

Pal Associates Inc.
Tax & Accounting Services
Committed to Quality and Confidentiality®

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Dear Client,

This letter is to confirm and specify the terms of our commitment to you and to clarify the scope of the services we will provide. To ensure mutual understanding of our joint responsibilities, we ask that all clients for whom returns are being prepared confirm the following:

We will prepare your federal and requested state(s) income tax returns for the relevant tax year using the information provided by you. While we will not audit or verify the data you submit, we may need to ask you for additional details on some of the information. We will provide you with an organizer and/or worksheets upon request to guide you in gathering the necessary information. Your use of these forms will help ensure that no relevant information is overlooked.

It is your responsibility to provide all the required information to prepare accurate and complete tax returns in a timely manner. We recommend that you provide photocopies, scanned copies via email with password protection, or upload the required documents to a shared folder. You should retain all supporting documents, including canceled checks, receipts, and other data that substantiate income and deductions. These documents may be necessary to prove the accuracy and completeness of the returns to a taxing authority. Please note that for business returns (corporations, LLCs, and partnerships), management is responsible for properly recording transactions in the books of account, safeguarding assets, and ensuring the accuracy of the financial records. Our work in preparing your income tax returns does not include procedures designed to discover fraud, defalcations, or other irregularities, should any exist.

We will share a draft copy of your return via email for your review. You are ultimately responsible for your income tax returns, regardless of how they are filed (paper or e-file). Therefore, you should review them carefully before you sign them or authorize us to electronically process them on your behalf. We will use professional judgment in resolving questions where the tax law is unclear or where there may be conflicts between the interpretations of the taxing authorities and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

If an extension of time to file is required, you must pay any tax that may be due with the return in question, along with the extension request. Any tax amounts not paid by the filing deadline will be subject to interest and late payment penalties when those amounts are actually paid. Due to increasing regulations regarding online and other direct payments, we may be unable to process these on your behalf. The law provides various

penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us.

In addition to U.S. citizens and green card holders, we specialize in preparing tax returns for H-1B, L-1, F-1, and J-1 visa holders, as well as their spouses and dependents. If you are a non-resident and/or do not meet the substantial presence test (i.e., did not stay in the USA for more than 183 days on a certain visa type), please inform us so we can provide you with available options and ensure your tax return is filed correctly to maximize your tax benefits.

If you need assistance applying for an ITIN (Individual Taxpayer Identification Number) for your spouse and/or dependents along with your tax return, please let us know, and we will assist you for a nominal fee. The final decision to issue the ITIN remains with the IRS. Once the ITIN application is submitted, you are responsible for following up with the ITIN department to obtain the ITIN and providing it to us so we can take care of your state tax filing, if applicable.

When you file a U.S. tax return based on U.S. citizenship, U.S. resident status (Green Card test), or the substantial presence test (more than 183 days in the U.S.), you must declare ALL income earned, including interest and investment income, from anywhere in the world. If your home/foreign country has taxed you (e.g., TDS) on that income, you are entitled to claim a Foreign Tax Credit to avoid double taxation. However, YOU MUST DECLARE ALL INCOME ON YOUR U.S. TAX RETURN. This requirement applies to all individuals filing a U.S. resident tax return.

Additionally, you are responsible for filing the [FBAR \(FinCEN Form 114\) — Report of Foreign Bank and Financial Accounts](#) if you have more than \$10,000 USD (or equivalent) in foreign accounts during the year. If you are required to file [FATCA Form 8938 — Statement of Specified Foreign Financial Assets](#), please let us know. If you need assistance, we will be happy to help for a nominal fee.

Failure to comply with these requirements may result in significant penalties, so it is crucial that you inform us. We collect the necessary information using the Client Tax Organizer. Please note that the FinCEN Form 114 is a separate requirement and must be filed separately by the tax deadline, whereas the FATCA Form 8938 must be filed with the tax return. We will not be aware of your foreign financial interests unless you inform us. We cannot be held responsible for your failure to comply with these requirements.

The returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such a government tax examination, we will be available, upon request, to represent you and will issue additional invoices for the time and expenses incurred. Our fee for these services will be based on the amount of time required at standard billing rates, plus out-of-pocket expenses. All invoices are due and payable upon presentation.

If you request an estimate, we will provide non-binding estimates based on the verbal information you provide. Due to unanticipated or changed circumstances, this may affect the originally quoted fees. Once you agree and once we have all the required information

via email fax, or in person, we will begin working on your tax return. Once we share a draft copy of your tax return with you, you will be liable for tax preparation fees, even if you do not file your return with us.

Once we finalize the return and have the necessary approval and payment, we will e-file or paper-file your return with the IRS. If it is e-filed, we will inform you once the e-file is accepted. You are responsible for verifying the refund amount credited to your account by the IRS or confirming that the tax payment has been debited by the IRS from your bank account for the tax due. We have no way of verifying these bank transactions. We will send you a signed copy of the final filed tax return for your future reference. If you need additional copies, we will require a payment of \$10 per tax year, per request.

We are committed to quality and confidentiality. If, for any reason, you are not satisfied with our service, please let us know, and we will work with you to resolve your dissatisfaction. You shall not, nor cause anyone else to, smear the image or trademark of Pal Associates Inc. by quoting Pal Associates Inc. or any of its employees in writing or publishing offensive messages on the internet, blogs, or any other public forum. You understand that such actions by you would give Pal Associates Inc. the right to file a lawsuit against you.

We affirm that, unless authorized by law, we will not disclose your personal or tax return information to any third party for any purpose other than the preparation and filing of your tax return, without your prior consent.

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

Sincerely,

Pal Associates Inc. - Committed to Quality & Confidentiality sm
Tax & Accounting Services
<http://www.yourtaxpal.com>

We have reviewed the draft copy shared with us at the email address provided.
I have read all three pages and understand the terms and conditions of Pal Associates Inc.

Taxpayer Signature: _____

Spouse (if MFJ) Signature: _____