CLOUD ACCOUNTING · TEMPLATE PACK · 5 NOVEMBER 2026

§7216 consent to disclosure and mutual NDA

Two templates for CPA firms that send bookkeeping and month-end close work to Cloud Accounting's team in India. Both are starting points for your counsel, not legal advice.

DOCUMENT	PAGES	USE IT WHEN
Consent to disclosure of tax return information (masked-SSN version)	2–3	A client's tax-return information will be disclosed to Cloud Accounting, a tax return preparer located outside the United States, for bookkeeping, reconciliation and month-end close services. One signed consent per taxpayer, before anything is shared.
Notes for the preparer, including the alternative statement for unmasked SSNs	4	Read before you issue the consent. The SSN alternative may be used only when both preparers maintain an adequate data protection safeguard as defined in Rev. Proc. 2013-14 §5.07.
Mutual non-disclosure agreement	5–7	Before access to any client record. If your firm has its own NDA, use that instead; Cloud Accounting signs either.

Why the consent matters. Internal Revenue Code §7216 and Treasury Regulation §301.7216-3 require a taxpayer's prior written consent before tax return information is disclosed to a tax return preparer located outside the United States. For taxpayers filing a return in the Form 1040 series, the consent must contain the statements prescribed by Revenue Procedure 2013-14, on a separate written document, on paper of 8½ × 11 inches or larger, in type of at least 12 points, signed and dated by the taxpayer. A preparer may not present a consent with blank spaces to be completed after the taxpayer signs, or alter a consent once it is signed.

Cloud Accounting's default is masked Social Security numbers. The consent in this pack is written for that case. Keep SSNs masked unless your counsel confirms that both firms meet the adequate-data-protection-safeguard definition and the longer statement in the notes for the preparer is used instead.

Sources: 26 U.S.C. §7216; Treas. Reg. §301.7216-3; Rev. Proc. 2013-14, 2013-3 I.R.B. 283 (irs.gov/pub/irs-drop/rp-13-14.pdf), sections 5.01–5.07 and 6. Taxpayers who do not file a Form 1040-series return may use these statements or another form that meets Treas. Reg. §301.7216-3. Questions: admin@cloudaccountings.in · cloudaccountings.in/security

CONSENT TO DISCLOSURE OF TAX RETURN INFORMATION

Taxpayer name(s):

_____

Tax return preparer (your firm):

_____

Tax return preparer receiving the information: Cloud Accounting, _____ (legal name), a tax return preparer located in India, outside the United States.

Purpose of the disclosure. To enable the receiving tax return preparer to provide bookkeeping, account reconciliation, month-end close and related services that assist in the preparation of your tax return, under the supervision of, and for review by, the tax return preparer named above.

Information to be disclosed. Your accounting records and tax return information for the tax year(s) _____, consisting of general ledger and bank, credit card and loan account transactions, payroll summaries, invoices and bills, and the supporting documents needed to reconcile and close your books. Social Security numbers and other taxpayer identification numbers will be masked or redacted before disclosure, and will not be disclosed in full. You may limit this consent to specific records by listing them here:

_____

Duration. This consent is valid until _____. If no date is entered, it is valid for one year from the date of signature.

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose your tax return information to third parties for purposes other than those related to the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form. Because our ability to disclose your tax return information to another tax return preparer affects the tax return preparation service(s) that we provide to you and its (their) cost, we may decline to provide you with tax return preparation services or change the terms (including the cost) of the tax return preparation services that we provide to you if you do not sign this form. If you agree to the disclosure of your tax return information, your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year from the date of signature.

This consent to disclose may result in your tax return information being disclosed to a tax return preparer located outside the United States.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.

By signing below, I authorize the tax return preparer named on the first page of this consent to disclose the tax return information described above to Cloud Accounting for the purpose and for the duration stated.

_____	_____
Taxpayer signature	Date
_____	
Taxpayer (printed name)	
_____	_____
Spouse signature (joint return)	Date
_____	
Spouse (printed name)	

Notes for the preparer

1. **One consent per taxpayer, on its own document.** Rev. Proc. 2013-14 §5.01 requires each consent to be contained on a separate written document; it may be an attachment to your engagement letter, but the consent sheets themselves may carry nothing except the consent (§5.02). Print the consent pages on their own.
2. **Complete every blank before signature.** A preparer may not present a consent with blank spaces to be filled in after the taxpayer signs, and may not alter a signed consent (§5.04(4)). Enter the legal name of the receiving preparer, the tax year(s) and the duration first.
3. **12-point type, Letter paper, handwritten signature.** Paper consents must be on 8½ × 11 inch or larger sheets in at least 12-point type (§5.02) and signed by hand (§5.04(3)). An electronic consent must meet §5.03 and be signed by one of the methods in §6.02 (for example, the taxpayer typing a PIN of at least five characters, or typing their name and pressing enter); the software may not pre-fill the signature.
4. **Joint returns.** Both spouses sign.
5. **Keep the signed consent in the client file** and send Cloud Accounting nothing until it is signed. Cloud Accounting starts work on a US file only after you confirm the consent is in place.
6. **Business returns.** Taxpayers who do not file a Form 1040-series return may use this language or another form that meets Treas. Reg. §301.7216-3 (Rev. Proc. 2013-14 §4).
7. **Engagement letter.** The AICPA Code of Professional Conduct expects you to inform clients, preferably in writing, that you use a third-party service provider, and to supervise its work. A sentence in the engagement letter covers the first point; this consent is separate from it.

Alternative statement if a Social Security number will be disclosed in full

Replace the sentence that begins “This consent to disclose may result” with the paragraph below **only** when both the disclosing preparer and Cloud Accounting maintain an adequate data protection safeguard as defined in Rev. Proc. 2013-14 §5.07 and Treas. Reg. §301.7216-3(b)(4), at the time the consent is obtained and when the disclosure is made, and only after your counsel has confirmed it. Cloud Accounting's standard working method masks SSNs, so this paragraph should rarely be needed.

> This consent to disclose may result in your tax return information being disclosed to a tax return preparer located outside the United States, including your personally identifiable information such as your Social Security Number ("SSN"). Both the tax return preparer in the United States that will disclose your SSN and the tax return preparer located outside the United States that will receive your SSN maintain an adequate data protection safeguard (as required by the regulations under 26 U.S.C. section 7216) to protect privacy and prevent unauthorized access of tax return information. If you consent to the disclosure of your tax return information, federal agencies may not be able to enforce United States laws that protect the privacy of your tax return information against a tax return preparer located outside of the United States to whom the information is disclosed.

Mutual non-disclosure agreement

between

_____

(the "Firm"), of _____

and

Cloud Accounting, _____ (legal name), of _____, India ("Cloud Accounting")

Effective date: _____

1. Purpose. The parties intend to discuss, and may enter into, an engagement under which Cloud Accounting provides bookkeeping, reconciliation, month-end close, payroll processing and related accounting services to the Firm or to the Firm's clients (the "Services"). Each party may disclose Confidential Information to the other for that purpose.

2. Confidential Information means all non-public information disclosed by or on behalf of a party (the "Discloser") to the other (the "Recipient"), in any form, including: the books, records, bank and card statements, invoices, payroll data and tax return information of the Firm and of its clients; personal data of any individual; client lists and fee arrangements; and each party's processes, pricing, staff details and business plans. Information is Confidential Information whether or not it is marked as such. It does not include information that the Recipient can show (a) was public at the time of disclosure or later became public through no fault of the Recipient, (b) was lawfully known to the Recipient before disclosure without a duty of confidence, (c) was received from a third party entitled to disclose it, or (d) was developed independently without use of the Discloser's information. Tax return information and personal data of the Firm's clients remain Confidential Information in every case.

