
WINDHAM SOLUTIONS

STEVE M. WINDHAM, LLM, MBA, EA

Accounting & Taxation | Consulting | Education | Field Inspections | Photography

Saturday, January 27, 2019

CLIENT

ADDRESS 1

ADDRESS 2

RE: Taxes

Dear Client,

It is that time of year again, and tax season is upon us! Please take a few moments to sign the Engagement Letter and to complete the questionnaires contained in this letter. Please note that not all forms included herein may apply to you. If you have any questions, please contact me.

I appreciate your business, and I look forward to seeing you again this tax season! Please call me as soon as you have received all of your tax documents to schedule your appointment.

Should you have any questions, please contact me.

Sincerely,



Steve M. Windham

Telephone & Text Message: 707.635.3325 | Facsimile: 707.736.8392 | Skype: steve.m.windham

Mailing Address: Post Office Box 403 | Elmira, California 95625

Email: STEVE@WINDHAMSOLUTIONS.COM | Web: WWW.WINDHAMSOLUTIONS.COM | Blog: [HTTPS://STEVEWINDHAM.COM](https://STEVEWINDHAM.COM)

ENROLLED TO PRACTICE BEFORE THE INTERNAL REVENUE SERVICE; ENROLLED AGENT: 91088. CTEC REGISTERED AND BONDED TAX PREPARER: A118869.
INTERNAL REVENUE SERVICE AUTHORIZED E-FILE PROVIDER. UNITED STATES TREASURY BANK SECRECY ACT (BSA) REGISTERED E-FILE PROVIDER.
CREDENTIALLED BY THE CALIFORNIA COMMISSION ON TEACHER CREDENTIALING; ADULT EDUCATION: BOOKKEEPING AND ACCOUNTING, BUSINESS MANAGEMENT,
COMMERCIAL PHOTOGRAPHY, COMPUTER APPLICATIONS, COMPUTER PROGRAMMING, COMPUTER SYSTEMS OPERATION, COMPUTER TECHNOLOGY, CONSUMER EDUCATION,
ELEMENTARY AND SECONDARY BASIC SKILLS, ENGLISH AS A SECOND LANGUAGE, FINANCIAL SERVICES, FINE ARTS, FRENCH, INFORMATION PROCESSING/KEYBOARDING,
LAW ENFORCEMENT OCCUPATIONS, OFFICE OCCUPATIONS, SMALL BUSINESS OWNERSHIP/MANAGEMENT, SOCIAL SCIENCES, AND 30-DAY SUBSTITUTE PERMIT; CREDENTIAL: 140145652.
CREDENTIALLED BY THE CALIFORNIA COMMISSION ON TEACHER CREDENTIALING; CAREER TECHNICAL EDUCATION: BUSINESS AND FINANCE; CREDENTIAL: 180246284.
NATIONAL FEDERATION OF STATE HIGH SCHOOL ASSOCIATIONS (NFHS); LEVELS 1 & 2 ACCREDITED & CERTIFIED INTERSCHOLASTIC COACH: TRACK & FIELD.
CALIFORNIA PROPERTY & CASUALTY INSURANCE BROKER-AGENT: 0E84580. FCC HAM GENERAL LICENSE: KJ6TQC.

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Engagement Letter

This Agreement is to confirm our understanding between **Steve M. Windham** ("Accountant") and **Client** ("Client") regarding Accountant's preparation of Client's Federal and California State income tax returns. If Client finds the terms of this Agreement as set forth in this letter agreeable, please sign and date this Agreement.

Scope of Work:

Accountant will prepare the following tax returns and forms for Client's tax year **2018**:

Federal and California state individual income tax returns.

THIS AGREEMENT DOES NOT COVER PAST YEAR OR FUTURE YEAR TAX ISSUES. ADDITIONAL CHARGES WILL BE ASSESSED FOR THESE SERVICES. THIS AGREEMENT DOES NOT COVER TAX PLANNING SERVICES. ADDITIONAL CHARGES WILL BE INCURRED IF OTHER ACCOUNTING OR BOOKKEEPING SERVICES ARE REQUIRED.

Fees, Deposit, and Payment:

Fees for the preparation of your tax return(s) will be **\$X,XXX.00**. A \$100.00 non-refundable deposit is required to commence work, and is payable on or before your scheduled appointment time.

PAYMENT OF BALANCE IS DUE ON THE COMPLETION OF YOUR TAX RETURN(S).

