



Bishoff + Associates, PLLC

Certified Public Accountants

ENGAGEMENT LETTER FOR C CORPORATION INCOME TAX SERVICES

_____	_____	_____
C Corporation Name	Date	Tax Year

_____	_____	_____	_____
Address	City	State	Zip

Re: Engagement Terms between "Client" referenced above and Bishoff + Associates, PLLC

Bishoff + Associates, PLLC is pleased to provide Client ("you" or "your") with the professional services described below. This letter states the terms and conditions by which you have engaged Bishoff + Associates, PLLC (collectively, "firm," "we," "us," or "our"), its successors, and/or assigns to provide certain tax return preparation services. This letter and any other attachments incorporated herein (collectively, "Agreement") confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Services. We will prepare the following federal and state tax returns for the **year indicated above**:

Form 1120	Income Tax Return for a C Corporation
State(s)	State return(s) as required
Local	Local return(s) as required

We will not prepare any tax returns except those identified above, without your written request and our written consent to do so. We will prepare your tax returns based upon the information and representations provided to us. We have not been engaged to, and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us although we may ask you to clarify certain information.

We will prepare the above referenced tax returns solely for filing with the Internal Revenue Service ("IRS"), and state and local tax authorities as identified above. Our work is not intended to benefit or influence any third party, such as to obtain credit. Under no circumstances will we respond to any request from banks, mortgage brokers, or others for verification of any information reported on these tax returns.

You agree to indemnify and hold our firm and its partners, principals, shareholders, officers, directors, members, employees, agents, or assigns harmless with respect to any and all claims arising from the use of the tax returns for any purpose, other than filing with the IRS, and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

We will prepare your federal and requested state and/or local income tax returns, based solely on information provided via tax documents, and financial statements you submit. You represent that the information you are supplying is accurate and complete, to the best of your knowledge, and that you have disclosed to us all relevant facts affecting the returns.

Our services are not intended to determine whether you have filing requirements in taxing jurisdictions other than the one(s) you have informed us of. Our firm is available under the terms of a separate engagement letter to provide a nexus study that will enable us to determine whether any other state tax filings are required.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters. This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, we will perform our services in accordance with the Statements on *Standards for Tax Services ("SSTS")* issued by the American Institute of Certified Public Accountants ("AICPA") and *US Treasury Department Circular 230 ("Circular 230")*.

Bookkeeping Assistance – We may deem it necessary to provide you with accounting and bookkeeping assistance, solely for the purpose of preparing the income tax returns. These services will be performed in accordance with the AICPA Code of Professional Conduct. We will request your approval in writing before rendering these services. Additional charges will apply for such services.

Estimated Tax Payments – You may be required to make quarterly estimated tax payments. We will calculate these payments for the subsequent tax year, based upon the information you provide to prepare the tax returns covered by this agreement, and have no obligation to update recommended payments after the engagement is completed. If you ask us to update your estimated tax payments, additional fees may apply.

Tax Planning Services – Our engagement does not include tax planning services. During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider, as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. If you ask us to provide tax planning services, we will confirm this representation in a separate engagement letter.

Government Inquiries – This engagement does not include responding to inquiries made by any government agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this representation in a separate engagement letter, and additional fees will apply.

Arguable Positions – We will use our judgment to resolve questions in your favor where a tax law is unclear, provided there is sufficient support for doing so. If there are conflicting interpretations of the law, we will explain the possible positions that may be taken on your return. We will follow the position you request, provided it is consistent with our understanding of the Internal Revenue Code ("IRC"), tax regulations, Revenue Rulings, Revenue Procedures, private letter rulings, and court decisions. If the IRS, state, or local tax authorities later contest the position taken, there may be an assessment of additional tax, penalties, interest, and professional fees. We assume no liability and you hereby release us from any liability for such additional tax, penalties, interest, and professional fees.

Electronic Communications – In connection with this engagement, we may communicate with you or others, via email transmission. 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. *In order to protect all parties from the aforementioned issues, we have implemented a secure file sharing, and client communication platform called Liscio, for which we intend to conduct all further electronic client communication.* 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, anticipated profits, disclosure or communication of confidential and/or proprietary information.

Examination of Returns – Your returns may be selected for examination or review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to assist you. If an examination occurs, we will represent you if you so desire; however, these additional services are not included in our fee for preparation of your returns and we will render additional invoices for the time and expenses incurred.

Client Responsibilities

You will provide us with a trial balance (unless our firm has been previously engaged for bookkeeping services), and other supporting data needed to prepare your tax returns. You must provide us with accurate and complete information. Income from all sources, including those outside of the US, is required. We rely upon the accuracy and completeness of both the information you provide in the trial balance and other supporting data you provide.

Online Access to Information – To the extent you provide our firm with access to electronic data via a local or online database (such as QuickBooks Online, QuickBooks files, etc.), from which we will download your trial balance or other information, you agree that the data is accurate as of the date and time you authorize it to be downloaded.

Reasonable Compensation – You are responsible for determining the appropriate salary or wage to pay shareholder-employees. If the IRS determines that the C Corporation paid salaries or wages in lieu of an appropriate taxable dividend, the IRS may reclassify the payments. As a result of the reclassification, the shareholder may be responsible for income taxes, penalties and interest on the taxable dividend in addition to potential employment taxes on the reclassified amounts. We are available to do a compensation study to address this issue, for which a separate engagement will be required.

Documentation – You are responsible for maintaining adequate documentation to substantiate the accuracy, and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns. You are responsible for the adequacy of all information provided in such documents. You represent that you have such documentation and can produce it if needed to respond to any audit or inquiry by tax authorities. You agree to hold harmless our firm and its partners, principals, shareholders, officers, directors, members, employees, agents, or assigns with respect to any additional tax, penalties, or interest imposed upon you by tax authorities resulting from the disallowance of tax deductions due to inadequate documentation. We are available to do a review of your record retention policies to address these issues, for which a separate engagement will be required.

Personal Expenses - You are responsible for ensuring any personal expenses are segregated from business expenses, and that expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses are supported by records as required by the IRS and other tax authorities. At your written request, we are available to provide you with written answers to your questions on the types of supporting records required.

State and Local Filing Obligations - You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to, income, franchise, sales, use, property, or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If we believe you have additional filing obligations upon review of the information you have provided to us, or that comes to our attention, we will notify you of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

U.S. Filing Obligations Related to Foreign Financial Assets – As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions, and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations.

These assets include any ownership interests you directly or indirectly hold in businesses located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signatory authority. Based upon the information you provide, we will calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include *FinCEN Form 114, Report of Foreign*

Bank and Financial Accounts ("FBAR"). Failure to file required forms can result in significant civil and criminal penalties. The FBAR is not a tax return, and we will not prepare one except on client request, and after receipt of a signed *FBAR Addendum*. An additional fee will be required.

Foreign Filing Obligations – You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you, and that foreign filing obligations are not within the scope of this engagement.

Extensions of Time to File Tax Returns – The filing due dates for 1120 tax returns are generally April 15 for federal, and April 15 for most states (if you are not operating on a calendar year these dates are subject to change). Due to the high volume of tax returns prepared by our firm, the information needed to complete the tax returns **must be received no later than April 1** so that the returns may be completed by the original filing due dates.

It may become necessary to apply for an extension of the filing deadline if there are unresolved tax issues, or delays in processing, or we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return, or the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest, or compliance with governmental or other deadlines. There is no additional cost for the extension.

By signing and agreeing to the terms of this Engagement Letter, you are giving us your consent, and authorization to file an extension on your behalf, based upon the criteria outlined above.

Tax Liability – The client is responsible for the payment of all taxes and penalties due.

Penalties and Interest Charges – Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all penalties and interest charges imposed by tax authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.

Receipt of Notices from Tax Authorities – Please provide any tax notices or letters received to our offices immediately. In preparing your returns, we are not responsible for a taxing authority's assessment of underpayment penalties or interest where this action results from erroneous, incomplete, inaccurate, or misrepresented information provided by you to us. We have no ability to audit your information, or search for correct data.

Fee & Legal Matters

Professional Fees – Our professional fee for the services outlined above will be based on our standard fees. This fee is based upon the complexity of the work to be performed, our professional time, and out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested, and respond to all inquiries made by our staff to complete this engagement on a timely basis. You agree to pay all fees and expenses incurred whether or not we prepare the income tax returns. You agree that your tax return will not be electronically filed until we have received payment for services rendered, and we have received your written authorization to do so.

Timing of the Engagement – We expect to begin our services upon receipt of your year end trial balance, and other supporting data agreed to above.

If your return is electronically filed, our services will conclude upon the earlier of:

- the filing and acceptance of the tax returns covered by this agreement, by the appropriate tax authorities, followed by delivery of the tax return in either paper or electronic format,
- written notification by either party that the engagement is terminated, or
- one year from the execution date this Agreement.

If your return is filed by mail, our services will conclude upon the earlier of:

- delivery to you of the tax returns covered by the agreement, for your review and filing with the appropriate tax authorities,
- written notification by either party that the engagement is terminated, or
- one year from the execution date of this Agreement.

Paragraph Titles – The paragraph titles used in this agreement are for convenience of reference only, and will not be considered in the interpretation or construction of any provisions.

Jurisdiction – Notwithstanding anything contained herein, both accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed, this Agreement shall have been deemed to have been entered in to at the offices of Bishoff + Associates, PLLC located in Hillsborough County, Florida, USA. Hillsborough County, Florida, USA shall be the exclusive jurisdiction for resolving disputes related to this engagement. This engagement shall be interpreted and governed in accordance with the Laws of Florida.

Dispute Resolution – If a dispute arises out of or relates to this contract or engagement letter, or the breach thereof and the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under the *Dispute Resolution Rules for Professional Accounting Services Dispute Resolution Rules* before resorting to arbitration, litigation, or some other dispute resolution procedure. The costs of any mediation proceeding shall be shared equally by all parties.

Ultimate Responsibility – You have final responsibility for your income tax returns. We will provide you with a copy of your electronic income tax returns, and accompanying schedules, and statements for review prior to filing with the IRS and state and local tax authorities. You agree to review and examine them carefully for accuracy, and completeness.

The following questions are required.

The IRS requires you answer the following regarding Form 1099 filing requirements. 1099 filing requirements are available on our website. If these questions are not answered, it will cause delays in completion of the returns and result in additional cost or we will assume you made such payments and choose not to file the required 1099s (penalties for failure to file 1099s are from \$50 to \$530 per copy where each 1099 has 4 copies).

- Yes, I have paid \$600, or more, for subcontractors, legal or any other services during the tax year covered by this agreement.
- No, I have not paid \$600 or more for the above described services.

If you answered YES to the question above, please complete the following:

- Yes, I would like Bishoff + Associates to prepare 1099 forms, for the aforementioned subcontractors.
- No, it is not necessary for Bishoff + Associates to file and prepare the aforementioned 1099 forms. I certify that I have filed and prepared them on my own.


If this firm does not receive from you the original of this letter, in fully executed form, but receives from you supporting documentation requested therein, then such receipt by this firm shall be deemed to evidence your acceptance of all of the terms set forth above. If, however, this firm receives from you no response to this letter, then this office will not proceed to provide you with any professional services.

You will be required to verify and sign a completed Form 8879-C, *IRS e-file Signature Authorization for Form 1120*, and any similar state and local equivalent authorization form before your returns can be filed electronically. In the event that you do not wish to have your income tax returns filed electronically, please contact our firm.

If you opt out of filing your return electronically additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

We appreciate the opportunity to serve you. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement.

Very truly yours,



Duane B. Bishoff, CPA, CEO
Bishoff + Associates, PLLC

The undersigned hereby authorizes Bishoff + Associates, PLLC and all its representatives, agents, and employees to furnish my/our full and complete personal financial information and documents as necessary to those personnel connected with preparing and reviewing my/our federal and/or state tax return(s), amendments or other tax services which are required/requested.

Agreed to and accepted by:

Signature

Print Name

Signature

Print Name

Date: _____

IRS CIRCULAR 230 DISCLOSURE

In order for us to comply with certain U.S. Treasury regulations, unless expressly stated otherwise, any U.S. federal tax advice that may be contained in this written or electronic communication, including any attachments, is not intended or written to be used, and cannot be used, by any person for the purpose of (i) avoiding any tax penalties that may be imposed by the Internal Revenue Service or any other U.S. federal taxing authority or agency or (ii) promoting, marketing, or recommending to another party any transaction or matter addressed herein.