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2021 FORM 1099 ENGAGEMENT LETTER

Background and Filing Requirement

Generally, payments of rent, royalties, non-employee compensation and other payments to non-incorporated entities require both the preparation and provision of form 1099 to the recipient of such payments no later than January 31st of the following year. You, as the discloser and payer, may be subject to penalties if you fail to file the informational return by the due date and cannot show reasonable cause. For more information, you may visit <http://www.irs.gov/uac/Form-1099-MISC,-Miscellaneous-Income->

Your responsibility

It is **your** responsibility to make sure that you/your company is 1099 compliant. **We do not** take responsibility for the correctness of information to be reported on the recipient (the payee) form 1099.

In order for us to properly, accurately and timely prepare all form 1099s, we ask that you timely provide us with all information relating to the recipient (the payee) and their payments. Furthermore, we request that you respond to all of our requests in a **complete and timely manner no later than 5 business days** before the due date of the return(s). We also ask that you provide us with all signed and updated form W-9s relating to the recipients. These forms should be requested by you and completed by them at the commencement or completion of your contract with them.

You agree to pay Roberts Accounting, CPAs, P.C. in full upon receipt of the invoice as is it relates to this service.

Our responsibility

Upon receipt of this engagement letter, we will timely and accurately prepare all required 1099 forms on your/your company's behalf. All forms will be filed and sent to the recipient in a manner that is compliant with federal and state regulation. We will also provide you with a paper or digital copy of all forms filed on your/your company's behalf.

Please note that we may refuse to prepare your informational return if you willfully and intentionally disregard to comply with the 1099 filing requirements. Also know that if we prepare your income tax return knowing that you did not file all required form 1099s, then we reserve the right to answer "No" to question 2 of the tax preparer's disclosure questionnaire found on Schedule C of the tax return. Question 1 asks us "Did this business make any payments during the year that would require form 1099?" and Question 2 asks us "If yes, did this entity file or will it file form 1099?" By checking "No" to Question 2, this becomes an open invitation to penalties and potentially an IRS audit.

As a final remark, **we will not** indemnify, reimburse or willingly accept responsibility for any penalties that arise from your failure to comply with your responsibility to file form 1099 (which may result from your failure to timely provide us pertinent 1099 information). Please also note that we will charge additional fees for the preparation of any 1099 forms that are filed after the due date.

By signing below, you hereby acknowledge that you fully understand all parts of this engagement letter as well as your responsibilities as the discloser of information relating to form 1099.

Client ("Discloser") Signature

Date