THE QUOTED FEES ARE BASED ON YOUR PRIOR YEAR TAX RETURNS (AND/OR OTHER INFORMATION THAT YOU HAVE PROVIDED), AND ARE SUBJECT TO ADJUSTMENT IF UNFORSEEN ISSUES ARISE, INCLUDING CLIENT PRESENTING ADDITIONAL DOCUMENTS AFTER THE TAX RETURNS HAVE BEEN COMPLETED. ACCOUNTANT WILL MAKE AN ATTEMPT TO NOTIFY CLIENT AS SOON AS POSSIBLE SHOULD THIS EVENT OCCUR.

If Client provides additional tax forms or information after Accountant has finalized the tax return, but before the tax return has been filed, then there shall be a minimum charge of \$75.00. If Client determines that Client's tax return needs to be amended after the tax return has been filed, there will be a minimum fee of \$200.00 for amending an already filed tax return; the actual fee will be determined by the scope of work and time to complete.

If Client requires a reprint of Client's tax return, the following prepaid fees will apply for the tax returns pertaining to one year: 1) \$25.00 for a PDF copy delivered via email. 2) \$75.00 for a printed copy delivered via common carrier. 3) \$50.00 for either a PDF copy delivered via email or a printed copy delivered via common carrier for other forms such as copies of source documents, Accountant prepared 1099s, *et cetera*.

Client Responsibility to Provide Complete and Accurate Records:

Client agrees to furnish all of the information that is necessary for the preparation of Client's tax returns, and Client represents that the written and oral information supplied to Accountant is accurate and complete to the best of Client's knowledge. By Client's signature(s) below, Client acknowledges that Client has the necessary records, receipts, and/or other evidence to substantiate the items of income and deductions shown on Client's income tax returns.

If Client is reporting business expenses, business expenses must be ordinary and necessary, as per 26 U.S. Code § 162 – Trade or business expenses.

Client: CLIENT NAME

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Client understands that Client signs tax returns under penalties of perjury, and that it is the Client's responsibility to provide accurate and complete records for the preparation of Client's tax returns.

Accountant requires Client to supply written records (paper or email copies, no text messages) of income and expenses for any income and expenses claimed on Client's tax returns. Accountant will not independently verify or audit Client's information, although Accountant may ask for clarification on certain items.

Tax Audit, Adjustments, and Assessments:

Tax returns are subject to audits and to adjustments by the taxing authorities; which may result in additional assessments of tax, interest, and penalties. Client should retain the tax records related to Client's individual income tax returns for at least four (4) years after the date filed, since additional assessments will generally be made during that period. Generally, an assessment by the taxing authorities is presumed correct and must be rebutted by the taxpayer.

Client understands that Accountant does not assume responsibility for such audits, adjustments, and/or assessments and, if Client would like Accountant to assist in connection with the audit of Client's return, there will be additional fees.

Accountant will use his professional judgment in preparing Client's income tax returns. Whenever Accountant is aware that applicable tax law may be unclear or that there are conflicting interpretations of the law by authorities (for example, tax agencies and courts), Accountant will explain the possible positions that may be taken on your income tax return(s). Accountant will adopt whatever position Client requests, so long as it is consistent with the Internal Revenue Codes, regulations, case law, revenue rulings and letter ruling interpretations. If the Internal Revenue Service contests this position, it may assess additional tax, plus interest, and penalties. Accountant assumes no liability for any such penalties, interest, or assessments.

CTEC Registration Notice:

The renamed Tax Preparation Act (California Business and Professions Code Section 22250-22259) requires that Account disclose Accountant's California Tax Education Council (CTEC) information, and provide the CTEC web address to clients. The CTEC web address is: <https://www.ctec.org>.

Accountant Name and Contact Information:

Steve M. Windham, dba Windham Solutions
Post Office Box 403
Elmira, CA 95625
Telephone: 707.635.3325

Accountant Bond Company Information:

CNA Surety / Western Surety Company
Email: info@cnasurety.com
Bond Number: 61500865
Bond Penalty: \$5,000.00
Effective Date: 11/15/2018
Anniversary Date: 11/15/2021
Description: CA Tax Preparer

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Electronic Communications:

Client acknowledges that Accountant may use email, facsimile, and other electronic communication means to communicate with Client. While Client and Accountant may communicate via text messaging, Client acknowledges that Client will not send any documents via text messaging.

Disputes and Legal Fees:

If any party to this Agreement resorts to litigation or arbitration to enforce or interpret any provision of this contract, the prevailing party will be entitled to recover reasonable attorneys' fees in addition to any other relief to which that party may be entitled. This provision applies to the entire Agreement.

