

October 1, 2022

Engagement Letter for 1099 Preparation

We appreciate the opportunity to work with you on the preparation of 1099s (IRS information returns). This letter is to specify the terms of our engagement, clarify the nature and extent of the services we will provide, and confirm an understanding of our mutual responsibilities.

Please select the from the following those services you would like Henry & Peters, PC to perform in preparing your 1099 filings:

**YOU MUST SELECT ONE OF THE BOXES BELOW BEFORE RETURNING
RETURN TO MWILLIAMSON@HENRYPETERS.COM**

Full Service 1099 preparation (which includes)

1. Provide a full review of your Software file for vendor information and identify payments meeting 1099 filing requirements
2. Pull data from your Software or other software file or W-9 forms necessary to prepare 1099s
3. Assist you in obtaining vendor W-9 information if requested (however, this is ultimately your responsibility)
4. Review TIN's and Social Security numbers against a federal website to match names and numbers, and correct as needed and/or contact you for corrections
5. Prepare 1099s
6. Review 1099s
7. File 1099s with the IRS, States if needed
8. Mail 1099 Recipient copies
9. Email your copy of 1099s to you through secure portal

Limited Service 1099 preparation (which includes)

1. Prepare 1099s from a list or Excel file provided by you that will include all required information necessary to complete 1099s
2. Review 1099s
3. File 1099s with the IRS, States if needed
4. Mail 1099 recipient copies
5. Email your copy of 1099s to you through secure portal

TYLER OFFICE

P: 903 597-6311
3310 S Broadway Ste. 100
Tyler, Texas 75701

LONGVIEW OFFICE

P: 903 758-0648
2101 Judson Road
Longview, Texas 75605

FRISCO OFFICE

P: 469 956-5400
8000 Warren Pkwy, #103
Frisco, Texas 75034

We will prepare your 1099s based on the level of service you have selected above and the information we gather or received based on the selections above. We may contact you regarding a change in our level of service should additional work be required to produce accurate and complete filings. Our services are not intended to determine whether you have filing requirements in other taxing jurisdictions or 1099 form types than other the one(s) you have informed us of. If you would like to add any additional form types or jurisdictions, please indicate and identify them in the comments/notes section below.

It is your responsibility to provide all the information required to prepare your information returns.

We may provide you with a checklist of information required for the 1099s, or we may gather similar data from your books and records. You represent that the information you provide will be accurate and complete to the best of your knowledge. We will not audit or otherwise verify the information provided, although we may ask for clarification if the information appears to be incorrect, inconsistent, or incomplete. Our work in connection with the preparation of your 1099s does not include any procedures designed to discover errors or other irregularities, should any exist.

You are required to maintain all the documents that form the basis of the 1099s filed. This includes copies of all updated and current W-9s. If you have any questions as to the type of records required, please ask us for advice in that regard. Your signature on this letter confirms that we have advised you of the record keeping requirements.

The information on your filed 1099s may go through a matching process by the tax authorities. Incorrect information may result in notice issuance. In such an event, we would be pleased to assist you with resolving the matter under the terms of a separate engagement.

Your 1099s will be filed electronically with the IRS. We will provide you with a copy of your final information returns for review. You will need to review the returns carefully and notify us if any changes are required. We will make every attempt to make these changes prior to e-filing, however, we reserve the right to e-file timely to avoid penalties and then submit corrections. E-filing of state copies varies by tax authority. If e-file is not available, paper copies will be filed. Your 1099s will be mailed to the recipients for you.

The issuance deadline for recipient copies of information returns is January 31, 2023. To meet this deadline, the information needed to complete the 1099s should be received in this office no later than January 16, 2023. If we receive your information after this date, we will make every effort to complete your 1099s but will give priority service to clients who submitted information on time.

The filing deadlines for government copies of 1099s are as follows:

- 1099-NEC – January 31, 2023
- All other 1099s and 1098s
 - February 28, 2023, if paper filed
 - March 31, 2023, if electronically filed

Any 1099s not filed by the filing deadline may be subject to late filing penalties.

Our fees will be charged based on our standard hourly rates, which average approximately \$125 per hour for this type of service. You may terminate this engagement at any time. Should you do so, however, you remain liable for all unpaid fees as discussed above. We reserve the right to withdraw from this engagement at any time because of unpaid fees, the guidance of our professional standards, or for any other reason. We will notify you in advance of any decision by us to withdraw and will take all reasonable steps to assist in the orderly transfer of your information. Otherwise, this engagement will be considered complete upon acceptance of your e-filed 1099s by the tax authorities.

If the foregoing is in accordance with your understanding, please sign the enclosed copy of this letter in the space indicated and return to us along with your tax information. The signed engagement letter indicating what level of service must be returned to us no later than November 15th. If you have any questions, please do not hesitate to contact us. We appreciate the opportunity to work with you.

I have read the above terms of the engagement letter and agree with the terms of this engagement.

Accepted By (Printed): _____ Date: _____

Title: _____

Company Name: _____

Signature: _____

Additional Comments:

