

2018 Form 1099 Engagement Letter

The IRS requires that business owners file a form 1099-Misc by January 31st, 2019, for every individual or non-corporate LLC that you paid over \$600 in 2018 for trade or services. Failure to file the form for 2018 could result in a penalty as much as \$1,000 per each omitted, late or incorrect 1099-Misc. The 1099-Misc must be provided to both the payee and the IRS by January 31st, 2019 or penalties apply. Because the penalties are so severe, we want to be very clear on the services we are providing and what is expected from you, the business owner.

This letter confirms the services you have asked our firm to perform and the terms under which we have agreed to do that work. Please read this letter carefully because it is important to both our firm and you that you understand what you can and cannot expect from our work.

This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services. The IRS imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for any forms or tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare forms to confirm the following arrangements:

1. We will prepare the forms from the information which you will furnish to us.
2. It is your responsibility to provide all the information required for the preparation of complete and accurate returns.
3. To the extent we render any accounting and/or bookkeeping assistance, it will be limited to those tasks we deem necessary for preparation of the returns.

Tax Preparer Responsibilities:

1. We will prepare your 2018, and only your 2018, Federal Form 1099-Misc **SOLELY** from the information you furnish us.
2. We will not audit, review, compile or otherwise verify the data you submit, but we may ask you to clarify some of the information.
3. We are not responsible for the preparation of any forms or schedules except Forms 1099-Misc for whom you provide us information for.
4. Our fee to prepare and electronically file the 1099-Misc forms solely for the payees listed by you will be \$25 per 1099.
5. It is our policy to keep records related to this engagement letter for three years, after which they are destroyed. **We do not keep any original client records, so we will return those to you at the completion of the services rendered under the engagement. When records are returned to you, it is your responsibility to retain and protect your records for three years for possible future use, including potential examination by governing agencies.**

Taxpayer Responsibilities:

1. It is your responsibility to maintain the records, forms, documentation, Forms W-9 and copies necessary to file the 2018 Forms 1099-Misc.
2. If you are in doubt whether to issue a 1099 or not, the safest treatment is to issue the form.
3. For non-QuickBooks users – In order to timely file your 2018 Forms 1099-Misc in agreement with this letter, you must provide us, **IN WRITING**, a complete list of payee information as follows for each payee:
 - a. Payee Name
 - b. Payee Address
 - c. Payee Federal ID Number (obtained by you on a Form W-9)
 - d. Amount paid during 2018 for non-employee compensation
 - e. Amount paid in 2018 for rent
6. For QuickBooks users – In order to timely file your 2018 Forms 1099-Misc in agreement with this letter, you must provide us a QB Accountants Copy File or QBO access with accurate vendor information for each vendor:
 - a. Vendor Name
 - b. Vendor Address
 - c. Vendor Federal ID Number (obtained by you on a Form W-9)
 - d. Amount paid during 2018 for non-employee compensation
 - e. Amount paid in 2018 for rent

Please date and sign the enclosed copy of this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services **after** we receive the executed engagement letter.

Sincerely,

Hettick Accounting & Tax, LLC

Client Business Name

Client Signature

Date

By signing, I have read the above engagement letter and agree with the terms set forth by this letter.