In the event of any dispute over fees, Client and Accountant mutually agree to make good faith efforts to resolve the dispute through Alternative Dispute Resolution before bringing suit in a court of law.

Choice of Law and Forum:

This Agreement shall be governed by the laws of the State of California without regard to its conflict of law provisions and that any and all claims, causes of action or disputes (regardless of theory) arising out of or relating to this Agreement, shall be brought exclusively in the courts located in the county of Solano, California, or the U.S. District Court for the Eastern District of California located in Sacramento, California.

Client agrees to submit to the personal jurisdiction of the courts located within the County of Solano, California, or the Eastern District of California, located in Sacramento, California, and agrees to waive any and all objections to the exercise of jurisdiction over the parties by such courts and to venue in such courts.

If any part of this Agreement should be found to be invalid, the invalidity will not affect the remainder of this Agreement; which will continue in effect as if this Agreement had been executed without the invalid part.

Supersedes Previous Agreements

This Agreement states our entire agreement and supersedes any and all other agreements; whether oral or in writing, between us with respect to the subject of this Agreement. No agreement, statement, or promise not contained in this Agreement will be valid or binding between us with respect to the subject of this Agreement.

Waiver and Severability of Terms:

The failure of Accountant to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision, and the other provisions of this Agreement remain in full force and effect.

Statute of Limitations:

Client agrees that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to this Agreement must be filed within one (1) year after such claim or cause of action arose or be forever barred.

Section Titles:

Section titles in this Agreement are for convenience only and have no legal or contractual effect.

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Should you have any questions, please contact me.

Sincerely,



Steve M. Windham

Agreement and Acceptance:

I/We have read the above Agreement, and by signing below hereby approve and agree to be bound by those terms and conditions.

CLIENT SIGNATURE	DATE
CLIENT SIGNATURE	DATE

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Required Identification:

The Internal Revenue Service, various state tax authorities, and the tax industry have implemented various steps to combat identity theft. They are requesting that taxpayers supply their Driver License or other state-issued identification information for their tax returns. THIS IS OPTIONAL.

_____ If you do not wish to supply your Driver License or other state-issued identification information, please initial here (Taxpayer).

_____ If you do not wish to supply your Driver License or other state-issued identification information, please initial here (Spouse).

Client Name : _____

State of Issuance: _____ ID Number: _____

Issue Date: _____ Expiration Date: _____

Type of Identification: _____

Spouse Name : _____

State of Issuance: _____ ID Number: _____

Issue Date: _____ Expiration Date: _____

Type of Identification: _____

CLIENT SIGNATURE	DATE
CLIENT SIGNATURE	DATE

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FATCA Questionnaire:

Because of the recently enacted Foreign Account Tax Compliance Act, commonly referred to as "FATCA," tax professionals are required to ask their clients a series of due diligence questions to ascertain if they have additional reporting requirements.

The purpose of the Foreign Account Tax Compliance Act is ostensibly to combat terrorism, tax evasion, money laundering, and other illegal activities. Failure to comply with the Foreign Account Tax Compliance Act can result in severe civil and criminal penalties, up to and including prison time.

Please answer the following questions by circling either "Yes" or "No" for each question asked. If you are unsure how to answer any of these questions, please be sure to notify me.

1.	At any time during 2018, did you own any financial (deposit and custodial) accounts held at foreign financial institutions?	Yes	No
2.	At any time during 2018, did you have any income, gain, losses, deductions, credits, gross proceeds, or distributions from holding for disposing of a foreign financial account or asset for which you have signature authority, or that would be required to be reported, included, or otherwise reflected on your income tax return?	Yes	No
3.	At any time during 2018, did you have any financial interest in or signature authority over one or more financial accounts located outside of the USA with an aggregate value of US\$10,000 or more?	Yes	No
4.	At any time during 2018, did you own foreign stock or securities held in a financial account at a foreign financial institution?	Yes	No
5.	At any time during 2018, did you own foreign stock or securities not held in a financial account?	Yes	No
6.	At any time during 2018, did you own any foreign partnership interests?	Yes	No
7.	At any time during 2018, did you own any foreign mutual funds?	Yes	No
8.	At any time during 2018, did you own any foreign accounts and/or any foreign non-account investment assets held by foreign or domestic grantor trust for which you are the grantor?	Yes	No
9.	At any time during 2018, did you own any foreign-issued life insurance or annuity contract with a cash-value?	Yes	No
10.	At any time during 2018, did you own any foreign hedge funds and/or foreign private equity funds?	Yes	No
11.	At any time during 2018, did you own any foreign real estate held through a foreign entity?	Yes	No
12.	At any time during 2018, did you transfer US\$10,000+ in cash, currency, securities, monetary instruments, or negotiable instruments into or out of the USA?	Yes	No
13.	At any time during 2018, did you engage in any other transactions (transactions typically involve cash or cash equivalent transactions in excess of US\$10,000, as well as cross-border transactions) that you believe may subject you to the reporting requirements of the Bank Secrecy Act?	Yes	No
14.	At any time during 2018, did you engage in any transactions using cryptocurrencies?	Yes	No
15.	Do you have any foreign pensions, Social Security, Superannuation, or similar arrangements?	Yes	No
16.	Have any of the above ever applied to you in any years other than 2018?	Yes	No

