

2025 Individual Tax Return Engagement Letter

CLIENT INFORMATION

- **Last Name:** _____
 - **First Name:** _____
 - **Spouse Name:** _____
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ADDITIONAL STATE/CITY RETURNS

- Do you require any state/city returns other than Oklahoma?
 - **Yes** If yes, please list: _____
 - **No**
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PURPOSE OF THIS LETTER

Thank you for choosing our firm to prepare your 2025 Federal and state individual income tax returns. We appreciate the opportunity to serve you. This engagement letter serves to confirm a complete understanding between David E Clampitt CPA, Inc. P.C. (herein after in this document referred to as we, our, and us), and you, the Client (herein after in this document referred to as you or your), of the terms and objectives of our engagement and the nature and limitation of the services we will provide you. This letter explains:

- The scope of our services
 - Your responsibilities
 - Our responsibilities
 - Fee structure and payment terms
- Please read carefully and contact us with any questions before signing.
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SCOPE OF ENGAGEMENT

- We will prepare your **2025 Federal and Oklahoma tax returns**, plus any additional state/city returns listed above.
 - This agreement covers only the services described herein.
 - We will prepare returns based on information you provide.
 - You are responsible for providing complete and accurate information.
 - One electronic or paper copy of your return will be provided free of charge.
 - We will file your return upon receipt of your signed e-file Signature Authorizations. **For joint returns, the signature of both parties is required.**
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DEADLINES

- The filing deadline for **2025 Federal and Oklahoma tax returns** is April 15, 2026.
- Your tax return will be automatically extended to October 15, 2026 **if**:
 - You have submitted tax documents to us but we are missing information needed to file your return. **OR**
 - You submitted your tax documents to us between March 16 and April 14.

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- The extension deadline is October 15th, 2026.

FEES

- **Minimum Fee:** Our **minimum fee** of **\$235** covers one hour of tax preparation time and ½ hour of review and administration time. Returns with additional W-2s or tax credits will result in higher fees as these returns require additional time to prepare.
- **Hourly Rate:** If your return requires more than one hour of preparation, additional time will be billed at \$175 per hour, in 15-minute increments.
- **Additional State/City Returns:** \$125 per state/city.
- **Disorganized Records:** \$175/hour billed in 15-minute increments.
- **Bookkeeping or Accounting Assistance:** \$175/hour billed in 15-minute increments.
- **Additional electronic or paper copies of Tax Returns:** \$35 per copy.
- **Payment:** Due in full at completion of the return. *Fees are not based on refund amount or income.*

This document contains important information regarding your responsibilities as well as ours. **Please read this letter carefully because it is important to both you and our firm that you understand what you can and cannot expect from our work.** In other words, we want you to know the limitations of the services you have asked us to provide.

By signing this form, you are hiring us to prepare only your 2025 income tax returns listed above and you acknowledge your responsibilities and the terms of this engagement letter.

It is our policy to initiate services after we receive the executed engagement letter.

Sincerely,

David E Clampitt, CPA

David E Clampitt, CPA President

Client Signature _____ Date: _____

Spouse Signature _____ Date: _____

TERMS AND CONDITIONS

1. SCOPE OF ENGAGEMENT LETTER

- 1.1. **ENGAGEMENT CONFIRMATION** We confirm our agreement to prepare your individual Form 1040 income tax return(s) under the terms outlined in this letter.
- 1.2. **ENTIRE AGREEMENT** This letter constitutes the complete agreement for the services described and supersedes all prior discussions or agreements. It is binding on both parties and their successors. The IRS

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imposes penalties on taxpayers and preparers for lack of due care; therefore, we require your acknowledgment of these terms to ensure mutual understanding.

