



Payroll • Taxes • Bookkeeping • Accounting

Tri State Building • 801 W. Street Road • Suite 1B • Feasterville, PA 19053
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Subject: Preparation of Your Corporation Tax Returns

Dear CLIENT:

Thank you for selecting Sum.it Business Services, Inc. to assist the _____ with tax compliance for 2014. The purpose of this letter is to confirm the terms of our engagement and the services we will provide. You received this letter because we understand you are the person responsible for the tax matters of the corporation. If that is not correct, please tell us who that person is so that we can coordinate return preparation work with the right party.

We expect to perform the following services:

- Prepare the federal, state, and local income tax returns with supporting schedules.
- Perform a limited amount of bookkeeping and analysis necessary for preparation of the income tax returns.

Our work does not include any procedures designed to discover defalcations or other irregularities.

We must use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. We will apply the "more likely than not" reliance standard to resolve such issues in order to avoid penalties that might be assessed against us as return preparers. You agree to honor our decisions regarding disclosure of return positions to avoid or mitigate penalties.

Penalties of as much as \$200,000 can be imposed on the corporation for failing to disclose participation in "reportable transactions," that is, certain arrangement the IRS has identified as potentially abusive. We will insist that all such transactions be properly disclosed.

The law also includes penalties that may be imposed when taxpayers simply understate their tax liability. If you would like information about those penalties, please call this office.

Management is responsible for proper recording of transactions in the accounts, safeguarding assets, and for the substantial accuracy of the financial records. Because you have final responsibility for the tax returns, you should review them carefully before you sign and file them.

Your returns may be audited by the taxing authorities. Any proposed adjustments are subject to certain appeal. Should your returns be selected for examination, we can arrange to be available upon request to represent you. Such representation would be a separate engagement, and we would render additional invoices for fees and expenses incurred.

Our fee for preparing the tax returns described above will be based on the time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. To the extent allowed by state law, an interest charge will be added to all accounts not paid within thirty (30) days. We retain copies of the records you have supplied to us along with our work papers for your engagement for a period of seven years. After seven years, our work papers and engagement files are destroyed. Your original records will be returned to you at the end of this engagement. Our working papers and files are not a substitute for your original records, and you should arrange for secure storage of the originals.

If this letter correctly recites your understanding of the terms of our engagement, please sign the enclosed copy in the space indicated and return it to us in the envelope provided.

Thank you for your confidence in us.

Sincerely,

Sum.it Business Services, Inc.

Accepted By: _____

Date: _____