

CORPORATION TAX RETURN ENGAGEMENT LETTER

Subject: Preparation of Your Corporation Tax Return

Thank you for selecting Anne Skalka and Associates, Certified Public Accountants to assist you with tax compliance. This letter confirms the terms of our engagement for the year ended December 31, 2018 and explains the services we will provide. To assure mutual understanding of our responsibilities, we ask you to read this letter and confirm the arrangements by signing and returning a copy to us.

We will prepare the 2018 federal and requested state tax returns. We may ask for clarification of some information, but we will not audit or otherwise verify the data you submit. We will request information from you and provide you with a list of items that will assist us in the completion of the tax filings.

Certain entities may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the U.S. Department of the Treasury. Failure to comply with the filing requirements may result in significant civil and criminal penalties. Unless otherwise specifically agreed in writing, we will not prepare, file, or provide assistance with this form. If you would like to add Form 114 (or any other forms or services) to this engagement, please use the Comments or Additional Requests space provided below.

It is your responsibility to provide all information required for preparation of complete and accurate returns. Keep all documents, canceled checks and other data used to determine income and deductions. Those may be necessary to prove the accuracy and completeness of the returns to a taxing authority. Since you have the final responsibility for the tax returns, you should review them carefully before you sign them.

Our work will 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 will use our judgment to resolve questions in your favor where the tax law is unclear or where there are conflicts between the taxing authorities' interpretation of the law and what seem to be other supportable positions. There may be situations where we are required by law to disclose a position on a tax return. We are not attorneys; therefore, we cannot provide you with a legal opinion on various tax positions. We can, however, advise you of the consequences of different positions. We will adopt whatever position you request on your returns so long as it is consistent with our professional standards and ethics. In the event, however, that you ask us to take an unsupported tax position or refuse to make any required disclosures, we reserve the right to withdraw from the engagement without completing or delivering the tax returns. Such withdrawal would complete our engagement and you agree to pay our fee based on time expended (at our standard rates) plus all out-of-pocket expenses through the date of withdrawal.

Penalties of as much as \$100,000 can be imposed on you for failing to disclose participation in "reportable transactions," that is, certain arrangements the IRS has identified as potentially abusive. We will insist that all such transactions be properly disclosed.

The law also imposes penalties on taxpayers who understate their tax liability. If you would like information about those penalties, please call this office.

Your returns may be selected for review by the taxing authorities. Proposed adjustments by an examining agent are generally subject to appeal. Should a return we have prepared be selected for examination, we can arrange upon request to represent you. Such representation will be a separate engagement from return preparation. A separate engagement letter will be provided to document the arrangement including terms for payment of fees and expenses incurred.

Our fee for preparation of the subject returns will be based on the time required at standard billing rates plus out-of-pocket expenses.

Hourly Rates*

CPA / Owner	\$225
Staff Accountant (CPA)	\$210
Staff Accountants	\$175
Bookkeeping	\$ 95

**The above rates are reviewed and adjusted annually.*

All invoices are due and payable upon release of return (Hard copy or Electronically). There will be a fee for postage reimbursement if you would like the return sent to you. It is agreed and acknowledged that any returned or dishonored check will result in a \$35 returned check charge and be subject to the provisions contained in N.J.S.A 2A:32A-1. Should we engage in any action to enforce the provisions of this engagement, you agree to pay and reimburse us for any fees, charges, costs and other expenses, including reasonable attorneys' fees and court costs, that we may incur in collecting any unpaid amounts due to us, both before and after judgment, and shall include without limitation any costs or expenses that we incur in any bankruptcy, reorganization, insolvency or other similar proceeding.

We keep 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 a safe place.

To affirm that this letter correctly summarizes your understanding of the services we are to provide, please sign and return all three (3) pages of this engagement letter.

Thank you for your confidence in us.

Sincerely,

Anne Skalka, CPA
Anne Skalka and Associates
Certified Public Accountants

CLIENT ACKNOWLEDGEMENT:

I have read this letter and acknowledge that it correctly sets forth my understanding as to the services, terms and conditions of the engagement outlined herein. I agree to the terms and conditions set forth herein and affirm that I am authorized to contract the above agreement on behalf of _____.

Client Signature _____

Print Name _____

Date: _____

Current Contact Information:

Mailing Address: _____

Primary Contact: _____

Phone: _____

Email: _____