KBA

CERTIFIED PUBLIC ACCOUNTANTS

Dear Client:

This letter is to confirm our understanding of the terms of our tax services engagement and to clarify the nature and extent of the services we will provide. Completion of this letter and the accompanying checklist are required for preparation of your income tax return.

We will prepare individual federal and Minnesota income tax returns for 2023. We will not audit or verify the information you give us, however, we may ask for clarification of some of the information. Our work, in connection with the preparation of your income tax return, is not designed to discover deficiencies or other irregularities, should any exist.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that your expenses including meals, entertainment, travel, charitable contributions, and vehicle use are deductible and supported by tax records as required by law. You have final responsibility for the income tax returns and, therefore, you should review them carefully before you sign and file them.

We want to ensure that you receive all possible tax benefits for credits or special deductions for which you may be eligible. If you qualify for these credits or deductions, you will provide us with the information necessary to claim them. A checklist is provided on the alternate side to help identify credits and deductions you may be eligible to receive. If you have questions about whether you qualify for credits or special deductions, please contact us.

We will use professional judgment in preparing your tax returns. Due to the continuous changes in tax law, subsequent developments issued by tax authorities may affect your returns. Whenever tax law is unclear, or when conflicting interpretations exist, we will discuss the issue with you. Unless otherwise instructed by you, these issues will be resolved in your favor whenever possible.

Your returns may be selected for review by the taxing authorities. You should retain all the documents, cancelled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. If you engage our firm to assist you or to correspond with the taxing authorities during a review, we will render additional invoices for the time and expenses involved.

Information needed to complete the returns should be submitted to our office by March 20, 2024. Returns may be extended at our discretion, and therefore we encourage you to provide the information to our office as soon as possible to allow adequate time for preparation. If an extension of time is required, any tax estimated to be due must be paid by April 15, 2024, or you may be subject to interest and late payment penalties.

Invoices are due and payable upon presentation. Any other services, including tax planning and projections, are not included in this engagement and will be billed separately.

If the terms outlined are in accordance with your understanding of our engagement, please sign in the space provided below and return this letter to us. We appreciate the opportunity to provide services to you.

Sincerely,

Please complete checklist on back.

KBA Peterson Associates, Inc.

The terms outlined above are in accordance with my understanding and are hereby agreed to. I have completed the checklist on the reverse side of this page and all information is complete to the best of my knowledge.

Signature: ____ **Date**: ______________________

Signature: ____ **Date**: ______________________

Client Name: ____

KBA Peterson Associates, Inc.
2901 Bemidji Avenue North • Bemidji, Minnesota 56601
Phone (218) 444-2727 • Fax (218) 444-2728

TAX CHECKLIST – *IF YES, PLEASE PROVIDE DOCUMENTION.*

Primary Contact ____________________________ ____________________________ ____________________________________
Name *Phone* *Email*

Other Contact ____________________________ ____________________________ ____________________________________
Name *Phone* *Email*

Preferred Method of Contact ☐ **PHONE** ☐ **EMAIL**

Preferred Method of Receiving Completed Tax Return ☐ **PAPER** ☐ **ONLINE PORTAL**

YES	NO	
☐	☐	Did your **ADDRESS** change? *If yes, update:* ____
☐	☐	Would you like **DIRECT DEPOSIT** for any refunds you receive? *RECOMMENDED*
		If yes: ☐ I confirm the use of the bank account shown on last year's tax return. **Last 4 digits of bank account** ______
		~~ OR ~~ ☐ Voided OR photocopied check is provided.
☐	☐	Would you like **DIRECT DEBIT PAYMENTS** for tax balances due or estimated payments? *RECOMMENDED*
		If yes: ☐ I confirm the use of the bank account shown on last year's tax return. **Last 4 digits of bank account** ______
		~~ OR ~~ ☐ Voided OR photocopied check is provided.
☐	☐	Did you receive a Direct Tax Rebate Payment from Minnesota Department of Revenue? (*Form 1099-MISC*)
☐	☐	Did you receive (as a reward, award, or payment for property or services) or sell, exchange, gift, or otherwise dispose of a digital asset (or financial interest in a digital asset)? *Examples of digital assets include Bitcoin and other cryptocurrencies, non-fungible tokens (NFTs) and software code.*
☐	☐	Did you have financial interest in or signature authority over a foreign bank account?

PERSONAL INFORMATION

☐	☐	Did you enroll in health care coverage or receive a premium tax credit through MN Sure? *(Form 1095-A)*
☐	☐	Did your marital status change during the year?
☐	☐	Are you or your spouse legally blind or disabled?
☐	☐	Were there any changes in dependents from the prior year?
☐	☐	Did you provide over half the support for any person other than children under 19 or students under 24?
☐	☐	Did you pay for dependent care, including preschool or after school care, while you worked or looked for work?

DEDUCTION INFORMATION

☐	☐	Did you make any charitable cash contributions? *(documentation)*
☐	☐	Did you make any non-cash (clothing, household goods, etc.) charitable donations? *(documentation)*
☐	☐	Did you make a qualified charitable distribution (QCD) from your required minimum distribution (RMD)? *(statement)*
☐	☐	Did you pay mortgage interest? *(statement)*
☐	☐	Did you pay property (real estate) taxes? *(statement)*
☐	☐	Did you make any contributions to an education savings plan 529 Account? *(statement)*
☐	☐	Did you pay any student loan interest this year? *(Form 1098-E)*
☐	☐	Did you pay for college tuition and books? *(Form 1098-T, receipts)*
☐	☐	Did you pay any K-12 education expenses? *(name, grade level, amounts)*
☐	☐	Did you make any energy efficient improvements to your main home or purchase an electric vehicle this year?
☐	☐	Did contribute to a health savings account (HSA) not through your employer? *(statement)*
☐	☐	Did you pay long-term care insurance premiums? *(company name, policy number, amount)*
☐	☐	Did you make, or are you interested in making, individual contributions (not through employer) to a Traditional or Roth IRA by April 15, 2024? *(statement)*

MISCELLANEOUS INFORMATION

☐	☐	Did you sell, exchange, or purchase any real estate or rental property? *(closing statement)*
☐	☐	Did you make any estimated tax payments? *(dates & amounts)*
☐	☐	Did you receive active duty military pay or pension benefits?
☐	☐	Did you pay rent for your residence? *(Certificate of Rent Paid)*
☐	☐	Do you want to designate $3 to the Presidential Election Campaign Fund? *(no party designation)*
☐	☐	Do you want to designate $5 to the State Elections Campaign Fund? *Party?* Taxpayer ________ Spouse ________
☐	☐	Do you want to contribute to the Minnesota Nongame Wildlife Fund? Amount: ________ (*increases tax liability*)

SELF-EMPLOYED (complete if applicable)

☐	☐	Did you file Form(s) 1099?
☐	☐	Did you utilize an area of your home exclusively for business purposes? (s*quare footage, related expenses)*
☐	☐	Did you make, or are you interested in making, contributions to a SEP IRA, Keogh, or Solo 401(k)? *(statement)*
☐	☐	Is your self-employed business entity an LLC formed through the Secretary of State?