

# JAMES E. GEORGE, CPA, P.A.

4014-B Mountville Road Jefferson, MD 21755 • Phone: 301-473-4445 Fax: 301-473-4449

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January 21, 2022

To our Valued Clients:

Once again it is the tax filing season! We look forward to assisting you and will strive to make your tax preparation as easy as possible. The best way to accomplish this is by ensuring we have your tax information organized as early as possible. We ask that you please review this entire packet and complete all requested information.

We have many new procedures this year due to COVID concerns. Our goal is to protect our staff and clients as much as possible. To accomplish this goal, **we will not be doing in person tax interviews this year**. You are welcome to submit your tax information by dropping it off at the front counter in our reception area. That has not changed. You may also submit your income tax information by UPS, FedEx, USPS Express Mail, or submitting it through our Secure File Portal located on our website. If you wish to speak with someone about your tax information, please contact us to arrange a Zoom meeting or telephone interview.

We can provide you with a "Tax Organizer," which is a helpful checklist of the income and deductions reported on your 2020 tax returns. Let us know if you would like to download your Tax Organizer from the Secure File Portal. You may also request delivery via fax or pick it up at our office. Our commitment to safeguarding your information prohibits us from mailing or emailing these Organizers.

Enclosed is a "How to Organize your Tax Information" sheet which you should refer to when compiling your tax documents. Also complete the enclosed "Tax Questionnaire" and sign the "Engagement Letter" when submitting your information. We cannot start your returns until the Engagement Letter is signed. (**by both parties** if a joint return)

We maintain high security measures to safeguard your information against identity theft and fraudulent tax return filings. Therefore, we discourage transmitting sensitive information via the postal service or email. For your protection, we offer a Secure File Portal on our website [www.jgeorgecpa.com](http://www.jgeorgecpa.com). This is a very easy and safe method for obtaining your tax organizer and communicating other confidential material. Please contact our office if you need assistance using this valuable tool. Instructions on how to log in to the Secure File Portal is provided in this packet. If you do not have a personal active Secure File Portal, please contact the office for assistance in obtaining yours. Be prepared to provide a copy of your driver's license when dropping off or picking up your paperwork in our office. Safeguarding your information is one of our highest priorities!

Please contact us once you have received most of your tax information and have completed the enclosed forms. Whether you submit your data by mail, through our secure portal or drop it by our office, make sure to include copies of a voided check if you have one, your driver's license, and the signed engagement letter.

Thank you for your continued business, kind words, and referrals. We look forward to serving you this tax season and helping you navigate your financial challenges throughout this upcoming year.

Sincerely,



Hours beginning late January 2022  
Monday and Friday 8:00 - 5:00; Tuesday and Thursday 8:00 – 8:00; Saturday 8:00 to 12

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## INFORMATION REGARDING OUR BILLING POLICY

Dear Client,

Many clients are unsure how CPA firms operate and charge for their services. We hope the following explanation addresses any questions you have regarding our billing policies.

The product of a CPA firm (what is sold) is their expertise. This expertise is sold in units of time. Time spent using our expertise to process client work or sharing our expertise by educating the client is considered a sale of that product. While we are happy to give away our product in certain situations, we do have limitations. Insignificant amounts of time, such as quick telephone calls or e-mails, generally are not billed. Repeated telephone calls or multiple emails may be billed. Generally, professional firms bill by the hour.

During the process of preparing your returns we may need to contact you for additional information or to clarify documentation you have provided. This time is considered normal in the preparation of the income tax returns and, unless excessive, is not billed. We also scan your income tax return and supporting documents and store them securely for a period of three years. This has proven valuable if a client gets selected for an audit or their records become lost or destroyed. There is no additional charge for this service. It is considered a standard part of our income tax preparation at our firm.

When income tax returns are complete, they are billed on a “per-form” price which is a set price based upon the time and expertise needed to complete each form. This is similar to the billing method used by H&R Block, Liberty Tax Service, and other tax preparation firms. Time spent for consultation, bookkeeping, and additional services that you may require is then added to the per form charges.