CLIENT SIGNATURE

DATE

CLIENT SIGNATURE

DATE

Client: CLIENT NAME

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California Sales and Use Tax:

Client acknowledges that Client has received a copy of California State Board of Equalization Publication 217 "USE TAX: Guide to Reporting Out-of-State Purchases," and that Accountant has explained how California sales and use taxes apply to out-of-state purchases. (California State Board of Equalization Publication 217) is attached to the end of this engagement letter.

If California State Board of Equalization Publication 217 is not attached, it may be found online at:
<http://www.cdtfa.ca.gov/formspubs/pub217.pdf>.

_____ If you do not owe any California Sales or Use Tax, please initial here.

_____ If you had a California Use Tax obligation, but paid it directly to the California Department of Taxes and Fees Administration, please initial here.

If you do owe California Sales and/or Use Tax, please fill out the section below.

(1) Total purchases subject to California Use Tax.

(2) Sales/Use Tax Rate

(3) Sales/Use Tax paid to another state for purchases included in (3) above.

CLIENT SIGNATURE

DATE

CLIENT SIGNATURE

DATE

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USE TAX: Guide to Reporting Out-of-State Purchases

Publication 217

www.cdtfa.ca.gov

December 2017

Use tax has been in effect since July 1, 1935. Use tax is intended to protect California sellers who would be at a competitive disadvantage when out-of-state retailers sell goods to California customers without charging tax.

Sales tax generally applies to the sale of merchandise in the state. Use tax applies to the use, storage, or other consumption of those same items when a similar purchase was made from outside the state. The use tax is set at the same rate as the state's sales tax and must be paid directly to the California Department of Tax and Fee Administration (CDTFA) or on your Franchise Tax Board (FTB) Income Tax Return.

Use tax is your responsibility.

Payment of use tax is generally the responsibility of the purchaser. Many out-of-state companies are "engaged in business," or have a physical presence in California and must register with the CDTFA to collect use tax on their retail sales to California customers. Some out-of-state companies will voluntarily register with the CDTFA and collect tax as a courtesy to their California customers. However, if a company is not "engaged in business" in California, it will generally not charge California tax.

It is your responsibility to report and pay use tax for purchases you make from out-of-state companies that don't charge you tax.

Exemptions from use tax

Generally, the same types of items that are subject to sales tax are subject to use tax. Use tax does not apply to items specifically exempt from sales tax such as prescription medicines and most food items purchased at a grocery store.

How do I pay use tax?

- You can report your purchase(s) subject to use tax on our website at www.cdtfa.ca.gov by selecting [Make a Payment](#), and then select *Pay use tax for one-time purchases from out-of-state retailer*.
- Once you have registered, you can pay any use tax due by filing your return. You can also register to report use tax in person at any of our [offices](#), or
- Report use tax on your FTB Income Tax Return

Who is not eligible to report tax on the FTB Income Tax Return?

The following taxpayers are required to report purchases subject to use tax directly to the CDTFA and may not report use tax on their income tax return:

- Businesses that have a California seller's permit.
- Businesses that are not required to hold a California seller's permit, but receive at least \$100,000 in annual gross receipts (includes rental, multiple businesses, and out-of-state income). Please see our Qualified Purchaser Program information on our website for more information (type in "Qualified Purchaser Program" in our search box).
- Individuals or businesses that have a California consumer use tax account.

Did you purchase from one or more of these common out-of-state retailers?

- ☐ Mail order catalog
- ☐ Internet retailer
- ☐ Television shopping network
- ☐ Online auction

If yes, you will need to check your records to determine whether or not you paid tax.

Did you make purchases of the following items from out-of-state retailers without payment of tax?

- ☐ Books
- ☐ Electronics
- ☐ Computer equipment
- ☐ Manufacturing equipment
- ☐ Other _____

If yes, you will need to report and pay use tax on these purchases.

Where do I look in my records for these purchases?

