



Payroll • Taxes • Bookkeeping • Accounting

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1065 – PARTNERSHIP or LLC TAX RETURN ENGAGEMENT LETTER

Subject: Preparation of Your Partnership Tax Returns

Dear CLIENT  
Dear TAX MATTERS PARTNER:

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 partnership. If that is not correct, please tell us who the tax matters partner is.

You are engaging us to prepare the above referenced tax returns from information you provide to us. We may ask for clarification of some information, but we will not audit or otherwise verify the data you submit. We will provide checklists, questionnaires and/or worksheets to help you gather information necessary for a complete return. Please use those forms in order to avoid overlooking important information.

Our work in connection with the preparation of income tax returns does not include any procedures designed to discover defalcations or other irregularities. We may provide limited accounting and analysis, but only for the purpose of preparing complete and accurate income tax returns.

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 \$100,000 can be imposed on the partnership 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 understate their tax liability. If you would like information about those penalties, please call me. This is an entity whose tax items are reported in the returns of its partners or members; therefore, any penalty for substantial understatement of tax relating to this entity's tax items would be imposed on its partners or members.

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

Your returns may be selected for review by the taxing authorities. Adjustments proposed by an examining agent are subject to appeal. We can arrange to be available, upon request, to represent you if your returns are audited. That representation will be a separate engagement and we will render additional invoices for fees and expenses incurred.

Our fee for preparation of the returns identified 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 may be added to all accounts not paid within thirty (30) days. We retain copies of the records you have supplied 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. All of your original records will be returned to you at the end of this engagement. Our working papers and files are not a substitute for the original records, and you should keep them in secure storage.

If this letter reflects your understanding of the terms of our engagement, please sign the enclosed copy in the space indicated and return it to us. If you have identified other returns you want us to prepare, please list them below your signature.

Thank you for your confidence in us.

Sincerely,

Sum.it Business Services, Inc,

Accepted By: \_\_\_\_\_

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