3. Obligations. The Recipient shall (a) use Confidential Information only for the Purpose and the Services; (b) not disclose it to anyone except its own partners, employees and contractors who need it for the Purpose and are bound by written confidentiality obligations at least as protective as this Agreement; (c) protect it with at least the care it uses for its own confidential information, and never less than reasonable care; and (d) notify the Discloser without undue delay, and in any event within 24 hours of discovery, of any actual or suspected unauthorized access, use, loss or disclosure, with the facts then known.

4. Client records and systems. Cloud Accounting shall access the Firm's and the Firm's clients' records only through user accounts the Firm creates in the Firm's own systems, with two-factor authentication and the permissions the Firm sets; shall access them only from work computers; shall not download, export or store client records on its own equipment except as the Firm directs in writing; and shall keep Social Security numbers and other taxpayer identification numbers masked unless the Firm instructs otherwise and the taxpayer's consent covers it. The Firm may suspend or remove Cloud Accounting's access at any time.

5. Section 7216 and professional rules. The Firm is responsible for obtaining each taxpayer's written consent under 26 U.S.C. §7216 and Treas. Reg. §301.7216-3 before any tax return information is disclosed to Cloud Accounting, and for any disclosure to clients that its professional standards require. Cloud Accounting shall use tax return information only for the Services, shall not use or disclose it for any other purpose, and shall comply with §7216 and the regulations under it as they apply to a tax return preparer.

6. Compelled disclosure. If the Recipient is required by law, regulation or court order to disclose Confidential Information, it shall, where lawful, give the Discloser prompt notice so that the Discloser may seek a protective order, and shall disclose only what is legally required.

7. Return and deletion. On the Discloser's request, or when the Services end, the Recipient shall stop using the Discloser's Confidential Information and, within 10 business days, return or securely delete every copy in its possession, and confirm this in writing, except that (a) the Firm retains the work product delivered to it, and (b) either party may retain copies that the law or its professional obligations require it to keep, which remain subject to this Agreement. Cloud Accounting's working method is not to hold copies of client records; removal of its user accounts by the Firm ends its access.

8. Term. This Agreement applies to Confidential Information disclosed during the period of _____ year(s) from the Effective Date, or until the Services end, whichever is later. The obligations in clauses 3 to 7 continue for five years after the last disclosure, and for tax return information, personal data and trade secrets for as long as the information remains protected by law.

9. No license or obligation to proceed. Nothing in this Agreement transfers any right in Confidential Information, obliges either party to disclose information, or obliges either party to enter into any further agreement.

10. Remedies. Each party acknowledges that a breach of this Agreement may cause harm for which damages would not be an adequate remedy, and that the Discloser may seek injunctive or other equitable relief in addition to any other remedy available to it.

11. Governing law and disputes. This Agreement is governed by the laws of _____, without regard to its conflict-of-laws rules, and the courts of that jurisdiction have exclusive jurisdiction over any dispute arising from it, except that either party may seek injunctive relief in any court of competent jurisdiction.

12. General. This Agreement is the entire agreement between the parties about its subject matter and replaces any earlier confidentiality terms between them on the same subject; a later written services agreement may supplement but does not reduce the protection it gives. Amendments must be in writing and signed by both parties. If any provision is unenforceable, the rest remain in force. Neither party may assign this Agreement without the other's written consent. Notices go to the addresses above, or to an email address a party designates in writing. This Agreement may be signed in counterparts and by electronic signature, each of which is an original.

Signed by the authorized representatives of the parties:

For the Firm	**For Cloud Accounting**
_____	_____
Signature	Signature
_____	_____
Name and title	Name and title
_____	_____
Date	Date

Template dated 5 November 2026, prepared by Cloud Accounting for review by the Firm's counsel. It is not legal advice. Governing law, the term and the parties' legal names are left for the parties to complete.