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January 1, 2023

Dear Client:

**PLEASE READ THIS LETTER COMPLETELY. THERE ARE MANY IMPORTANT DATES AND OTHER INFORMATION YOU NEED TO KNOW!**

Happy New Year! We encourage and expect that you read everything in this letter. *Please* also read our electronic newsletters sent via MailChimp as they include information that is extremely important for you to know. If you haven't been receiving our newsletter, please send us an email so we can add you to our list.

Fees for tax return preparation may require a small increase this year.

#### **I. Important Dates for 2023 Tax Season**

- A. We must receive your tax information to guarantee completion of your 2022 tax return by **Monday, March 20, 2023**.
- B. The last day to electronically file your return is **Friday, April 14, 2023**.
- C. Our office will be closed at noon on Friday, April 14, 2023 and will not re-open until Tuesday, April 18, 2023.

#### **II. IRS Regulations That May Affect Your Tax Return**

- A. If you have sales of stock or securities:** The recording of the sales and the cost basis of those sales must be recorded individually on your tax return. This process may increase the time it takes to prepare your return. If you have a significant number of transactions that need to be entered on your tax return, our preparation fee will be higher.
- B. If you have signatory authority on a foreign bank account:** You must inform us if you hold any type of foreign assets, including bank or securities accounts. There are severe penalties for failure to report these accounts on your tax return. Please note: The FinCEN Form 114 (previously called the FBAR) is due on April 15th, the same due date as your individual tax return.

#### **III. Security**

- A. We take security seriously. Please upload documents to your Smart Vault portal or password-protect any documents you send us. Please do not mail in your documents. If you have no other option and you do mail in any documents, please send via a traceable carrier such as UPS or FedEx, not via regular USPS. Also, WE WILL NOT RETURN YOUR ORIGINAL DOCUMENTS AND WE WILL NOT**

**SCAN YOUR DOCUMENTS IF YOU DROP THEM OFF OR MAIL THEM IN.** If you wish to retain your originals, please give us copies. Also, any paper documents you give us should have no paper clips, staples, clips, post-it notes, envelopes or separate folders. We review all the documents you provide and utilize them according to tax law. If you are unable to upload your documents, please provide us with a stack of clean documents that will allow us to provide the best service to you. We will not accept unopened documents.

#### **IV. IRS Red Flag: Cryptocurrency**

**A. Please inform us if you are involved in cryptocurrency (e.g. Bitcoin). The IRS is targeting these transactions.**

#### **V. Organizer Information**

**A. The organizer is not mandatory.** Please use it only if it helps you organize your information; you do not have to complete it. Once the organizer is returned to us, we require scans of your back-up information in order to work on your returns.

B. This year you will receive both an electronic organizer (interactive Windows version) and a PDF version, which will be in your Smart Vault portal under TY22>Client Files. Please use whichever version is easier for you.

C. The electronic organizer (emailed to you) **requires** a Windows operating system. The PDF version (in your Smart Vault TY22 folder) must be printed and manually completed. Please use whichever version is easier. The electronic organizer is automatically returned to us when you click "Return to Preparer". The PDF version can be uploaded to your Smart Vault portal and we will be notified at that time that it is there.

**D. Please take a moment to verify your date of birth on the organizer!**

E. PLEASE NOTE: We cannot begin working on your return until we've received your back-up documentation-NOT just the organizer. Please DO NOT upload in pieces. If you do not have all your documentation, please upload only when you have the majority of your items. You can provide a few last documents when you receive them. You can send an email to Tracy@vh-cpa.com to let us know when you've uploaded the majority of your information.

#### **VI. Timely Submission of Documents**

We must receive your documents **at least 5 business days prior** to a scheduled appointment. If we do not receive your documents by this deadline, we will automatically cancel your appointment and try to reschedule, if possible. Once you have completed your appointment, your tax return will be prepared and sent out to you.

#### **VII. Missing Documents**

A. If you have a few missing items, we encourage you to send in what you have so we can begin preparing your return. Understandably, some items/documentation may be missing initially, however you may send those in as soon as you receive them.

B. Please provide us with the following supporting documentation, as it pertains to your tax situation:

1. A copy of your 2021 tax return, if not prepared by our office
2. Form(s) W-2 (wages, etc.)
3. Form (s) 1099 (interest, dividends etc.)
4. Schedule(s) K-1 (income/loss from partnerships, S-corporations etc.)
5. Form(s) 1098 (mortgage interest) and property tax statements
6. Brokerage statements from stocks, bonds or other investment transactions
7. Closing statements pertaining to real estate transactions
8. All other supporting documents, if necessary (schedules, checkbooks etc.)
9. Any notices received from the IRS or other taxing authorities
10. Schedule of all estimated payments that you made during the year

#### **VIII. Uploading your documents to SmartVault**

A. We simply are not comfortable sharing confidential information through email. **Please never send information that includes Social Security numbers, bank account numbers, or birthdates by email.** If you must send something by email that includes sensitive information, please password protect it.

B. The US mail is NOT a secure way of sending information. Mailboxes are commonly broken into during tax time.

C. Your tax documents are secure in our system and only you have access to them. SmartVault is organized by tax year e.g. TY22 and your folder will include a client copy of your tax return(s), a completed copy of your organizer (if you return it to us), a blank PDF version of your current year's organizer and any documents you uploaded to the vault.

1. By using SmartVault, you will always have access to your information and will no longer have to wonder what you did with your tax returns, W-2s, 1099s, etc.

2. If you have been unsuccessful using the portal in the past, please call our office and we will help walk you through the process.

