



2023 Form 1099 Engagement Letter

The IRS requires that business owners file a form 1099-NEC by January 31st for every individual or non-corporate LLC that you paid over \$600 for trade or services. The IRS also requires that business owners file a Form 1099-MISC for other payments such as rent and a Form 1099-INT for interest paid. Failure to file the forms could result in a penalty as much as \$1,000 per each omitted, late or incorrect 1099-NEC. The 1099-NEC must be provided to both the payee and the IRS by January 31st or penalties apply.

Tax Preparer Responsibilities:

1. We will prepare your 1099s **SOLELY** from the information you provide. It is your responsibility to provide all the information required for the preparation of complete and accurate forms.
2. We charge a separate year-end fee to prepare and electronically file 1099s for the payees listed by you/your accounting software. **Our fee for 2023 is \$25 per 1099.**
3. 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; we will return those to you at the completion of the services. When records are returned to you, it is your responsibility to retain and protect your records for three years for possible future use.**

Taxpayer Responsibilities:

1. It is your responsibility to maintain the records, forms, documentation, and W-9s.
2. For non-QuickBooks users – in order to timely file your 1099s in agreement with this letter, you must provide to us, **IN WRITING**, a complete list of payee information including: payee name, payee address, payee Federal ID/SSN, and amount paid during the year with a description (services, interest, rent, etc.).
4. For QuickBooks users – in order to timely file your 1099s in agreement with this letter, you must provide us a QB Accountants Copy File or QBO access with accurate information for each vendor. Be sure to check the following for accuracy: vendor name, vendor address, vendor Federal ID/SSN, amount paid during the year and accurate coding (subcontractor, repairs, rent, interest, etc.).

Please sign and date below to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement.

Client Business Name

Client Signature

Date

By signing, I have read the above engagement letter and agree with the terms.