Date

Name

Company

Address

Address

Dear \_\_\_\_\_\_\_\_:

This letter confirms our mutual understanding with respect to the engagement of [CPA Firm]. (hereinafter "CPA", "we", or "us"), by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. (hereinafter "you" or "the Company") to provide professional services. The term "the Company" includes the Company and its management, which includes the Company's officers and managers.

We will provide the following bookkeeping services:

1. Record journals
2. Post general ledger
3. Post other ledgers (specify)
4. Reconcile bank statements
5. Prepare gross receipts tax reports
6. Post earnings records
7. Prepare payroll tax returns
8. Prepare W-2’s, W-3’s
9. Prepare 1099s
10. Prepare Payroll Checks
11. Other bookkeeping services (specify)
12. The above list may not be all inclusive.

We will also perform the following Payroll and Compliance Work:

1. Processing direct-deposit payrolls (or providing net pay stubs for inclusion with physical checks to be issued by you), based on salaried, flat dollar, and/or hourly pay information you provide to us for each employee or contractor in summarized format. We will discuss with you any potential errors or inconsistencies we may notice in the payroll information you provide to us, but we will not otherwise attempt to verify the completeness or accuracy of the information.
2. Scheduling federal, state, and [State]-based local payroll tax deposits/remittances for electronic payment to the extent possible, beginning with the period in which we begin processing payroll
3. Preparing and filing required federal, state, and [State]-based local payroll tax returns to the extent possible, beginning with the period in which we begin processing payroll
4. If any such payroll tax returns/payments cannot be set up to enable submission or remittance by us on your behalf, whether electronically or via postal mail, we will prepare any required forms and payment vouchers and provide then to you for printing, execution, mailing, and payment.
5. Filing and issuing annual Forms W-2
6. Assisting with any payroll-related notices or requests that may arise, related to periods for which we process payroll
7. Scheduling electronic withdrawal of our [CPA] fees from the company’s bank account upon our processing of each payroll
8. Setting up and maintaining online portals for each employee or contractor, containing copies of previous pay stubs, Forms W-2, etc.
9. Ensuring all payroll transactions generated within our payroll system are shared with our internal bookkeeping group for financial reporting purposes.

The above is based on **[bi-weekly, weekly, semi-weekly,monthly]** direct-deposit payrolls (and/or providing net pay stubs for inclusion with physical checks to be issued by you) for **[#] active employees/contractors on active roster in [one] work location**, with no additional payroll modules being utilized or additional payroll services being rendered, other than as reflected in **Exhibit A**. Employees and contractors remain on the “active” employee/contractor list until we are instructed by you to remove them.

You will provide us with payroll information on a timely and periodic basis, including hours worked, pay rates, employee status, and benefits information. You will provide us promptly with updated and corrected information as needed.

You must maintain sufficient funds in your bank account to cover payroll expenses and related tax liabilities. You will be charged an exceptions fee if there are insufficient funds in your account when payroll or payroll taxes are due.

As noted above, we will schedule all payroll tax deposits/payments as required. If requested by you to delay or skip payment of any such required deposits, we will do so; however, if the company continues to fall behind on tax deposits (most notably those due to the IRS), we may suspend our payroll processing services with no further notice. Any unpaid [CPA] fees would then be invoiced and due upon receipt.

Specifically excluded from Payroll Processing and Compliance Work is any “clean-up/catch-up” work and/or tax notices related to payroll reporting/filings for periods prior to our beginning payroll processing, along with planning and/or compliance in the areas of: income taxes; value-added, sales/use, and excise taxes; property, gift, estate, and inheritance taxes; real estate taxes; county and municipal taxes; business privilege, net profit, mercantile, or similar taxes; local wage taxes for jurisdictions outside of [State]; beer/liquor/alcohol taxes; international taxes; and any other tax compliance matters.

In addition we assume no responsibility for preparing Forms 1099 or annual Form 1098.

We will not determine whether any independent contractors should be recharacterized as employees. We are available under the terms of a separate engagement letter to perform this service.

While this letter relates to specific services indicated, from time to time, we may be asked by the Company to provide additional services and/or routine advice for which no separate arrangement has been made. To the extent that we provide additional services and/or routine advice to the Company without separate arrangement, those services and/or routine advice are governed by the same terms and conditions set forth in this letter, and will be invoiced separately.

Our engagement is limited to the period and accounting services indicated above. We will not audit or review your financial statements or any other accounting documents and information you provide, in accordance with U.S. generally accepted auditing standards. Accordingly, we ask that you not in any manner refer to this as an audit or review. Nor will we otherwise verify the data you submit for accuracy or completeness. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exists. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot, therefore be relied upon to make disclosure of such matters.

