KBA
Certified Public Accountants

KBA Peterson Associates, Inc.
2901 Bemidji Avenue North
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Phone 218-444-2727
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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 state income tax returns for 2020. 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.

In order to ensure accurate and timely filing by April 15, 2021, returns submitted to us for preparation after March 22, 2021, will be extended at our discretion. Please contact us if you would like us to prepare an application for extension of time to file your income tax returns. We will need information from you to estimate your 2020 income tax liability to prepare the extension application. If an extension of time to file is required, any tax that may be due with the return must be paid by April 15, 2021. Any amounts not paid are subject to interest and late payment penalties.

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,
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: ____

(Please complete checklist on back.)

Tax Checklist

Has your address changed? □ NO □ YES ____

Has your phone number changed? □ NO □ YES ____

Would you like any refunds you receive to be direct deposited? □ NO □ YES

If yes, □ I confirm the use of the bank account shown on my 2019 return. □ Change/new account (provide voided check)

Would you like information on paying tax balances due and/or estimated tax payments via direct debit? □ NO □ YES

Would you like a secure online portal for acessing your tax return? □ NO □ YES (provide email below)

YES	NO	
		Personal Information
□	□	Did you receive an Economic Impact Payment, also referred to as a stimulus payment? (provide documentation)
□	□	Did you enroll in health care coverage through MNSure? (provide 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 of 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
□	□	Do you have evidence to substantiate charitable cash contributions? (May be deductable even if not itemizing)
□	□	Did you make any non-cash charitable contributions? (provide details)
□	□	Did you make a qualified charitable distribution (QCD) from your required minimum distribution (RMD)?
□	□	Did you pay mortgage interest? (provide statements)
□	□	Did you pay real estate taxes? (provide statements)
□	□	Did you make any contributions to an education savings plan or 529 Plan account?
□	□	Did you pay any student loan interest this year? (provide Form 1098-E)
□	□	Did you pay for college tuition and books? (provide Form 1098-T, student name, year in school, and amounts)
□	□	Did you pay any K-12 education expenses? (provide student name, year in school, and amounts)
□	□	Did you make energy efficient improvements to your main home this year?
□	□	Did you pay for health insurance or contribute to an HSA with after-tax dollars?
□	□	Did you pay long-term care (nursing home) premiums? (provide policy name, number, and amount)
□	□	Did you make any individual contributions to a Traditional or Roth IRA? (not through employer) Self: Traditional IRA $_______ Roth IRA $_______ Spouse: Traditional IRA $_______ Roth IRA $_______
		Purchases, Sales and Debt Information
□	□	Did you sell, exchange, or purchase any real estate or rental property? (provide closing statement)
□	□	Did you refinance a mortgage or take out a home equity loan? (provide closing statement)
□	□	Did you have any debt forgiven, or did you foreclose or abandon property during the year?
□	□	Did you pay sales tax on any major purchases during the year (cars, boats, etc.)?
□	□	Did you receive, sell, send, or otherwise aquire any financial interest in virtual currency?
□	□	Did you have financial interest in or signature authority over a foreign bank account?
		Miscellaneous Information
□	□	Did you make any estimated tax payments? (provide amounts and dates of payments)
□	□	Did you receive active duty military pay or pension payments?
□	□	Did you pay rent for your residence? (provide Certificate of Rent Paid)
□	□	Do you want to designate $3 to the Presidential Election Campaign Fund?
□	□	Do you want to allocate $5 to the State Elections Campaign Fund? Which party? Taxpayer ____________ Spouse ____________
□	□	Do you want to contribute to the Minnesota Nongame Wildlife Fund? If yes, amount $____________ Checking yes will change your tax or reduce your refund. If checked yes an amount must be indicated above.
		Self-Employed (Complete if applicable)
□	□	Did you utilize an area of your home exclusively for business purposes?
□	□	Did you make any contributions to a SEP IRA, Keogh, or Solo 401(k)?
□	□	Did you receive a Paycheck Protection Program (PPP) loan?
□	□	Were you unable to perform your self-employed activities due to COVID-19 related care needed for yourself, your child under the age of 18, or another?