

# IRS CIRCULAR 230 ACKNOWLEDGMENT

*Annual Acknowledgment for Independent Electronic Return Originators*

*Provided by BCS Tax Software Company, LLC*

## **Background**

Treasury Department Circular No. 230 (31 C.F.R. Part 10) governs the practice of representatives of persons before the Internal Revenue Service. It applies to attorneys, CPAs, enrolled agents, enrolled actuaries, enrolled retirement plan agents, registered tax return preparers, and other persons representing taxpayers before the IRS.

All EROs are required to be familiar with and comply with the duties and restrictions imposed under Circular 230 as part of their practice. By signing this acknowledgment, you confirm you have read and understand the obligations summarized below.

## **Key Obligations Under Circular 230**

### **§10.20 — Information to be furnished**

I will promptly submit to the IRS records or information that I lawfully possess when properly requested, unless I have a good-faith belief that such records are privileged.

### **§10.21 — Knowledge of client's omission**

If I become aware of a client's noncompliance, error, or omission on any return or document submitted to the IRS, I will advise the client promptly of the noncompliance and the consequences.

### **§10.22 — Diligence as to accuracy**

I will exercise due diligence in: (a) preparing or assisting in the preparation of, approving, and filing tax returns and other documents; (b) determining the correctness of oral or written representations made to the client and to the IRS.

### **§10.27 — Fees**

I will not charge an unconscionable fee for representation. Contingent fees are restricted to specific circumstances permitted under §10.27.

### **§10.28 — Return of client records**

Upon request, I will promptly return all records of the client necessary for the client to comply with federal tax obligations, even in the event of a fee dispute.

**§10.29 — Conflicting interests**

I will not represent a client in any matter where there is a conflict of interest unless I reasonably believe I can provide competent and diligent representation, the representation is not prohibited by law, and each affected client gives informed written consent.

**§10.33 — Best practices**

I will endeavor to: (a) communicate clearly with the client regarding the terms of engagement; (b) establish the relevant facts; (c) advise the client regarding the import of any conclusions reached; and (d) act fairly and with integrity in practice before the IRS.

**§10.34 — Standards with respect to tax returns**

I will not sign or advise on a return position that I know or reasonably should know lacks a reasonable basis, is an unreasonable position, or is a willful attempt to understate liability.

**§10.35 — Competence**

I will possess the necessary knowledge, skill, thoroughness, and preparation appropriate for the matter for which I am engaged. I will obtain training, consult with experts, or refer the matter as needed.

**§10.36 — Procedures to ensure compliance**

If I am responsible for overseeing other practitioners or staff, I will take reasonable steps to ensure firm-wide procedures are in place to comply with Circular 230.

**§10.51 — Incompetence and disreputable conduct**

I understand that disbarment, suspension, or censure may result from: conviction of any crime under the IRC, giving false or misleading information to the IRS, willful failure to file federal tax returns, willfully assisting evasion, contemptuous conduct, etc.

**Signature & Acknowledgment**

By signing below, I acknowledge that I have read, understand, and will comply with Treasury Department Circular No. 230 in connection with my preparation of federal tax returns and any representation of taxpayers before the IRS.

I further acknowledge that any failure to comply may result in: (i) IRS sanctions including censure, suspension, or disbarment; (ii) PTIN suspension; (iii) civil penalties; (iv) criminal prosecution; and (v) immediate termination of my Independent ERO Agreement with BCS Tax Software Company, LLC.

**Business / ERO Name:** \_\_\_\_\_

**PTIN:** \_\_\_\_\_

**EFIN:** \_\_\_\_\_

**ERO Owner Signature**

\_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*Disclaimer: This is a summary acknowledgment, not the full text of Circular 230. The full regulation is available at <https://www.irs.gov/pub/irs-pdf/pcir230.pdf>. EROs are responsible for reading and understanding the complete text. This acknowledgment is for use by BCS Tax Software Company, LLC partner EROs as part of annual compliance documentation.*