**Management Responsibilities**

The Company is responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

You are responsible for adopting sound accounting policies, from maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation a proper financial statement. Furthermore, you are responsible for management decisions and functions, for designating a company employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the company involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and insuring that the entity complies with applicable laws and regulations.

The Company should be aware that certain communications involving tax advice between you and members of our firm who are authorized tax practitioners or their agents may be privileged from disclosure to the IRS. The privilege may be waived, however, by voluntarily disclosing the contents of those communications to a third party. The privileged information might be used by you in preparing your financial statements and, consequently, disclosed to us in auditing those statements. In addition, professional standards require us to discuss matters that may affect the audit with our firm personnel responsible for tax services, who may disclose the privileged information to us. The IRS might take the position that such communication results in a waiver of privilege.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with levels of service higher than bookkeeping, such as audit, review, and compilation services, and we explained to you the manner in which such levels of service differ from bookkeeping. We also explained to you that we provide clients with services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your company (fraud audit). We further explained the additional costs associated with such higher and different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the bookkeeping services described in this letter.

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis. In the event we receive a subpoena or summons requesting that we produce documents from this engagement or testify about the engagement, we will notify you prior to responding to it if we are legally permitted to do so. You may, within the time permitted for us to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we may constitute your inaction or failure as consent to comply with the request. Time incurred in connection with subpoenas, and/ or other related legal matters involving you, and or your account(s), will be billed at our normal per diem rates.

In the event we are required to respond to a subpoena, court order or other legal processes for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates then existing for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

The Company shall upon the receipt of written notice indemnify [CPA] and its affiliates, and their partners, principals, and personnel, against all costs, fees, expenses, damages, and liabilities (including legal defense costs) associated with any third-party claim arising from or relating to any knowing misrepresentation to [CPA] by the Company or the intentional withholding or concealment of information from [CPA] by the Company. In addition, the Company shall upon receipt of written notice indemnify [CPA] and its affiliates, and their partners, principals and personnel, against all punitive damages associated with any third-party claim arising from or relating to: (i) any services, work product, or deliverables from [CPA] that the Company or its management uses or discloses to others; or (ii) this engagement generally. The terms of this paragraph shall apply regardless of the nature of any claim asserted (including those arising from contract law, statutes, regulations, or any form of negligence of the Company, whether arising out of tort, strict liability, or otherwise) and whether or not [CPA] was advised of the possibility of the damage or loss asserted. Such terms shall also continue to apply after any termination of this agreement by either party and during any dispute between the parties. To the extent finally determined that the conduct giving rise to such punitive damages arose out of [CPA]’s gross negligence or willful misconduct, this paragraph shall not apply.

Either party may terminate this engagement, with or without cause, by providing written notice to the other party. In the event of early termination for any reason, the Company will be invoiced and agrees to remit payment for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. [CPA] shall have no liability to the Company for any loss or consequential damage arising from early termination by either the Company or by [CPA].

With respect to any services, work product, or other deliverables hereunder, or this engagement generally, [CPA]’s liability to the Company shall in no event exceed the fees that it receives for the portion of the work giving rise to liability, nor shall [CPA]’s liability include any special, consequential, incidental, or exemplary damages or loss, including any lost profits, savings, or business opportunity.

While this letter relates to specific services indicated, from time to time, we may be asked by the Company to provide additional services and/or routine advice for which no separate arrangement has been made. To the extent that we provide additional services and/or routine advice to the Company without separate arrangement, those services and/or routine advice are governed by the same terms and conditions set forth in this letter and will be invoiced separately.

In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents and information concerning your company:

1. Copies of basic documents reflecting your financial transactions, including check stubs, summaries of cash receipts and sales (cash and charge), bank statements and canceled checks, listings of accounts receivable and accounts payable, and documentary support of property and equipment transactions – purchases, trades, sales, and other dispositions;
2. Information concerning any mortgage or pledge of business assets on business debts, any personal guarantees of debt, leases, or other information that affects or may affect the results of operations of the business;
3. Any other financial information necessary for purpose of reflection of your accounting records, trial balance and tax returns; and Identification of all cash receipts as to source (i.e., loans, sales, etc.), and information concerning all transactions that are consummated with cash.

Any failure to provide such documents and information, and to do so on a timely basis, will impede our services, and may require us to suspend our services or withdraw from the engagement. You agree to accept responsibility for any affect on your accounting records and financial statements of basic financial information or transaction documents not submitted to us for processing an entry, or losses that may result from their absence.

For purposes of entry of the financial information from your basic transaction documents, classification according to the agreed upon chart of accounts will be performed by you or your employees. As business conditions change, we may mutually agree to change/modify this arrangement.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement subject to the selection of a mutually agreed upon mediator. All mediations initiated as a result of this engagement shall be administered pursuant to the mediation rules of the American Arbitration Association (AAA). The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorney's fees. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter. This section shall survive completion or termination of this Agreement, but under no circumstances shall either party call for mediation of any claim or dispute arising out of this Agreement after such period of time as would normally bar the initiation of legal proceedings to litigate such claim or dispute under the laws of the Commonwealth of [State].