- ☐ Email receipts
- ☐ Sales invoices
- ☐ Purchase orders
- ☐ Credit card statements
- ☐ Bank statements
- ☐ Other _____

These records will help you determine whether or not you owe use tax.

For More Information

Internet

www.cdtfa.ca.gov

Customer Service Center

1-800-400-7115

TTY:711

Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

California Department of
Tax and Fee Administration
PO Box 942879
Sacramento, CA 94279-0001

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Qualifying Relatives for the Dependency Exemption Questionnaire:

Many taxpayers wish to claim one or more of their non-child relatives on their tax returns. The purpose of this questionnaire is to help to identify and document relatives that you may claim on your tax return. If you plan to claim qualifying relatives on your tax return, please be sure to answer this questionnaire, as tax professionals are subject to due diligence requirements.

Do you plan to claim a qualifying relative on your tax return?	Yes	No
Does your relative know that they are going to be claimed on your tax return?	Yes	No

Please answer the following questions to help determine if you meet the Internal Revenue Service's four-prong test (1. Relationship, 2. Gross Income, 3. Support, and 4. Not a Qualifying Child) to claim a dependency exemption for a qualifying relative who is not a qualifying child of yours.

1.	What is the individual's relationship to you? (Once established, a relationship does not terminate due to divorce or death of a spouse.)	
2.	What is the individual's gross income for the calendar year?	
3.	Do you provide over half of the individual's total support for the calendar year?	Yes No
4.	What is the dollar amount of support that you provided for your relative in 2018?	
5.	Is the individual the qualifying child of the taxpayer or of any other taxpayer for the tax year?	Yes No

Please provide the following information about your relative. If possible, please provide a copy of your relative's identification and tax identification number document.

Name	
Tax Identification Number	I Circle Tax ID type: ITIN SSN
Date of Birth	
Complete Mailing Address	
Email Address	
Phone Number	

By signing below, I acknowledge that the information provided by me in this Qualifying Relatives for the Dependency Exemption Questionnaire is true and correct to the best of my knowledge.

CLIENT SIGNATURE	DATE
CLIENT SIGNATURE	DATE

WINDHAM SOLUTIONS

Education Credits Questionnaire:

Federal requirements mandate that I perform due diligence with clients who are claiming a student loan credit on their tax returns. Please answer the questions below. Should you have any questions, please contact me.

Please answer the following questions by circling either "Yes" or "No" for each question asked, or fill in the blank, as applicable. If you are unsure how to answer any of these questions, please be sure to notify me.

1.	Have you claimed the Hope Scholarship Credit or American Opportunity Credit for a total of four times in any prior years?	Yes	No
2.	How many years have you claimed the Hope Scholarship Credit and American Opportunity Credit in total?	Years	
3.	Were you enrolled at least half-time for at least one academic period that began in 2018 at an eligible education institution in a program leading to a post-secondary degree, certificate, or other recognized post-secondary education credential?	Yes	No
4.	Did you complete the first four years of post-secondary education before 2018?	Yes	No
5.	Have you been convicted before the end of 2018 of a felony for possession or distribution of a controlled substance?	Yes	No
6.	Were you an undergraduate student in 2018?	Yes	No
7.	Were you a graduate student in 2018?	Yes	No
8.	Did you receive an IRS Form 1098-T for 2018?	Yes	No
9.	Did you receive an IRS Form 1098-T for 2018 from more than one educational institution?	Yes	No
10.	To satisfy due diligence requirements, can you provide receipts for educational expenditures, school transcripts, or other evidence of your attendance at an educational institution during 2018?	Yes	No
11.	Are you the dependent of another?	Yes	No
12.	If you are the dependent of another, is that person not claiming the exemption or education credit?	Yes	No

CLIENT SIGNATURE	DATE
CLIENT SIGNATURE	DATE

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Payment Information:

Payment may be made in cash if paying in person. If you are not paying in person, or if you do not wish to pay in cash, please select one of the following payment options:

PayPal:

PayPal ID: smwllm@windhamsolutions.com

Electronic Funds Transfer:

Bank Name:	Travis Credit Union
Account Name:	Steven M. Windham, dba Windham Solutions
Routing Number:	321170839
Account Number:	494040
Account Type:	Checking

US Check or US Money Order:

Payable to: Windham Solutions

Unless otherwise noted, all fees are billed in US Dollars.

There will be a \$35 service fee on all returned checks.

Non-US Checks/Money Orders are subject to a minimum US\$100.00 processing fee.

**A \$100.00 minimum deposit is required to start all jobs.
Payment of balance is due upon completion of tax returns.**