During the process of preparing your return we may advise you of overlooked opportunities that could potentially save you substantial tax dollars in the future. Our recommendations have saved thousands of dollars for our clients every year! This level of tax-saving expertise is one of the important advantages of having our experienced staff prepare your income tax returns. It may cost a little more than the high-volume tax services, however, we do not simply fill out your forms and hand you a bill. We analyze your tax situation and look for opportunities to help you prosper.

We hope this answers any questions you had regarding our billing policies. You are welcome to speak with us regarding any remaining unanswered questions or concerns about our billing procedures. Our goal is to ensure our clients feel comfortable and pleased with our services. We look forward to working with you and hope you continue to place your trust in us.



James E. George, CPA

*“Caring about your business is my business”*

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## INDIVIDUAL ENGAGEMENT LETTER

Dear Client:

We appreciate the opportunity to work with you and advise you regarding your income tax returns. This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. To ensure we all understand our mutual responsibilities, all clients for whom returns are prepared must confirm the following arrangements:

### **FIRM RESPONSIBILITIES**

We will prepare your 2021 federal and requested \_\_\_\_\_ state income tax returns from information which you will furnish to us. If you have taxable activity in a state other than those specifically listed above, you are responsible for informing us of that activity so we may determine if you have a filing requirement. Our responsibility is limited to preparing only the states listed above and we are not responsible for any state filing requirements not specifically listed.

**Security of Information** Our firm may request you verify your identity during this engagement. We try hard to safeguard your information and will not disclose information to anyone with whom we are not familiar. If you choose to pick up your tax returns when completed, please be prepared to show identification. If someone is picking them up for you such as a parent or child, you must inform us in advance they are doing so and they should be prepared to show identification.

**Taxpayer Responsibilities** It is your responsibility to make certain that the information you are supplying to us is accurate and complete to the best of your knowledge. The firm relies solely on information furnished by you. There is no responsibility on the part of the firm to audit, verify or extensively analyze the information provided. We will render bookkeeping assistance as determined necessary for the preparation of your returns. To the extent we render additional services such as bookkeeping, consultation or correspondence with the taxing authorities, the time for performing any tasks we deem necessary for the preparation of your returns will be billed at our standard rates.

**Foreign Accounts** Any taxpayer that has a financial interest in or signature authority over any financial accounts in a foreign country having an aggregate value exceeding \$10,000 at any time during the year must report that relationship. Failure to report this relationship may result in significant civil and criminal penalties. Required disclosures include filing form 8938 with your income tax return and filing form FinCen114 by April 15<sup>th</sup> of this year. If you do not provide us with information regarding any foreign financial accounts, we will presume you do not have foreign financial interests and will not prepare any income tax related disclosure forms. Our firm is not responsible for any penalties assessed for your failure to report your foreign financial accounts. Please let us know if you need assistance with these filing requirements.

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Individual Engagement Letter 2021 - p. 2

**Crypto Currencies** Recent 1040 tax form changes require that you report any activity you may have in cryptocurrency including the purchase, sale, mining or barter of those currencies. By signing this agreement, you accept responsibility for informing us of your cryptocurrency activities. Failure to report cryptocurrency activity can result in significant penalties for which we assume no responsibility.

**Retention of records** It is your responsibility to maintain, in your records, the documentation used in preparing your income tax returns. This includes records of any charities and auto mileage deducted. We recommend you keep this information for a period of no less than six years. We do not keep original client documents. We return those documents to you at the conclusion of our engagement. We only maintain digital, scanned images on our computer system.

**You have the final responsibility for the income tax returns** and, therefore, you should review them carefully before you sign them. If any changes are required, **it is your responsibility** to inform us so necessary corrections to your returns are made prior to filing.

In connection with the preparation of your income tax returns, we do not perform any procedures designed to discover defalcations or other irregularities, should any exist. We will use our professional judgment in resolving questions where the tax law is unclear. However, it is understood that you remain responsible for any adverse determination by the taxing authorities or the courts. Any information you provide us during the preparation of your returns is confidential; however, the courts have held it is not protected by any Accountant-Client privilege.

**Fees** Our fee will be based upon the forms needed and the amount of time required to prepare the return(s). Our preparation fee does not include responding to IRS inquiries, for which you will be billed separately. It also does not include researching delayed refunds. All tax preparation invoices are due upon completion of your returns. Unpaid invoices may result in collection expenses and attorney fees for which you are liable.

The firm is not responsible for charges, penalties and interest resulting from information you fail to supply or errors by the IRS or state taxing authorities. If your returns are selected for examination, we will be available upon request to represent you. Additional fees will apply for any time and expenses incurred.

**PLEASE NOTE: The results of your income tax calculations will not be released to you prior to payment of our invoices.**

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Individual Engagement Letter 2021 - p.3

**YOUR COMPLETED RETURNS** Our fees are due at the time you pick up your returns or before they are sent to you via secure file portal. We accept cash, personal check, and most major credit cards (not American Express) as a method of payment. If someone other than you or your spouse is picking up your returns on your behalf, they must be prepared to show proof of identification.

It is understood that if this engagement involves a joint return, this firm shall provide a copy (including copies of supporting data) to either of the parties upon request, at any time upon payment of applicable charges.

Our firm's policy is to retain copies of your returns and some of your supporting documents for a period of three years. These may be necessary to prove the accuracy and completeness of the returns should they be examined by a taxing authority. During this time, copies of your previous three years' returns can be obtained for a fee of \$25 per year requested. After three years, our files are destroyed by a bonded outside contractor.

The engagement does not include any services not specifically stated in this letter. If this letter fairly sets forth your understanding, please sign and date in the space indicated. If there are other tax returns you expect us to prepare, such as a Business Personal Property Tax, Federal Gift Tax, Local Tax, or prior year returns, please inform us by noting so at the end of this letter.

If filing a joint return, this form must be **signed by both parties**.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

*James E George CPA*

Accepted By: \_\_\_\_\_ Date: \_\_\_\_\_

Accepted By: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_

# JAMES E. GEORGE, CPA, P.A.

## How to Organize Your 2021 Tax Information

You can help minimize your tax preparation fee and our turnaround time by submitting your information as complete and organized as possible. When utilizing the Secure File Portal **it is important to send one file of all scanned documents at one time rather than pages one by one.** Please do not send pictures of documents taken with a phone, that are difficult to read. Our bills are based on the specific tax forms required for your return, and the amount of time required to process them, including e-mails and telephone calls to request documents. The more time we spend handling your file and information, the higher your fee will be.

If you are using a Tax Organizer with your income and deductions from last year, follow it like a checklist. If you do not have an Organizer, we can provide you one to help organize your income tax information. While reviewing your data from last year please indicate any accounts that have been closed and make any other notes you feel will be helpful. For all returns, we need the following:

- \_\_\_\_\_ Completed Tax Questionnaire (included in this packet) While we have documented your prior year issues, this helps us capture any new information that may affect your returns.
- \_\_\_\_\_ Your signed engagement letter. (Included in this packet) If a joint return is being filed, please make sure BOTH SPOUSES have signed it prior to submitting your documents.
- \_\_\_\_\_ Copy of a check or your bank routing and account number for direct deposit of refunds. (Recommended)
- \_\_\_\_\_ Copies of driver's licenses for taxpayer, and if a joint return, for spouse.

### **Enclose copies of the following documents, if applicable.**

- \_\_\_\_\_ Copies of mileage logs if you are deducting vehicle usage
- \_\_\_\_\_ Copies of death certificate for spouse
- \_\_\_\_\_ Copies of any bankruptcy or debt forgiveness documents
- \_\_\_\_\_ Receipts for all charitable contributions you want to deduct
- \_\_\_\_\_ HUD1 statement from purchase, sale, or refinance of property
- \_\_\_\_\_ Copies of any 1095 forms from a state insurance exchange

Please include any other documents you feel may influence the accuracy or completeness of your tax returns.

If we receive your tax information prior to March 20, 2022, we will not require a deposit. Beginning March 20, we require a \$175 deposit prior to starting a return. This does not include any applicable extension fees.

Should you have any questions, feel free to contact our office.

Hours beginning late January 2022  
M & F 8:00 to 5:00, T & TH 8:00 to 8:00, SAT 8:00 to noon  
Phone: 301-473-4445 Email: [frontdesk@jgeorgecpa.com](mailto:frontdesk@jgeorgecpa.com)

# 2021 TAX QUESTIONNAIRE

Client name: \_\_\_\_\_

Please check the appropriate box and provide an answer to each question, if applicable.

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

## Personal Information

Did your marital status change during the year? If yes, explain: \_\_\_\_\_

Did your address change during the year?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

## Dependent Information

Did you add or lose any dependents during the year?

-If yes, explain: \_\_\_\_\_

<input type="checkbox"/>	<input type="checkbox"/>
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Did you have any childcare expenses during the year?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

## Health Care Information

Did any member of your household **NOT** have healthcare coverage for the entire year?

Did any member of your household have healthcare coverage through the Marketplace?

-If yes, provide copies of Form 1095-A

<input type="checkbox"/>	<input type="checkbox"/>
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Did you receive a distribution from or put money into an Health Savings Account during the year?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

## Income, Purchases, Sales, and Debt Information

Did you have any income (other than wages) from a state other than where you currently live?

Did you have a financial interest or signature authority over a financial account or property in a foreign country?

-if yes, please explain:

Did you receive an economic stimulus payment in 2021?

-If yes, How much? \$

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Did you receive any tips not reported to your employer?

Did you receive any disability income during the year?

Did you cash any U.S savings bonds during the year?

Did you receive any other income such as Gambling Winnings or Jury Pay?

-If yes, explain: \_\_\_\_\_

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Did you start a new business or close a business this year?

Did you sell, exchange, or purchase any real estate during the year?

-If yes, provide closing documentation for the purchase or sale of the property.

<input type="checkbox"/>	<input type="checkbox"/>
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Did you refinance your principal home during the year?

-If yes, provide your HUD-1 settlement sheet.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

Did you receive any principal or interest during this year from property sold in prior years?

Did you have any debts canceled or forgiven this year?

Did you inherit any property or were the beneficiary of any inherited retirement accounts?

Did you buy, sell, mine or otherwise have any cryptocurrency transactions in 2021?

# 2021 TAX QUESTIONNAIRE

Client name: \_\_\_\_\_

**Please check the appropriate box and provide an answer to each question, if applicable.**

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

**Itemized Deduction Information**

- Did you pay any long-term (Nursing Home) healthcare premiums during the year?
- Did you pay any state or local income taxes for prior years?
- Did you make non-cash donations to charity (clothes, furniture, etc.) during the year?
- Did you donate a vehicle during the year?

-If yes, attach Form 1098-C.

<input type="checkbox"/>	<input type="checkbox"/>
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- Did you have any gambling losses during the year?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

**Retirement Information**

- Did you receive any payments from a pension, profit sharing, or 401(k) plan this year?
- Did you make withdrawals from or contributions to: IRA, SIMPLE, SEP plan, (Other than a 401k)?
- Did you receive any Social Security benefits during the year?

YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

**Education Information**

- Did you pay tuition expenses for attending college, or vocational school for yourself, your spouse, or a dependent during the year (even if classes were attended in another year)?
- Did you pay student loan interest for yourself, your spouse, or your dependent(s) during the year?

<input type="checkbox"/>	<input type="checkbox"/>
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YES	NO
<input type="checkbox"/>	<input type="checkbox"/>

**Miscellaneous Information**

- Do you have any unresolved tax related issues from last year or prior years?  
-If yes, please explain:
- Did you apply an overpayment of your 2020 taxes to your 2021 estimated taxes?
- Did you make any estimated payments toward your 2021 taxes?
- If you have an overpayment of 2021 taxes, do you want the refund applied to your 2022 taxes?
- Did you receive any adjustment notices from the IRS or state taxing authority?
- Would you like any tax refunds directly deposited into your bank?  
-If yes, please provide a copy of a check for the account you want to receive the refund.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

- This is not intended to be an all inclusive list.
- Additional questions may arise during the preparation of your returns.
- Please assist us by submitting any additional documents and information you feel may be helpful.

Hours beginning late January 2022  
 Monday and Friday 8:00 - 5:00; Tuesday and Thursday 8:00 – 8:00; Saturday 8:00 to noon  
 Phone: 301-473-4445 Email: frontdesk@jgeorgecpa.com



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## OUR NEW PROCEDURES DUE TO COVID

Dear Client,

Our biggest challenge this year is how to protect our staff and our clients while providing a high level of service. We are implementing the following procedures and service options for this tax filing season:

**Submitting your information:** You may still drop your information off at our office however **we are not offering in-person interviews this year.** You may also submit your tax information by UPS, FedEx, fax, or through our Secure File Portal located at our website: [jgeorgecpa.com](http://jgeorgecpa.com). The postal service is the riskiest method of submission. If you choose to mail your tax information, we highly recommend USPS Express Mail so your parcel may be tracked.

**Secure File Portal:** This tool is user friendly and very secure. All you need is access to a computer and scanner. Please see the Secure File Pro client log in instructions included in this packet. If you are unable to use the Secure File Portal, please see the information above for other options for submitting your information. If you have questions about our Secure File Portal, please contact our office and our staff can assist you with uploading or downloading your tax information.

**Obtaining your completed income tax returns:** Our staff will contact you once your returns are completed. We can send them to you via USPS Priority for about \$15 depending on the weight. We can also send them to you for free through our online Secure File Transfer tool, or you may pick them up at our office. We can accept your credit card payment by telephone prior to mailing or uploading your tax returns to you. If you choose to pick up your returns at our office, you may pay by credit card, check, or cash.

**If you have questions regarding your completed returns:** Contact us by phone or e-mail. The majority of questions can be answered over the telephone or by e-mail. For more complex questions you may schedule a Zoom meeting or phone consultation with a tax professional.

**If you have questions regarding your future tax situations:** We offer tax consultations, by appointment **after the busy April 15<sup>th</sup> filing deadline.** Simply contact our office and schedule a Zoom meeting or phone consultation. Time charges will apply.

We hope this answers any questions you had regarding our new COVID policies. We are striving to make our clients feel safe and pleased with our services. We look forward to working with you and hope you continue to place your trust in us.



James E. George, CPA

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## **Secure File Pro**

### **Client Log in Instructions**

1. You will receive an email advising that an account has been created.
2. The email will include your username and a link to access the portal. The link will expire in 48 hours.
3. When the next window appears once you have clicked on the link to access the portal, please enter the last four digits of the SSN or EIN issued by the sender.
4. Create a password for your account. The password must contain an upper-case letter, a lower-case letter, a number and a special character.

To Download documents from preparer:

1. When the home page displays, notice the MY Folder menu to the left.
2. Click Documents from Preparer.
3. In the right window, your documents should appear. Click the Download link for a document.
4. Select to open or save the file.
5. If you select Save, follow the normal procedure you use when saving a file to your computer.

To submit a document to your preparer:

1. Click the Documents to Preparer link under the My Folder section.
2. In the right window, click the Upload link.
3. Click the Select button to search for the file you would like to upload.
4. The file should display under the button. Click the Upload button.
5. The file will display in the right window. You have the opportunity at this time to rename or delete the file in necessary.
6. Your preparer will be notified that a file is ready for downloading from you.

If you have any questions, please contact our office.