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2012

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom tax returns are prepared to confirm the following arrangements.

We will prepare your 2011 (and subsequent years) federal and requested state income tax returns from information that you will furnish us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We may furnish you with questionnaires and/or worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. When you submit your tax information to us, you acknowledge and agree to the terms and conditions herewith. You should also retain your own copies or originals of all documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them or before e-filing.

Generally, a 1099 to each payee must be issued by your business when it pays out \$600. It is your responsibility to assure that all required form 1099s are issued by your business, including many real estate rental property operations. If you need our assistance in meeting the January 31st filing deadline, please provide an electronic listing that we can cut & paste into the tax forms to prepare them for filing.

It is your responsibility to paper file with U.S. Treasury FBAR tax form TD 90-22.1, subject to severe penalty for non-compliance. Generally if the aggregate of your foreign financial accounts are worth \$10,000 on any given day, you are required to file, with delivery to the government by June 29th. If you need our assistance in meeting the hard June 29st filing deadline, please provide the account information several weeks beforehand. If you miss this filing deadline, it is your responsibility to obtain your own independent tax attorney to advise regarding any applicable FBAR criminal sanctions and civil penalties before mentioning it to us.

It is your responsibility to provide us with all information necessary to efile tax form 8938 and form 5471, subject to severe penalty for non-compliance. Generally, if the aggregate of your foreign financial accounts plus your foreign assets (including any real estate held in a trust or legal entity) are worth \$50,000 during the year, you are required to file to the IRS along with your form 1040. Also if you have a 10% interest in a foreign entity that requires the filing of form 5471.

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. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

We will use professional 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. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

The timeliness of your cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare your tax returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive all necessary information from you, as noted above, six weeks prior to the regular government imposed deadline for filing the tax return or filing for an allowable request for extension, you may become subject to late filing penalties, late paying penalties or other penalties. In such a case, we reserve the right to suspend our services or withdraw from this engagement.

The law provides various penalties and interest that may be imposed when taxpayers or their records understate their tax liability. You acknowledge that any such underpaid tax, and any imposed interest and penalties, are your responsibility, and that we have no responsibility in that regard. If you would like information on the amount or the circumstances of these penalties, please contact us. Your returns may be selected for review or examination 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 represent you and will render additional invoices for the time and expenses incurred.

Our fee for services will be based upon the amount of time required and the difficulty of the matters addressed plus out-of-pocket expenses. Payment of all services is due in full upon completion and before e-file of return or receipt of filing copy.

Prior to commencing our services, we may require that you provide us with a retainer payment. The retainer will be applied against our final invoice. Our fees and costs will be billed no more frequently than monthly or upon completion of the year's work, and they are payable upon receipt. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees

If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed your return. You will be obligated to compensate us for all time expended, and to reimburse us for out-of-pocket costs, through the date of termination.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files.

Other than any original records that you send to us and the copies of your income tax returns, which we provide to you at the conclusion of the engagement, the rest of our engagement file is our property and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event that we become obligated to pay any judgment or similar award, agree to pay any amount in settlement, and/or incur any costs as a result of any inaccurate or incomplete information that you provide to us during the course of this engagement, you agree to indemnify us, defend us, and hold us harmless as against such obligations, agreements, and/or costs.

In the event we are required to respond to a subpoena, court order or other legal process 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 hourly rates, as set forth above, 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.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. In the event of litigation brought against us, any judgment you obtain shall be limited in amount, and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this engagement letter.

If the foregoing fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office. If there are other tax returns you expect us to prepare, such as children's taxes, gift taxes, property taxes, payroll taxes, separate entity taxes and so on, please inform us.

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

Colin M. Cody, CPA

Accepted By: _____

Please print your name here: _____

Date: _____ Please list separate entities to be done:

