform of any listed transactions or other reportable transactions as designated by the IRS. You agree to hold the Firm harmless with respect to any additional tax, penalties, interest and professional fees resulting from your failure to timely notify in writing of all such transactions in order to facilitate the timely preparation and filing of your tax return.

Please note that any person or entity subject to the jurisdiction of the United States (included individuals, corporations, partnerships, trusts and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an aggregate value exceeding certain thresholds at any time during the calendar year in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require filings by the corporation and by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

You are responsible for complying with the tax filing requirements of any other country. You are responsible for informing the Firm of all foreign-held assets. Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the IRS may result in substantial monetary penalties. You accept responsibility for informing the Firm if you believe that you may have foreign reporting requirements with the U.S. Department of the Treasury and/or IRS and you agree to timely provide the information necessary to prepare the appropriate form(s), if applicable. The Firm assumes no liability for penalties associated with the failure to file, or untimely filing, of any of these forms.

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Based upon the information you do provide, the Firm can advise you of any additional filing requirements, which may include *Form 8938 (Statement of Specified Foreign Assets)*, and *FinCEN Form 114 (Report of Foreign Bank and Financial Accounts or "FBAR")*. The FBAR is not a tax return and its preparation is **not within the scope of this engagement**. If you request Galicia Financial, LLC to prepare the FBAR, the Firm will confirm this representation in a separate engagement letter.

The fees for this engagement are not contingent on the results of service. Rather, the Firm's fees will be based on a number of factors, including, but not limited to the professional time spent and the complexity of the services performed. In addition, you agree to reimburse the Firm for any out-of-pocket costs incurred in connection with the performance of its services. ***The engagement fees will be billed upon completion of the tax return and/or services and are payable upon receipt.***

The Firm reserves the right to suspend its services or withdraw from this engagement. If Galicia Financial, LLC elects to terminate its services, this engagement will be deemed to have been completed upon notification of termination, even if the Firm has not completed your return. You will be obligated, through the date of termination, to compensate the Firm for all outstanding invoices and to reimburse it for all of out-of-pocket costs. For these purposes, any non-payment, inability to sign the tax return(s), or non-response by you of information requested (among other items) will constitute a basis for the Firm's election to terminate its services.

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, the Agreement shall have been deemed to have been entered into the accountant's office located in Southbury, CT, in New Haven County, USA, 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 the state of Connecticut.

In the event the Firm is required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to the information the Firm obtained and/or prepared during the course of this engagement, you agree to compensate the Firm for the time it expends in connection with such response and to reimburse the Firm for all of the its out-of-pocket costs incurred in that regard.

You agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that you will engage in the mediation process in good faith once a written request to mediate has been given by either party to the engagement. Any mediation negotiated as a result of this engagement shall be administered by a law firm specializing in the mediation process, not associated with either party, and selected by us, according to its mediation rules. The results of any such mediation shall be binding only upon Agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by Galicia Financial, LLC to enforce payment of its professional fees, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against the Firm, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by it, and paid by you, for the services set forth in this engagement letter.

In the event that Galicia Financial, LLC becomes obligated to pay any judgment or similar award, you agree to pay any amount in settlement, and any costs incurred as a result of any inaccurate or incomplete information that you provided to the Firm during the course of this engagement. By signing this document, you agree to indemnify, defend, and hold the Firm harmless against such obligations, Agreements, and/or costs.

Galicia Financial, LLC appreciates the opportunity to provide professional services to you in accordance with the terms of the engagement as outlined in this Agreement. The terms of this letter supersede any prior oral or written representations

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or commitments by or between the parties. Any material changes or additions to the terms set forth in this Agreement will only become effective if evidenced by a written amendment signed by all of the parties.

If you agree to these terms, please execute the Agreement by initialing the top of each page of this letter, sign and date below and then return the completed document to the Firm.

Very truly yours,

\_\_\_\_\_

Merci G. Caldaroni, CPA  
Galicia Financial, LLC

**ACKNOWLEDGEMENT:**

The above terms and conditions are accepted and affirmed by:

\_\_\_\_\_ Dated: \_\_\_\_\_  
Taxpayer (Signature)

\_\_\_\_\_

Taxpayer (Print Name)

\_\_\_\_\_ Dated: \_\_\_\_\_  
Spouse Signature (if applicable)

\_\_\_\_\_

Spouse (Print Name) (if applicable)

Comments/requests or additional types of returns to prepare:

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