3. You can easily access your portal via the homepage on our website, [www.vh-cpa.com](http://www.vh-cpa.com) <<http://www.vh-cpa.com>>. A link to SmartVault is also included in all our staff email signatures.

D. Your supporting documents can be uploaded to your SmartVault portal very easily. Instructions for how to upload documents can be found on our website [www.vh-cpa.com](http://www.vh-cpa.com).

E. If you must email any documents, please password protect them for security reasons.

F. Please do not fax your documents as our fax system just gets too overloaded. It's okay to fax single-page documents, but we cannot accept all your backup documentation via fax. You can email password-protected documents to [Tracy@vh-cpa.com](mailto:Tracy@vh-cpa.com).

G. If we will be preparing your CHILDREN'S tax returns, please upload their information to their specific vault-not your personal vault. Documents are mixed up or missed this way. If this is the first year we are preparing your child's return, please email Tracy@vh-cpa.com and let me know so a vault can be set up for them and we can determine if filing a return is necessary.

H. If your only option is dropping off your documents at our office, please note we will not scan your documents into your Smart Vault portal. The documents you drop off will not be returned. If you want to retain your originals, please bring us copies. No staples, paper clips, post-it notes, envelopes or folders please. If you wish to have a scan of your documents, there are office stores/copy centers that will scan your documents for you. We do not have the staff to provide this service.

### **IX. Appointments**

A. Appointments are not required and not necessary if we have done tax planning for you, prepared a tax projection or if you have had no substantial changes in your tax situation. As always, we will try to accommodate your appointment needs. The majority of appointments this year are virtual in Zoom or a telephone call.

B. We must receive your documents at least **5 business days** in advance of your tax appointment. If we do not receive them by this deadline, we will automatically cancel your appointment and reschedule if possible. We need time to prepare your information for your appointment.

C. Documents WILL NOT be returned, so if you wish to keep your originals, please send us copies if you don't scan and upload your documents to SmartVault. We will not scan your documents into your Smart Vault portal. We do not have enough staff to provide scanning services.

D. Please remember if you are waiting for K-1s, you can still make your appointment or send in your information early. Your return can be prepared while we wait for pending information. This allows us to send your return to you in the shortest amount of time.

E. Please make sure we have your current email address and cell phone number in our records when you make your appointment. Our scheduling program will confirm all appointments through email and text when the appointment is made. You will receive a second email 48 hours before your appointment. You will also receive a text message the day of the appointment.

F. We ask that you please try to retain your scheduled appointment time as it may be difficult to reschedule your appointment at a time that is convenient for you.

### **X. DocuSign**

A. This service allows you to electronically sign your e-file authorization forms. You will not need to email or fax back the forms when using this method. There are no verification questions this year. All you need to do is 'Click' and 'Sign'.

B. All tax returns will be sent Via a Smart Vault Link. PLEASE READ THE INSTRUCTIONS IN THE EMAIL.

1. PLEASE NOTE: You are responsible for any payments due to the government tax agencies.

2. If you owe money, we strongly suggest you make your payments online and not put them into the mail, as this is very unsecure and your Social Security number is included on the voucher. Visit our website for online payment instructions. If you still want to mail in your vouchers, please print the appropriate vouchers from the copy of your return located in SmartVault, or from the copy attached to your DocuSign e-signature request. All instructions for payments are in the client letter located at the front of your tax return.

C. If you are filing jointly, **both spouses need to complete the DocuSign signature.** If we only have one email address for both spouses, a link will be sent for each spouse to the one email address.

D. All tax preparation fees can be paid through our website ([www.vh-cpa.com](http://www.vh-cpa.com)) or you can send in a check. Your preparation fees must be remitted before we can file your returns.

E. If you are unable to complete the e-signature request successfully, we have alternate ways to receive your signed forms. Please contact us.

### **XI. Electronic Filing**

A. Please note that we are **required** by the government to electronically file your tax returns.

B. Before your returns can be e-filed, we must:

1. Receive your signed e-file forms through DocuSign.

2. Receive a signed engagement letter and is also on our website ([www.vh-cpa.com](http://www.vh-cpa.com)).

3. Receive payment for our tax preparation services. You can pay with a credit card via our website or by sending a check.

C. If you choose to paper file your returns when you are not required to do so, we must have a signed waiver stating that you refused our e-filing services. This service will also incur a \$50 charge since it requires printing and mailing your returns to you. Furthermore, this is a *very* unsecure way to file your return(s).

D. Please read the "Benefits of E-filing" letter on our website.

### **XII. Filing Deadline**

A. Our electronic filing deadline is **Friday, April 14, 2023.**

B. **We must receive your tax information by Monday, March 20, 2023** in order to guarantee completion of your return by April 14, 2023. If we receive your information after this date, your return may be put on extension. Also, if we receive your information after this deadline, you will be responsible for your own estimated payments. At the end of March, we do not have time to accept late information, calculate and provide accurate estimated payments.

C. **Returns will not be e-filed after Friday, April 14, 2023.** There is not sufficient time after this date to guarantee acceptance of your returns by the government agencies prior to the tax deadline.

D. **Our office will be closed from noon on Friday, April 14, 2023 until Tuesday, April 18, 2023.**

We sincerely thank you for your business and we look forward to hearing from you soon. Wishing you and yours, health, happiness, and peace in 2023.

Sincerely,

Mark S. Varshawsky, CPA

David Huber, CPA

Varshawsky Huber LLP We invite you to "like us" on Facebook. Please visit our Facebook page for tax season tips of the day: <https://www.facebook.com/vhcpa>. Our website address is <https://vh-cpa.com/>.