- 1.3. CLIENT RESPONSIBILITIES** We will prepare your returns based solely on the information you provide. You are responsible for supplying complete and accurate data. Upon request, we will provide questionnaires or worksheets to assist you. Any accounting or bookkeeping assistance we provide will be limited to what we deem necessary and billed at our standard rates.
- 1.4. ADDITIONAL FILINGS** If you have taxable activity in jurisdictions other than those listed, you must inform us and provide all necessary details. We will prepare only the state or local returns specifically identified in this agreement and do not determine filing requirements for other jurisdictions.
- 1.5. BUSINESS OWNERS**
 - 1.5.1. TAXABLE WAGE INCOME WARNING** Tax deductions that reduce taxable income may also lower earned income reported to the Social Security Administration, potentially reducing current and future benefits for you and your dependents. By signing, you acknowledge and accept these implications.
 - 1.5.2.** Many states require online sellers to register, collect, and remit sales tax—even at minimal activity levels. We have not been engaged to determine your compliance with these rules. Unless a separate written agreement is in place, you are solely responsible for identifying and meeting state sales tax obligations. Failure to comply may result in significant penalties.

2. FEES AND PAYMENT TERMS

- 2.1.** If your records are disorganized, additional time required to organize them will be billed at our standard rate of **\$175 per hour**, in 15-minute increments. Providing information in an orderly manner is in your best interest.
- 2.2.** Any accounting or bookkeeping assistance—including calls, emails, letters, or third-party consultations—will be limited to tasks necessary for preparing your return and billed at **\$175 per hour**, in 15-minute increments. Payment in full is required upon completion of your return.
- 2.3.** Our fee does not include responding to inquiries or examinations by tax authorities or third parties. These services are available under a separate engagement letter and billed at our standard rates. You agree to notify us immediately upon receiving any correspondence from a taxing authority.
- 2.4.** If you choose not to file a prepared return, you will be invoiced for work performed, and payment is due immediately.
- 2.5. PAYMENT TERMS:** Payment is due within 10 days of invoicing. Accounts become delinquent after 30 days. If unpaid after 60 days, we may suspend work or withdraw from the engagement. Accounts 90 days past due will be referred to collections, and you are responsible for any related fees. We are not liable for any consequences resulting from suspension or withdrawal due to nonpayment. Services conclude upon delivery of the completed return or upon suspension or resignation.
- 2.6.** A copy of your tax return will be provided via Liscio, our secure portal, at no charge. Additional electronic or paper copies are available for **\$35 per return**, payable before processing.

3. **PRIVACY POLICY** By signing this engagement letter, I confirm that I have received a copy of the privacy policy.

4. COMMUNICATION, CONFIDENTIALITY, AND PERSONAL IDENTIFICATION INFORMATION (PII)

- 4.1.** Personal Identification Information (PII) includes any two non-public pieces of information, not just your Social Security Number. Most communication regarding your tax return will contain PII.
- 4.2.** We will verify your identity before discussing confidential information in person or by phone.
- 4.3. Do not send documents or PII via text.** Texting is not secure and may expose you to identity theft. We may use text only for non-sensitive communication.

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- 4.4. When we send PII by email, it will be encrypted. We strongly encourage you to use encryption when emailing us. Replies to our encrypted emails are automatically encrypted.
 - 4.5. Attachments to encrypted emails expire after 30 days. Download important documents promptly and store them securely.
 - 4.6. We offer secure communication through Liscio, our cloud-based portal, which supports document upload/download and secure in-app messaging.
 - 4.7. All confidential information sent electronically will be transmitted via secure portal, encrypted email, or password-protected files. While we take reasonable steps to protect communications, we cannot control unauthorized interception after transmission. By engaging us, you consent to these methods.
 - 4.8. For security reasons, we cannot accept USB drives, CDs, or click on external links you provide.
 - 4.9. Email is not fully secure and may be intercepted or misdelivered. We disclaim all liability for any loss or damage resulting from email transmission, including disclosure of confidential information.
 - 4.10. Social media messages do not constitute tax advice and are not retained. Only written correspondence via mail, email from our official domain, or fax may be relied upon.
 - 4.11. IRS privacy laws prohibit us from sharing confidential information without your written authorization. Copies of your returns will be provided through Liscio, which is SOC 2 Type 1 compliant. We may use third-party providers for secure technology services under strict confidentiality protocols.
 - 4.12. All advice intended for reliance will be provided in writing. Do not rely on verbal or informal communications.
 - 4.13. We will not disclose privileged communications without your consent unless required by law. You agree to reimburse any reasonable expenses, including legal fees, incurred to protect privileged information.
5. **TAXPAYER (YOUR) RESPONSIBILITIES -PLEASE READ CAREFULLY**
- 5.1. US citizens and resident aliens are required to report worldwide income on their US tax return.
 - 5.2. **INCOME** You acknowledge that you have reported all 2025 income you received including barter, crypto-currency, consumer-to-consumer activity, cash-based revenues, foreign or non-US income and all other income whether received in-person, in-kind, or electronically. You also confirm that you have or will timely file any applicable required Forms W-2 and W-3 and 1099 with the Social Security Administration and IRS for business employees or home-workers.
 - 5.3. **CRYPTOCURRENCY WARNING** Recent Form 1040 changes require that you report any activity you may have in cryptocurrency including mining, sale, barter, etc. By your signature, you accept responsibility for informing us if you believe that you fall into one of the above reporting categories and you agree to provide us with the information necessary to prepare the appropriate forms. We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms. Cryptocurrency activity may require reporting on tax returns filed with other countries. We have not determined if such returns are due nor have we been hired to determine filing requirements or to file any tax returns for foreign countries or localities.
 - 5.4. **ORGANIZERS** Prior to each tax filing season, we send client organizers or intake forms to most of our clients as a convenience to assist them with gathering their tax information. If you move or do not wish to receive an organizer, please notify us or we will send the organizer to the address we used on your prior year's tax return.
 - 5.5. **MORTGAGE DEDUCTIBILITY** Residential mortgages and equity loans are only deductible if the mortgage is used to buy, build, or improve the property it is secured by. Therefore, we need to know any amounts borrowed against your home, the date borrowed and the use of the funds. Without that information we are unable to deduct mortgage interest on new borrowings.
 - 5.6. **PHISHING AND SCAM WARNING** Please do not respond to or click on any links from emails supposedly from the IRS or other governmental agencies. These agencies never initiate correspondence via email and any such emails are attempts to steal your identity. Likewise, do not respond to phone calls supposedly from the IRS or any other governmental agency for the same reasons.
 - 5.7. **CONFIDENTIALITY WARNING** Confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing information to a third party.

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- 5.8. WEB PORTAL USE** In the interest of facilitating our services to you, we utilize Liscio, a secure web portal. Your use of this portal must comply with our standards of use, and as owners of the portal we retain the right to limit and deny use of the portal for inappropriate purposes. Your access to files maintained on the portal will be terminated no later than 30 days after the earlier of your or our termination of services under this agreement or April 15 (upon service termination), unless we are notified in writing of your desire to extend your tax return. We strongly encourage you to activate the 2FA option and use an Authenticator application instead of text or phone call.
- 5.9. EXTENTIONS AND TAX PAYMENTS** We DO NOT automatically file tax extensions for clients-you must notify us in writing, email, or fax if you wish us to file an extension, and the notification should include your estimate of any balance due with the extension. We must receive your information by April 1 to complete your return in a timely manner and information received after that date may cause your return to be extended and completed after the April 15 due date. Failure to file an extension may make you subject to various penalties and interest. Additionally, if your return is extended it does not relieve you from paying any tax due on the due date or making quarterly estimated tax payments for the current year. Failure to pay any tax due with the extension or failure to pay quarterly estimated tax payments may make you subject to various penalties and interest.
- 5.10. FOREIGN AUTHORITY OR CONTROL OF ACCOUNTS**
- 5.10.1.** Please note that any person or entity subject to the jurisdiction of the United States (includes 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 \$10,000 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. Such disclosure includes filing Form 8938 with this Form 1040 and form FinCen 114 directly with the Department of the Treasury. ***If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required Income Tax related forms, and penalties may be due, for which we have no responsibility. In the absence of such information being provided we will presume you do not have any foreign assets or financial interests and will not file any applicable disclosure forms without separate written authorization.***
- 5.10.2.** In addition, currently the Internal Revenue Service, under IRC §6038 and §6046, requires information reporting if you are an officer, director or shareholder with respect to certain foreign corporations (Form 5471); foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472); U.S. transferor of property to a foreign corporation (Form 926)); and, for taxable years beginning after March 18, 2010, if you hold foreign financial assets with an aggregate value exceeding \$50,000 (Form 8938) Therefore, if you fall into one of the above categories you may be required to file one of the above listed forms. Failure to timely file may result in substantial monetary penalties. With your signature on this form, you accept responsibility for informing us if you believe that you fall into one of the above categories and you agree to provide us with the information necessary to prepare the appropriate form(s). We assume no liability for penalties associated with the failure to file or untimely filing of any of these forms.
- 5.11. TAX INQUIRIES** Our fee does not include responding to inquiries or examination by taxing authorities or third parties, for which you will be separately billed for time and expenses involved. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate engagement letter. You agree to immediately notify us upon receipt of any correspondence from any agency covered by this letter.
- 5.12. EXAMINATION OF COMPLETED TAX RETURN** It is your responsibility to carefully examine and approve your completed tax returns before signing the e-file authorizations (or alternatively mailing them to the tax authorities). We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties, and Interest. We will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, K1's, 1099's, 1098's, and receipts and similar items.
- 5.13. RETENTION OF DOCUMENTS** We do not keep any original client records. We return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for **SEVEN YEARS** for possible future use, including potential examination by any government or regulatory agencies. It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions

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for three years from the filing date. If you have any questions as to the type of records required, please ask us for advice in that regard.

6. TAX PREPARER (OUR) RESPONSIBILITIES

6.1. TAX PREPARATION

- 6.1.1. We will prepare your 2025 U.S. Individual Income Tax Return (Form 1040) and any related federal, state, and city schedules as indicated, based solely on information you provide.
- 6.1.2. We will not audit or verify the data you submit, although we may request clarification when necessary.
- 6.1.3. We are not responsible for the accuracy of forms prepared by other parties.
- 6.1.4. We are not liable for disallowed deductions or inadequately supported documentation, nor for resulting taxes, penalties, or interest. We will rely on information you provide, including third-party documents such as K-1s, 1099s, and 1098s, without further verification.
- 6.1.5. We will exercise professional judgment in preparing your returns. If tax law is unclear or subject to differing interpretations, we will explain possible positions and adopt the position you request, provided it complies with applicable regulations. If the IRS later challenges that position, additional tax, interest, and penalties may apply. We assume no liability for such assessments.
- 6.1.6. Our responsibility is limited to preparing the specific forms listed above. Any additional services require a separate written engagement letter. This engagement does not include determining filing requirements beyond those requested. If needed, we can provide a nexus study under a separate agreement to assess other state filing obligations.

6.2. **RECORD RETENTION** We retain engagement-related records for seven years, after which they are destroyed, including electronic files. We do not keep original client documents; these will be returned to you upon completion of services. You are responsible for safeguarding your records for future use, including potential audits or regulatory inquiries. Your signature on the e-file authorization confirms receipt of original documents.

- 7. **INCOME VERIFICATION REQUESTS** We are occasionally asked by third parties to verify income, employment, or tax filing status on your behalf. Because our engagement is limited to tax return preparation—not examination, review, or audit—professional standards and insurance requirements prohibit us from signing such documents. We recommend directing third parties to request verification directly from the IRS using Form 4506.
- 8. **INVESTMENT ADVICE** While you may seek our perspective on potential investments, please note that we are not investment advisors and do not provide investment advisory services. We recommend consulting a qualified financial advisor for guidance on the economic viability, risks, or suitability of any investment. We will not advise whether you should or should not make a particular investment.
- 9. **JURISDICTION** This agreement is deemed executed at our office in Oklahoma County, Oklahoma, regardless of your domicile or where the agreement is physically signed. Oklahoma County shall be the exclusive jurisdiction for resolving any disputes arising under this agreement, which will be governed by the laws of the State of Oklahoma.
- 10. **LIMITATION OF LIABILITY** To fairly allocate risk, you agree that our total liability for any claims, losses, or damages of any nature shall not exceed the total fees paid for services under this agreement. This limitation applies to all causes of action unless prohibited by law. Additionally, any claim must be brought within one year of the date our tax professional signs the tax return covered by this engagement.
- 11. **SEVERABILITY** If any provision of this agreement is determined to be invalid or unenforceable, all remaining provisions shall remain in full force and effect.