

# Young & Company CPAs, LLP

Dear Tax Client:

This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the tax services we will provide. It is important to both Young & Company CPAs, LLP (“Firm,” “we,” “us,” or “our”) and the undersigned entity (“Client,” “Company,” “organization,” “you,” or “your”) that you understand and agree to the terms of this engagement and Management’s responsibilities. For purposes of this engagement, “Management” refers to the organization’s officers, owners, or other individuals responsible for the Company’s decisions, records, and compliance obligations.

## **Tax Services – Returns We Will Prepare**

We will prepare the organization’s 2025 federal Form 990-series return based solely on the information you provide. We do not audit, examine, or verify the information submitted, although we may request clarification. Our responsibility is limited to preparing the tax returns specifically identified in this engagement and advising on income tax matters only as expressly requested.

Unless otherwise agreed in writing, we will prepare the same state income tax returns filed in the prior year. You are responsible for notifying us of any additional state or jurisdictional filing requirements.

This engagement is limited to federal nonprofit income tax return preparation. Other filings—including payroll tax returns, sales and use tax returns, information returns (e.g., Forms 1099), charitable solicitation filings (e.g., New York Form CHAR500), and other regulatory or compliance filings—are excluded unless expressly agreed to in a separate written engagement. Services not expressly described in this letter are outside the scope of this engagement.

## **New York CHAR500**

- ☐ **Yes** – Prepare and file New York Form CHAR500 for 2025 (**additional fee of \$395**)
- ☐ **No** – Do not prepare New York Form CHAR500

If you elect for us to prepare and file New York Form CHAR500 for 2025, this service will be performed under this engagement for an **additional fee of \$395**. You are responsible for notifying us of any other states in which charitable or regulatory filings are required. Any such filings will be subject to a separate agreement and additional fees. We do not monitor charitable or regulatory filing requirements in other jurisdictions.

All information must be received by April 15, 2026 (for December 31 year-end organizations) to allow timely filing. Late submissions may require an extension, which will be filed only with your authorization. An extension does not extend the time to pay, and we assume no responsibility for penalties or interest resulting from late filing or payment.

Our work does not include procedures designed to detect fraud or other irregularities, and we do not provide legal or employment-related advice (including worker classification). You are responsible for compliance with applicable laws and for providing complete and accurate information necessary for return preparation.

## **Information Required; Records; Board Review**

You confirm that you will provide all information necessary to prepare complete and accurate returns, including information required to properly complete all applicable schedules and disclosures (including governance, related parties, and public support). This includes, but is not limited to:

1. all states and foreign countries in which the organization conducts activities or derives income.
2. the nature and extent of operations in each jurisdiction.
3. the organization’s governing body, including names, titles, and any family or business relationships of board members, officers, and key employees required to be disclosed as related parties (e.g., Schedule R).
4. the organization’s mission, programs, and activities; and
5. contributions and other support, including donor information required for reporting on Schedules A and B.

For the limited purpose of preparing the returns, you may provide accounting records or access to bookkeeping systems

(including QuickBooks). We do not audit, review, or verify underlying transactions and are not responsible for the accuracy or completeness of the books and records.

You are responsible for maintaining adequate documentation to support all amounts and disclosures reported. Inadequate records may result in disallowed items, additional tax, penalties, or interest, for which we assume no responsibility.

Management and the board of directors are responsible for reviewing and approving the completed Form 990, including all schedules and disclosures, prior to filing. You acknowledge that Form 990 and related schedules and attachments are subject to public inspection and may be accessed by regulators, donors, media, and the general public.

### **Related Parties, Transactions, and Unrelated Business Income Tax (UBIT)**

You agree to provide complete and accurate information regarding all transactions, relationships, and arrangements required to be disclosed on Form 990, including but not limited to related-party transactions (Schedule L), related organizations and transactions (Schedule R), excess benefit transactions, loans, grants, and business dealings involving officers, directors, key employees, or related parties. We do not assess whether transactions are conducted at arm's length or whether compensation or benefits are reasonable for federal tax purposes.

You are also responsible for identifying and disclosing all activities that may generate unrelated business income ("UBI") and may give rise to unrelated business income tax ("UBIT"). Our services do not include identifying UBI or determining whether Form 990-T is required unless you notify us and we agree in writing. Any preparation of Form 990-T or related state filings is outside the scope of this engagement unless separately agreed. Management acknowledges that failure to disclose related-party transactions or unrelated business activities may result in penalties, excise taxes, increased scrutiny, or reputational harm. We rely entirely on your representations and do not independently investigate related-party matters or UBIT exposure.