If mediation fails to resolve the dispute or claim, the parties hereby agree to submit any action, claim or counterclaim whether based in contract, tort, statutory rights or otherwise to the Court of Common Pleas, [County], [City], [State] The parties also agree that the laws of the Commonwealth of [State] shall govern all legal proceedings arising from this engagement.

The limitation on liability provisions of this engagement letter will apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise. The parties' agreements and undertakings contained in this engagement letter, such as those pertaining to the limitation on liability, will survive the completion or termination of this engagement. The parties agree that their rights and obligations hereunder will be construed and governed under the law of the Commonwealth of [State].

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

**Hourly Rates, Recording of Time, and Billing Procedures**

Each staff member maintains accurate time records, and clients are billed based on actual time spent on their behalf. A standard hourly rate is set for each staff member based on the criteria of experience and ability. You are billed using standard hourly rates multiplied by the actual hours worked. We use the appropriate staff member to perform routine procedures to achieve the lowest possible billing. Basic overhead costs are included in the hourly rates. Any expenses spent specifically on behalf of clients (such as express mail or mileage to meetings) are charged to them. We will provide you with a monthly statement giving you a brief description of each item of work. As we discussed, hourly rates are shown in Exhibit A and are adjusted periodically (typically, annually) to reflect current market economic conditions. As is usually the case, disbursement charges may not be current at the time of each monthly billing and will be billed later.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Any comments on the invoices should be directed to me in writing within forty-five (45) days of presentation. Your absence of written comment on the bill is deemed agreement to the bill. In accordance with firm policies, work may be suspended if your account becomes forty-five (45) days or more overdue and will not be resumed until your account is paid in full. The firm reserves the right to impose interest on invoice amounts not paid within sixty (60) days from the invoice date at a rate equal to 1 ½% per month (18% per year). If we elect to terminate our services, or if you elect to terminate our services, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed the work. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination, which will include any time spent assisting in the transition to a successor firm. You agree to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures, including but not limited to legal fees, filing fees, and other court costs incurred in the collection of all outstanding fees and service charges. To keep our costs low, and in fairness to us and our clients who remit promptly, we reserve the right to decline to continue to provide services to clients who do not pay within the guideline without making mutually acceptable arrangements for delayed payments, and you agree that we may, at our election, withdraw from any such representation. If you have questions concerning a billing statement, please call us at [CPA Firm].

**Acceptance**

This engagement letter together with the general terms attached hereto constitutes the entire agreement between you and [CPA Firm] with respect to this engagement, supersedes all other oral and written representations, understandings or agreements relating to this engagement, and may not be amended except by the mutual written agreement of you and [CPA Firm].

Please indicate your acceptance of this agreement by signing in the space provided below and returning a copy of this engagement letter to our office. Your signature constitutes your consent to disclosure and use of your tax return information in the manner described above. Your signature also constitutes acknowledgment of receipt of the attached General Terms and Conditions.

The relationship that you develop with an outside accounting firm should be the basis for a long and continuing dialogue which will contribute to the financial control and stability of your organization. While the cost of these services is certainly an item to be considered, we believe that over time you will come to feel that the cost of our services has been returned many times through good management advice and tax planning.

Lack of your signature but receipt of advice or bookkeeping services from our firm constitutes acceptance of all terms of this engagement letter. Similarly, lack of your signature but receipt of your documents or other requests for us to perform work also constitutes acceptance of this engagement letter.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

[CPA] a Professional Corporation

[NAME], CPA

Shareholder

**AGREED AND ACCEPTED:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

Comments/Additional Requests:

**Exhibit A**

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform inefficiently. Please see below for some of the more common reasons. If we encounter any of these issues and expect that there will be an impact on our fee, we will immediately discuss the issue with you in order to make the necessary adjustments to our work schedule and engagement fee.

Any estimated fee discussed ahead of time shall be adjusted based on standard hourly billing rate times actual hours incurred to prepare the above returns. Standard hourly rates are $XX and $XX.

**Changing Laws and Regulations**

There are many governmental and regulatory boards that routinely add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement; there are times when the timing of such additions or changes make this not possible.

**Incorrect Accounting Methods or Errors in Client Records**

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and auditing procedures. However, should we find numerous accounting errors, incomplete records, or the incorrect application of accounting standards, we may have to do additional work to make the corrections and reflect these changes in the financial statements.

**Failure to Prepare for the Engagement**

In an effort to maximize value to you, we assign responsibility for the preparation of schedules and documents needed for the engagement to you. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these materials as previously agreed to, it might substantially increase the work we must do to complete the engagement within the schedule time.

