JAMES E. GEORGE, CPA, P.A.

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

January 25, 2023

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 2021 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**. 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,

James E George CPA

Hours beginning February 1, 2023
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

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 2022 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 Please note that any person or entity subject to the jurisdiction of the Unite 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). 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.

Crypto Currencies Recent Form 1040 changes require that you report any activity you may have in cryptocurrency including mining, sale, barter, etc. By your signature below, 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 file any tax returns for foreign countries.

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.

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 2022 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 21, 2023, we will not require a deposit. Beginning March 22, 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 February 1, 2023
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

Secure File Pro

<u>Client Log in Instructions</u>

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.

Questionnaire

Name: SSN:

Questionnaire

Personal Information

Yes No

[ ] [ ] Did your marital status change during the year?
If "Yes," explain ____

[ ] [ ] If your filing status is married, but you are filing separately from your spouse, did you and your spouse live apart for the last six months of 2022?

[ ] [ ] Can you or your spouse be claimed as a dependent by someone else?

[ ] [ ] Did your address change during the year?

[ ] [ ] Were you, your spouse, or any dependents issued an Identity Protection PIN (IP PIN)?
If "Yes," provide Notice CP01A from the IRS.

Provide proof of identity to be eligible to e-file your tax return (driver's license or state-issued photo ID)

Dependent Information

Yes No

[ ] [ ] Did you have any changes in dependents during the year?
If "Yes," explain ____

[ ] [ ] Can another person qualify to claim any of your dependents?

[ ] [ ] Did you have any childcare expenses during the year?

[ ] [ ] Did you have any children under age 19 or a full-time student under age 24 with more than $2,300 of unearned income?

Provide documentation for proof of dependent credits (school records, medical records, daycare records, etc.)

Health Care Information

Yes No

[ ] [ ] Did any member of your household have healthcare coverage through the Marketplace (Obamacare)?
If "Yes," provide copies of Form 1095-A.

[ ] [ ] Did you receive any distributions from a Health Savings Account (HSA), Archer MSA, or Medicare Advantage MSA during the year?

Income, Purchases, Sales, and Debt Information

Yes No

[ ] [ ] Did you receive any tips not reported to your employer?

[ ] [ ] Did you receive any disability income during the year?

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

[ ] [ ] Did you start a new business or purchase any rental property during the year?

[ ] [ ] Did you sell an existing business, rental property, or other property during the year?

[ ] [ ] Did you buy or sell any stocks, bonds, or other investments during the year?

[ ] [ ] Did you sell a principal residence during the year?
If "Yes," provide closing documentation for the purchase and sale of the home.

[ ] [ ] Did you refinance your principal home or second home or take out a home equity loan during the year?
If "Yes," provide all escrow, closing, and other pertinent documentation and information.

[ ] [ ] Did you rent out your home or use it for business?

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

[ ] [ ] Did you acquire a new or additional interest in a partnership or S corporation?

[ ] [ ] Did you have any debts canceled or forgiven this year?

[ ] [ ] Did you purchase a new hybrid, alternative motor, or electric motor energy-efficient vehicle during the year?
If "Yes," provide the year, make, model, VIN, and date the vehicle was placed in service.

[ ] [ ] Did you receive income or incur expenses associated with car sharing (e.g., Lyft or Uber)?
If "Yes," attach Form 1099-MISC, Form 1099-NEC, or Form 1099-K.

[ ] [ ] Did you receive income or incur expenses associated with a short-term rental (e.g., Airbnb or HomeAway)?
If "Yes," provide documentation.

[ ] [ ] Did you receive income or incur expenses as an independent contractor (e.g., Shipt, Instacart, DoorDash)?

Questionnaire

Name: SSN:

Questionnaire

If "Yes," provide documentation.
[ ] [ ] Did you receive any other income you have not provided information for with this organizer?
If "Yes," explain ____

Itemized Deduction Information

Yes No
[ ] [ ] Did you pay out-of-pocket medical or dental expenses (premiums, prescriptions, mileage, etc.) during the year?
[ ] [ ] Did you pay any long-term care premiums for yourself, your spouse, or a dependent during the year?
[ ] [ ] Did you make any major purchases (vehicle, boat, etc.) during the year?
[ ] [ ] Did you pay any real estate property taxes or personal taxes during the year?
[ ] [ ] Did you pay mortgage interest during the year?
[ ] [ ] Did you make cash donations to charity during the year?
[ ] [ ] Did you make noncash donations to charity (clothes, furniture, etc.) during the year?
[ ] [ ] Did you have gambling winnings or losses during the year?

Retirement Information

Yes No
[ ] [ ] Did you make any contributions to an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan during the year?
[ ] [ ] Did you make any withdrawals or receive distributions from a pension or profit sharing plan, IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan during the year?
[ ] [ ] Did you execute any rollovers from an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan during the year?
[ ] [ ] Did you receive any Social Security benefits during the year?

Education Information

Yes No
[ ] [ ] Did you pay tuition expenses that were required for attending college, university, or vocational school for yourself, your spouse, or a dependent during the year (even if classes were attended in another year)?
[ ] [ ] Did anyone in your household attend a post-secondary school during the year?
[ ] [ ] Did you make a contribution to or receive a distribution from an Education Savings Account or Qualified Tuition Program during the year?
[ ] [ ] Did you pay student loan interest for yourself, your spouse, or your dependents during the year?
If "Yes," provide the amount of interest that was refunded.
[ ] [ ] Did you receive forgiveness on a qualifying federal student loan?

Foreign Tax Information

Yes No
[ ] [ ] Did you have a financial interest in or signature authority over a financial account or asset located in a foreign country?
[ ] [ ] Did the aggregate value of your foreign accounts exceed $10,000 at any time during the year?
[ ] [ ] Did you have any income from, or pay taxes to, a foreign country?
[ ] [ ] Did you receive a Schedule K-3 from a partnership or S corporation?
[ ] [ ] Did you own property in a foreign country such as a timeshare?

Refund, Withholding, and Estimated Tax Information

Yes No
[ ] [ ] Did you make any estimated payments toward your 2022 taxes?
[ ] [ ] Did you apply an overpayment of your 2021 taxes to your 2022 estimated taxes?
[ ] [ ] Do you want to have any refund or balance due directly deposited or withdrawn?
If "Yes," provide a canceled checking or savings slip.

Miscellaneous Information

Questionnaire

Name: SSN:

Questionnaire

Yes No

[ ] [ ] Did you pay wages to any household employees (babysitter, nanny, housekeeper, etc.)?
[ ] [ ] Did you incur moving expenses with the military during the year?
[ ] [ ] Did you make any energy-efficient improvements to your main home during the year?
[ ] [ ] Did you receive any notices from the IRS or state taxing authority? If so, please provide a copy.
If "Yes," explain ____
[ ] [ ] Would you like a copy of your tax return sent to you electronically or printed? Please circle one.

PLEASE NOTE: Any changes made after your tax returns are completed will be subject to additional time charges.

JAMES E. GEORGE, CPA, P.A.

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OUR 2023 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. 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 us 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 $20 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 18th 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

James E. George, CPA

"Caring about your business is my business"