### **Governance Policies and Organizational Practices**

You acknowledge that you are responsible for establishing, maintaining, and enforcing appropriate governance policies and organizational practices, including but not limited to conflict-of-interest, whistleblower, and document retention and destruction policies. Our services do not include reviewing, drafting, evaluating, or monitoring the adequacy or implementation of such policies. Information reported on Form 990 regarding governance, management, and disclosure practices is based solely on representations provided by you, and you are responsible for the accuracy and completeness of those disclosures. The parties acknowledge that many nonprofit organizations operate with limited administrative resources or rely on volunteers; however, management remains solely responsible for the accuracy and completeness of all information provided and for addressing any issues identified.

### **Indemnification**      **Initial (\_\_\_\_)**

You agree to indemnify, defend, and hold harmless Young & Company CPAs, LLP and its partners, employees, and agents from and against any and all claims, liabilities, damages, losses, penalties, interest, and expenses (including reasonable attorneys' fees and costs) arising out of or relating to inaccurate, incomplete, or misleading information or representations provided by you or by third parties acting on your behalf, except to the extent finally determined by a court of competent jurisdiction to have resulted from our willful misconduct.

### **Electronic Filing**      **Initial (\_\_\_\_)**

Most taxing authorities require non-profit income tax returns to be filed electronically. We will provide copies of the completed returns for your review prior to electronic transmission. We cannot electronically file returns without signed e-file authorization. If signed authorization is not received at least two business days prior to the filing deadline, the returns will be placed on extension. You are responsible for timely payment of any tax due. We are not responsible for electronic transmission failures or taxing authority system outages after submission.

### **Force Majeure / Government and System Outages**

In addition, we shall not be responsible for delays, failures, or inability to perform services resulting from events beyond our reasonable control, including but not limited to natural disasters, power or internet outages affecting our offices, service providers, or the surrounding area, cyber incidents, governmental actions or closures, or failures or unavailability of federal, state, or local taxing authority systems, electronic filing platforms, or payment systems.

## **Tax Law and Professional Judgment**

You agree to provide all information necessary to prepare complete and accurate nonprofit income tax returns, including information regarding jurisdictions in which the organization operates or derives income, employee work locations (including remote or temporary arrangements), and the nature and extent of activities. We rely solely on the information you provide and do not audit or verify it. You are responsible for maintaining all supporting records.

We will use our professional judgment in preparing the returns based on applicable tax law and authoritative guidance in effect at the time services are performed, including changes enacted under the One Big Beautiful Bill Act (“OBBA”). When tax law is unclear, we will advise you of available positions and will follow positions you request that comply with applicable law and professional standards. If a position is later challenged, additional tax, interest, and penalties may result, for which we assume no liability. We reserve the right to cease services if requested positions do not meet applicable standards.

The organization may have tax nexus in jurisdictions where employees work or perform services. Management is solely responsible for tracking employee locations and compliance requirements. We do not provide legal, employment, or regulatory advice, including worker classification.

## **Sales and Use Tax    Initial (\_\_\_\_)**

New York State and other jurisdictions require businesses to pay sales or use tax on certain purchases made over the internet, by catalog, or from other jurisdictions when the vendor does not charge sales tax or charges less than the applicable state and local sales tax rates. You are responsible for informing us of any additional sales or use tax required to be reported on your New York State income tax return or any other applicable return.

Our engagement is limited to income tax return preparation only. We do not assess sales and use tax compliance, nexus, or exposure under state or local law, including economic nexus standards under *Wayfair*. You are solely responsible for compliance with all sales and use tax laws, including collection and remittance. Our services do not include advising on, monitoring, or ensuring compliance with value-added tax (VAT), goods and services tax (GST), or any similar foreign or domestic indirect tax regimes, unless expressly agreed to in writing.

## **Foreign Accounts and Interests    Initial (\_\_\_\_)**

If the organization has a financial interest in, or signature authority over, any foreign financial accounts, or has direct or indirect ownership or control of foreign entities or interests, it may be subject to reporting requirements with the U.S. Department of the Treasury and the Internal Revenue Service (“IRS”). Our services do not include identifying or investigating undisclosed foreign accounts or interests unless you specifically disclose them to us.