**Starting and Stopping Our Work**

If we must withdraw our staff because the condition of the company's records, or the failure to provide agreed upon materials within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner as established by our engagement plan. This will result in additional fees as we must reschedule our personnel and incur additional start-up costs.

**EXHIBIT B**

**Payroll Processing and Compliance Work: Fee**

Payroll Processing$65 base price *per pay run\** + $4/employee or contractor on active roster *per pay run\**

Set-up and Onboarding $250 (one-time fee)

Registration of State Income Tax Withholding $250 (one-time fee per new state, as

and SUI/UC Tax Accounts and Federal EIN needed and upon request)

\*If no payroll is processed during a month (inactive), a discounted $55 fee applies for the month

**Additional Payroll Fees:**

The following are **not** included in our standard payroll services or reflected in our stated fee structure, and as such would entail additional fees:

1. Your submission of per-employee time sheets or other non-summarized payroll data
2. Any prior-period “clean-up/catch-up” work related to payroll filings/payments/notices
3. Processing of off-cycle pay runs (such as bonuses, etc.)
4. Reporting/processing of payrolls for multiple states and/or work locations
5. A change in number of employees/contractors we deem is significant. Otherwise, if we deem the change is insignificant, the fee per employee/contractor above will apply.
6. Utilization of additional payroll-related services (such as retirement reporting/ funding, workers comp reporting, remittance of employee garnishments, etc.)
7. Your subscription to additional modules (sick, vacation, or PTO accrual; PTO request/ approval; time clock utilization; expense reimbursement request/approval; etc.).
8. Difficulty in accessing information needed for payroll registration or setup/onboarding purposes, such as historical payroll information or employee profile data from previous payroll system/provider
9. Deactivation of payroll accounts with various jurisdictions upon pause or end of payroll
10. Filing and issuance of any annual Forms 1099-MISC
11. Any required Affordable Care Act (ACA) reporting. As employer, you take full responsibility for any required ACA compliance and reporting.
12. COVID-19 related planning and related calculations, reports, etc.

Postage/delivery and materials costs unrelated to the filing of quarterly payroll tax forms will also be billed, if not deemed by us to be immaterial in amount. This may include the preparation and/or delivery of paper (non direct deposit) employee or contractor paychecks and stubs, the preparation and/or delivery of paper (non-electronic) employee/employer Forms W-2, Forms 1099-MISC, etc.

As the employer you are responsible to ensure adequate cash balances are present in the designated employer bank account(s) to cover all employee/contractor net pay amounts, all required payroll tax payment/deposits, and all other payroll-related costs (such as retirement funding, workers compensation premiums, our fees, etc.). This includes responsibility for any NSF (insufficient funds) bank fees, federal wire fees, and any similar fees charged by our transaction processing system.

GENERAL TERMS AND CONDITIONS

The tax engagement letter does not cover the preparation of any financial statements and does not constitute an engagement to provide audit, compilation, review, or attest services as described in the pronouncements on professional standards issued by the American Institute of Certified Public Accountants or the U.S. Public Company Accounting Oversight Board, which, if we are to provide such services, will be covered under a separate engagement letter.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the complete accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return(s) to us. The Internal Revenue Service (“IRS”) and some states have promulgated rules that require taxpayers to disclose their participation in reportable transactions by attaching a disclosure form to their federal and/or state income tax returns and, when necessary, by filing a copy of that disclosure form with the IRS and/or the applicable state tax agency. You are responsible for ensuring that such filing has properly disclosed all reportable transactions; failure to make required disclosure will result in substantial penalties. We will not be liable for any penalties resulting from your failure to accurately and timely file any required reportable transaction disclosure. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

You are responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee the services we provide; and for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge, and that you have disclosed to us all relevant facts affecting the returns. We will not verify the accuracy of any and all representations, assumptions, information, and data provided by you and your representatives; however, we may ask for additional clarification of some information.

If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The returns will be prepared solely from information provided to us without verification by us.

In accordance with federal law, you authorize that any and all information (i) furnished to us for or in connection with the services under this engagement letter (ii) derived or generated by us from the information described in (i) above, or (iii) associated with prior years’ tax return information in our possession may be disclosed to and considered used by any of our affiliates, related entities, or subcontractors, whether located within or outside the United States, for the purpose of providing services under this engagement letter. Disclosures under this paragraph may consist of all information contained in your tax returns. If you wish to request a more limited disclosure of tax return information, you must inform us.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return’s due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records related to this engagement for seven (7) years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven (7)-year period, we are free to destroy our records related to this engagement.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney’s fees, court costs, outside adviser’s costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

We have the right to withdraw from this engagement, in our discretion, if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of withdrawal.

Accepted By:

Title:

Date: