



## 2023 Business Entity (Form 1120, 1120S, 1065) Tax Return Engagement Letter

**Dear Client:**

We look forward to assisting you with your business entity tax return preparation! This correspondence is to confirm and specify the terms of our engagement and to clarify the nature and extent of the services we will provide. This “Engagement Letter” and the attached “Engagement Terms” are collectively referred to as the “Agreement”.

### **Returns Covered under the Engagement**

Our engagement will be designed to perform the following services:

1. Prepare the 2023 U.S. federal and state income tax returns with all required accompanying forms, statements, and schedules from information that you will provide to us.
2. Perform the necessary bookkeeping for preparation of the income tax returns.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. However, should we find any irregularities or unusual items; we will bring them to your attention.

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

### **Information Gathering and Submittal Process**

You are responsible for fully and accurately disclosing to us all relevant facts affecting your returns.

We will not audit or otherwise verify the information you provide us; however, we may ask for additional clarification of some information. You should maintain the documentation necessary to support the data used in the preparation of your tax returns should you be required to produce them upon examination by the taxing authorities.

### **Client Due Diligence**

We will provide you with guidance on the timeline for submitting your tax information to us. It is your responsibility to provide your complete tax information to us in a timely manner so that we can prepare your tax returns in time for you to file them by the due dates. You also have the final responsibility for the tax returns, and therefore, once you receive them, you should carefully review

the returns (to determine that there are no omissions or misstatements) before signing them and submitting them to the tax authorities.

## **Fees**

Fees for our tax return preparation services are generally charged upon the completion of the tax returns. Alternatively, fees may be charged monthly, at the discretion of Anchor Accounting & Tax, Inc. as progress is made. Our services will conclude upon delivery of the completed tax returns or upon our withdrawal from the engagement, if earlier. Fees are considered earned when payment is received, or services provided in support of the engagement, whichever is earlier. Invoices are due and payable on presentation. Past due balances may be subject to finance and collection charges.

We require an initial retainer (\$250) to get started. In addition, some clients choose to keep a credit card on file with us. If you maintain a credit card on file with us, once your returns are completed, we will send them to you, along with a copy of your invoice for services rendered. If your returns qualify for e-filing (and we receive your signed e-file authorizations within 2 weeks of delivery), we will charge the balance of your invoice to your credit card upon receipt of your signed e-file authorization forms. If your returns must be paper filed or e-filed later, we will charge the balance of your invoice to your card upon delivery of your returns to you.

## **Support for Examinations by Tax Authorities**

Not every interpretation of promulgated tax rules is straightforward and/or without uncertainty. Accordingly, we will use our professional judgment in preparing your returns. If a tax authority should later contest a position taken, there may be an assessment of additional tax plus interest and/or penalties. We assume no liability for any such additional assessments. Any items resolved against you by the examining agent are subject to certain rights of appeal. In the event of an examination, we may be available to represent you. Since the selection of your return for review or examination is beyond our control, our fees to prepare your returns do not include responding to inquiries or examination by tax authorities. We may nevertheless assess and/or reply to correspondence or represent you in front of the tax authorities, but we will do so only at your request and any such services will be provided under separate engagement letter; our fees for such services are typically determined on an hourly basis.

## **Method of Communication**

Your privacy is important to us. We prefer to process all messaging, tax info, documents, tax returns, and e-signatures through our secure client portal. Email is not secure. Rather than email us, please correspond using the "Compose Message" feature (click link at the portal home page). Send documents via the portal's "Upload Documents" feature. Access the portal at: [https://login.atomanager.com/atom\\_anc/WebInfo.aspx](https://login.atomanager.com/atom_anc/WebInfo.aspx).

If you choose to use fax and e-mail, rather than our client portal, during this engagement, you consent to our firm's use of such methods and recognize and accept the inherent risks related to these forms of communication (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications, and the risks of viruses or other harmful intrusions).

## Signature

If you authorize Anchor Accounting & Tax Inc to prepare your income tax returns pursuant to the terms set forth above, please sign below and return the signed letter to our office. Retain a copy of this letter for your records. If we do not receive from you a signed original of this letter but receive from you tax related information and/or supporting documentation, then such receipt shall be deemed to evidence your acceptance of the terms set forth herein.

We want to express our appreciation for this opportunity to serve you.

X \_\_\_\_\_/\_\_\_\_\_

Business Name: \_\_\_\_\_ EIN: \_\_\_\_\_

Street, City, State, Zip \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

### Additional Engagement Terms

**Responsibilities of the Client.** A fundamental term of this Agreement is that the Client will provide us with all information relevant to the services to be performed and to provide us with any reasonable assistance as may be required to properly perform the engagement. The Client agrees to bring to our attention any matters that may reasonably be expected to require further consideration to determine the proper treatment of any relevant item. The Client also agrees to bring to our attention any changes in the information as originally presented as soon as such information becomes available. Unless otherwise indicated, any deliverables are solely for Client's internal use and benefit.

**Responsibilities of Anchor Accounting & Tax, Inc.** We will perform our services on the basis of the information you have provided and in consideration of the applicable federal, state or local laws, regulations and associated interpretations relative to the appropriate jurisdiction as of the date the services are provided. Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their enactment dates. We do not assume responsibility (and will have no liability) for such changes occurring after the date we have completed our services.

**Engagement Limitations** The services performed under this Agreement do not include the provision of legal advice and we make no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation, under federal, state or other type of law or regulation.

As you may be aware, tax returns and other filings are subject to examination by taxing authorities. We will be available to assist the Client in the event of an audit or any issue for which we have

provided services under this Agreement. However, unless otherwise indicated, our fees for these additional services are not included in our fee for the services covered by this Agreement.

### **Disassociation or Termination of Engagement**

Either party may terminate this Agreement at any time upon written notice of termination to the other party. In the event of termination, Client will be responsible for fees earned and expenses incurred through the actual date of termination.

Except to the extent finally determined to have resulted from the gross negligence or other intentional misconduct of Anchor Accounting & Tax, Inc. Anchor Accounting & Tax's liability to pay damages for any losses incurred by the client as a result of breach of conduct, negligence or other tort committed by Anchor Accounting & Tax, Inc. is limited to the total amount of fees charged by Anchor Accounting & Tax, Inc. for the particular service provided under this Agreement to which such claim relates.

### **Other Provisions**

Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control.

This Agreement shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Virginia, without giving effect to the provisions relating to conflict of laws.