The Report of Foreign Bank and Financial Accounts (“FBAR”) is due April 15, 2026, with an automatic six-month extension available, and must be filed electronically through FinCEN’s Bank Secrecy Act (“BSA”) e-filing system. We must receive a signed authorization from you before submitting any foreign reporting forms. If authorization is not received, we will not file such forms on your behalf.

Certain foreign ownership interests may require additional IRS informational filings. You are responsible for providing complete and accurate information necessary to prepare any required forms. Failure to timely file required foreign reporting forms may result in substantial penalties. We assume no responsibility for any penalties, interest, or other consequences arising from incomplete, inaccurate, or omitted information related to foreign accounts, foreign interests, or related reporting obligations, including FBAR filings.

## **Virtual / Digital Assets    Initial (\_\_\_\_)**

The IRS treats virtual and digital assets as property for U.S. federal tax purposes. You agree to provide complete and accurate information regarding any ownership of, or transactions involving, virtual or digital assets. We do not independently verify such information and assume no responsibility for any taxes, penalties, interest, or other consequences arising from incomplete, inaccurate, or omitted disclosures.

## **Confidentiality and Privilege**

In connection with this engagement, we may share your confidential information with third-party service providers, including cloud-based providers and U.S.-based tax preparers, as necessary to perform our services. While we maintain reasonable

safeguards to protect your information, no electronic data transmission system is completely secure, and we make no express or implied warranties regarding security.

Federal law provides a limited privilege for certain communications between a client and the client's CPA in non-criminal tax matters before the IRS or in federal court, but this privilege does not apply to communications related solely to tax return preparation and may be waived if disclosed to third parties. We recommend consulting with us before releasing any potentially privileged information. If disclosure of a privileged communication is requested and not legally required, we will not disclose it until you have had an opportunity to assert the privilege. You agree to reimburse us for reasonable costs, including legal fees, incurred in protecting such communications.

### **Our Records Retention Policy**

We will retain records related to this engagement for seven (7) years and do not maintain original client records, which will be returned to you upon completion of our services. After that period, Young & Company CPAs, LLP may destroy its records, and you remain solely responsible for retaining and safeguarding all records for any future governmental or regulatory inquiries.

### **Our Fees    Initial (\_\_\_\_)**

Fees are based on our standard rates plus out-of-pocket expenses and are due prior to filing. If payment is not received within fifteen (15) days of invoicing, work may be suspended. We are not liable for damages resulting from suspension or withdrawal due to nonpayment. Audit or examination representation is not included and will be covered under a separate engagement.

### **Payment Methods**

We accept cash, check, ACH, and all major credit cards. A \$20 NSF fee will be charged for all returned checks or ACH rejects.

### **Dispute Resolution, Limitation of Liability, and Client Responsibilities**

Any dispute arising out of or relating to this engagement shall first be submitted to good-faith mediation administered by the American Arbitration Association ("AAA") under its rules for professional accounting disputes, with mediation costs shared equally by the parties.

Any dispute solely regarding fees charged by Young & Company CPAs, LLP shall be resolved by binding arbitration under the AAA rules and governed by New York law. By agreeing to arbitration, both parties waive the right to trial by judge or jury. The prevailing party shall be entitled to reasonable attorneys' fees and costs as determined by the arbitrator.

To the fullest extent permitted by law, Young & Company CPAs, LLP's total aggregate liability for all claims arising from or relating to this engagement, shall be limited to the fees actually paid for the specific services giving rise to the claim. In no event shall the Firm be liable for any indirect, incidental, consequential, special, or punitive damages.

You acknowledge that you are responsible for the accuracy and completeness of all information provided and for reviewing and approving all tax returns prior to filing. The Firm is not responsible for disallowed deductions, unsupported positions, or resulting taxes, penalties, interest, or other amounts assessed by a taxing authority.

Acceptance of this engagement may be evidenced by signing this letter, providing information, authorizing filing, submitting returns, or paying fees. This engagement letter may be executed electronically with the same legal effect as an original signature.

*Young & Company CPAs, LLP // David G. Young, CPA*

Accepted:

Signature \_\_\_\_\_ Client Name \_\_\_\_\_

Officer Name: \_\_\_\_\_ Date \_\_\_\_\_