



TAX YEAR 2024

Dear valued client,

We appreciate the opportunity to work with you on the preparation of 1099s (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.

We will prepare your 1099s based on the information received. 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 the one(s) you have informed us of.

You are aware that it is your responsibility to determine the recipients of your 1099s from your company's books and/or records, to gather the recipient's correct information required to issue the 1099s, to retain proper receipts and other documents in your office to stay in compliance with 1099 filing guidelines. You are also responsible for the timely filing of your 1099s. We have no responsibility for any penalty that may arise from our client's failure to provide 1099 information to our office, for late filing or failure to file, or for incorrect information reported on these forms.

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 have the final responsibility for the 1099s filed and, therefore, you should review the information carefully before you supply it to us. Submission of the 1099 Reporting spreadsheet to Anthem is authorizing us to file the listed information returns on your behalf.

Filers are required to maintain all the documents that form the basis of the 1099s filed. 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 or missing information may result in notice issuance. For example, Anthem policy is to file the forms

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even if they are missing a vendor TIN, as this is in line with IRS best practices. 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 required to be filed electronically with the IRS. We will provide you with a copy of your final information returns and they will be set for electronic transmission by the required deadline. E-filing of state copies varies by tax authority. If e-file is not available, paper copies will be filed.

The issuance deadline for recipient copies of information returns is January 31, 2025. To meet this deadline, the information needed to complete the 1099s should be received in this office no later than January 10, 2025. 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, 2025
- All other 1099s –
 - February 28, 2025 if paper filed
 - March 31, 2025 if electronically filed

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

We charge for 1099 preparation based on form type and the number of forms filed:

- Processing – fees will be charge on a flat fee basis for each type of 1096 filed and number of 1099s required
 - \$280 per each 1096 and first 1099
 - Separate 1096s are required for each type of 1099 being filed (i.e. – 1099-MISC, 1099-NEC, 1099-INT, etc.)
 - \$35 per each additional 1099 processed

If information is received after January 17, 2025 additional processing fees will be charged and we cannot guarantee timely filing if information is received after this date. Fees will increase to the following:

- \$340 for each 1096 and first 1099
- \$45 per each additional 1099 processed

The balance is due upon completion of the information returns. Amounts not paid within 60 days will be charged interest at a rate of 1.5% per month (18% per year). Checks should be made payable to "Anthem Strategists."

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 it to us with your tax information. If you have any questions, please do not hesitate to contact us. We appreciate the opportunity to work with you.

Sincerely,

Anthem Strategists

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

Accepted By (Printed): _____ Date: _____

Title: _____

Company: _____

Signature: _____

Comments/Notes: _____

SERVICE ADDENDUM

Additional data mining services can be engaged, which would include Anthem preparing the 1099 Reporting spreadsheet on your behalf. This service is outside the scope of typical information return preparation and requires the attention of the Senior Staff most familiar with your business and operations. Due to this, the service will be billed for on an hourly basis at a rate of \$240/hour. This billing will be in addition to the fees previously stated for 1099 preparation.

Data mining would include the review of your company’s current QuickBooks file (or other accounting system) to identify vendors who require a form 1099 for the year 2024. The amount of time to do so will vary based on many factors, including but not limited to – volume of activity, utilization of 1099 tracking functions and/or the completeness of vendor information.

You will be required to approve the 1099 Reporting spreadsheet completed by Anthem staff. Lack of response after two business days will be taken as approval and result in the filing of the forms identified.

Due to the condensed filing deadline for information returns and the time necessary to perform additional data mining services, we cannot guarantee timely filing of 1099s if this request, including your complete and current bookkeeping file, is received after January 10, 2025.

If you understand and agree to the terms of this additional service and wish to proceed, please sign and date below.

Accepted By (Printed): _____ Date: _____

Title: _____

Company: _____

Signature: _____