

STATEMENT OF WORK: INCOME TAX PREPARATION

MBE CPAs LLP (Firm, we, our or us)) and Client (you, your) hereby agree to the terms of this Statement of Work, which has been prepared in conjunction with a Master Service Agreement for Tax Services (“MSA”) between Firm and Client.

Defined terms in this Statement of Work shall have the same meaning as those terms in the MSA.

ENGAGEMENT SCOPE / DELIVERABLES

We will prepare your federal and state income tax returns for the year beginning in 2019. Our tax services will be performed in accordance with the terms specified in the MSA and any additional terms noted below.

Tax return preparation services do not constitute accounting or auditing services. We will rely on the information you provide to us as being complete and accurate. We will not audit or otherwise verify this data, although we may ask you to clarify some of the information. Therefore, our services cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist, nor will we be responsible for the impact on our services of incomplete, missing, or withheld information, or mistaken or fraudulent data provided from any source or sources. However, we will inform you of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention.

Please note that the Internal Revenue Service (IRS) considers virtual currency (e.g., Bitcoin) as property for U.S. federal tax purposes. As such, any transactions in, or transactions that use, virtual currency are subject to the same general tax principles that apply to other property transactions. If you had virtual currency activity during the tax year, you may be subject to tax consequences associated with such transactions and may have additional foreign reporting obligations.

You agree to provide us with complete and accurate information regarding any transactions in, or transactions that have used, virtual currency during the applicable tax year. Please ask us for advice if you have any questions regarding the type of records required for virtual currency transactions.

We will use our professional judgment in preparing your tax returns based on the information you provide to us given the tax law guidance as currently promulgated. Subsequent developments issued by the applicable tax authorities may affect the information we have previously provided, and these effects may be material. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will share our knowledge and understanding of the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request, as long as it is consistent with the codes, regulations, and interpretations that have been promulgated.

If a taxing authority should later contest the position taken, there may be an assessment of additional tax, interest and penalties. We assume no liability for any such assessment of additional tax, penalties or interest. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable for any damages that occur as a result of ceasing to render services.



If you are a Partnership or LLC, please note that the Bipartisan Budget Act of 2015 made significant changes to the IRS partnership audit rules effective for partnership tax years beginning in 2018, although there are provisions to allow certain partnerships the ability to elect out of the new rules. If you have any questions regarding the application of the IRS partnership audit rules, please ask us for advice.

Unless otherwise stipulated under a Statement of Work, client understands that all individual partners, S-corporation shareholders, and LLC members are responsible for submitting their individual K-1s to their own tax preparers for inclusion with their individual tax returns.

Our firm might, as the need arises, contact taxing authorities about your account to verify information. Any information so acquired will only be utilized in the preparation of the tax returns.

Our work is limited to the preparation of state and federal income tax returns, and does not include consultation on other taxation issues, unless specified in a Statement of Work.

CLIENT RESPONSIBILITIES

You are confirming that you will furnish us with all the information required for preparing complete and accurate returns.

Your responsibility includes, but is not limited to, providing us with the information necessary to identify (1) all states and foreign countries in which you “do business” or derive income (directly or indirectly) and (2) the extent of business operations in each relevant state and/or country. We will not audit or verify the data you submit, although we may ask you to clarify it, or furnish us with additional data. You should retain all the documents, books, and records that form the basis of your income and deductions. The documents may be necessary to prove the accuracy and completeness of the returns to a taxing authority. If you have any questions as to the type of records required, please ask us for advice in that regard.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of their tax liability. Taxpayers may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) there was a reasonable basis for the position taken on the return and the relevant facts affecting the item’s tax treatment were adequately disclosed on the return. You agree to advise us if you wish disclosure to be made in your returns or if you desire us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is “substantial authority” for the position proposed to be taken on such issue in your returns.

By accepting this Statement of Work, you understand and agree that you are responsible for the accuracy and completeness of the records, documents, explanations, and other information provided to us for purposes of this engagement. You have the final responsibility for the income tax returns; therefore, you should review them carefully before you sign the e-file authorization forms, or sign and submit your income tax returns directly to the appropriate taxing authorities.

OTHER MATTERS



We appreciate the opportunity to be of service to you and believe this Statement of Work, in conjunction with the Master Services Agreement, accurately summarizes our agreement. If you have any questions, please let us know. You will be deemed to have accepted this Statement of Work unless you notify us in writing of any objections within 15 days following your receipt of the Statement of Work

By taking any of the following actions, you are affirming to MBE CPAs, LLP your understanding of, and agreement to, the terms and conditions of this Statement of Work in conjunction with the Master Services Agreement: providing your income tax information to us for use in the preparation of your income tax returns; the submission of the tax returns we have prepared for you to the taxing authorities; or the payment of our return preparation fees.

Sincerely,

MBE CPAs, LLP