

*Revised October 11, 2023*

**Example Engagement Letters**

And other important engagement letter clauses

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If you have any questions, please contact John Raspante, CPA, Director of Risk Management, McGowanPRO, at **732-856-1061;**[**jraspante@mcgowanprofessional.com**](mailto:jraspante@mcgowanprofessional.com).

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# Overview

Engagement Letters provide you with important protective wording for your practice. In addition, they allow you the opportunity to discuss additional services and ultimately create a stronger relationship with your clients.

Engagement letters should be utilized for all services and include:

* + Outline scope of services
  + Clarify all timelines.
  + Disclose all fees.
  + When appropriate, outline services not provided to deter “engagement letter creep”.
  + Include Alternative Dispute language.
  + The above list in not inclusive.

### Engagement letters are essential to your practice.

When in a court of law, plaintiff side always poses the question “What would any prudent accounting firm do?” All accounting firms should truly consider engagement letters essential to every service that you provide. This is regardless of the extent of the service or the length of time that you have known the client. More times than not, a well written engagement letter stops a claim before it happens.

### Protective wording

A good percentage of professional liability claims arise because the client assumed that the accountant was providing a greater breadth of services than they were actually engaged to. A thorough engagement letter can be the basis of defense in responding to such an allegation. This is also why engagement letters should not only include those services that you have been engaged for but outline those services that you are specifically not providing.

### Defining scope of services, letting the client know they may need other services.

By defining what services you are not providing, you open the door to suggest further services that you can provide your client. While protecting yourself, you are effectively advising about your firm’s service.

### Satisfied Clients

Many Accountants fear using engagement letters will alienate long-standing clients or are over-complicated for simple engagements. In reality, clients will be most satisfied when their expectations are based on a clear understanding of the services they are receiving. Client concerns should not be an excuse for protecting your practice.

Overall, engagement letters are an important tool in creating a paper trail for the potential defense of any litigation with your clients. They should be utilized in all instances keeping in mind that professional standards require engagement letter usage for services such as audit, review and other attest services. Be sure to check with your state board of accountancy for regulations around engagement letter usage. The hope is that all accounting firms consider engagement letter usage a positive step in protecting your practice and creating client satisfaction.

### Example Audit Engagement Letter

[Date]

[Client Contact]

[Client Name / Board of Directors / Audit Committee]

[Client Address]

Dear [Client Contact]:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will audit the balance sheet of [Client Name] as of [Date] and the related statements of operations, retained earnings (deficit), and cash flows for the year then ended.

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit will be conducted in accordance with auditing standards generally accepted in the United States and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report as a result of this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and payables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Consequently, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or illegal acts, may exist and not be detected by us. In addition, an audit is not designed to detect immaterial errors, fraud, or other illegal acts or illegal acts that do not have a direct effect on the financial statements. Our engagement cannot, therefore, be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods of which we are not engaged as auditors.

Our audit will include obtaining an understanding of your internal controls sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed

to provide assurance on internal controls or to identify reportable conditions, that is, significant deficiencies or material weaknesses in the design or operation of internal control. Accordingly, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot be relied upon to disclose the same. However, during the audit, if we become aware of such reportable conditions, we will communicate them to you.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with services specifically focused on identifying and addressing weaknesses in internal controls (internal control review) and on searching for the existence of fraud within your company (fraud audit). We further explained the additional costs associated with such different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the audit services described in the letter.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements. You are also responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements.

In order for us to complete this engagement and to do so efficiently, we require unrestricted access to the following documents and individuals within your company: .

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing. Any failure to provide such cooperation, and to do so on a timely basis, will impede our services and may require us to suspend our services or withdraw from the engagement.

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement will be based on our standard hourly rates, as set forth on the attached rate sheet. In addition, you agree to reimburse us for any of our out-of-pocket costs incurred in connection with the performance

of our services. We estimate that our fee for these services will range from approximately

to . You acknowledge that this range is not a limit to the total fees we may charge for our services and that our fees may actually exceed that range. However, in the event that we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees exceeding the aforementioned range, we will adjust our estimate and obtain your prior approval before continuing with the engagement.

Prior to commencing our services, we require that you provide us with a retainer in the amount of

. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this engagement. Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to late fee of 1.0% per month. We reserve the right to suspend our services or to withdraw from this engagement if any of our invoices are deemed delinquent. If any collection action is required to collect unpaid balances due us, you agree to reimburse us for our collection costs, 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 our report. You will be obligated to compensate us for all time expended and to reimburse us for all of our out-of-pocket costs through the date of termination.

You are responsible for notifying us in advance of your intent to reproduce our report for any reason, in whole or in part, and to allow us to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgment on our part of any third party’s intent to rely on the financial statements.

Concerning financial statements published electronically on your internet website, you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

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. Note to the accounting firm: check with the State Board of Accountancy or other regulatory bodies affecting this engagement for longer retention requirements. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the prepared financial statement, which we will provide to you at the conclusion of the engagement, 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 providing services under this agreement, we will not be the sole host or custodian of your original records.

In the event we are required to respond to a subpoena, court order or other legal processes 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.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to [State] law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

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.

Notwithstanding anything contained herein both accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed this Agreement shall have been deemed to have been entered into at accountant's office located in <Specific County>, <Specific State>, USA and <Specific County>, <Specific State>, USA shall be the exclusive jurisdiction for resolving disputes related to this Agreement.

This Agreement shall be interpreted and governed in accordance with the Laws of <State>.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms

set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties. If, after full consideration and consultation with counsel if so desired, you agree that the foregoing terms shall govern this engagement, please sign this letter in the space provided and return the original signed letter to me, keeping a fully-executed copy for your records.

The Partner in charge of this engagement is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Thank you for your attention to this matter, and please contact me with any questions you may have.

Very truly yours,

[Firm Contact]

[Title]

**ACCEPTED AND AGREED:**

[Client Name]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: [Name of Signatory] [Date]

Its: [Title]

*Please consider adding the Limitation of Liability language found in this engagement letter packet, see table of contents.*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

### Example Compilation Engagement Letter

[Date]

[Client Contact]

[Client Name]

[Client Address]

Dear [Client]:

This letter will confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will compile, from the information you provide, the balance sheet as of (Balance Sheet Date), and the related statements of income, retained earnings (deficit), and cash flows of (Client Name) for the year then ended in accordance with current Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We will not audit or review such financial statements. Our services will be limited to presenting information that management represents to us in financial statement form.

Our report on the financial statements of (Client Name) for (Date) is currently expected to read as follows:

We have compiled the accompanying balance sheet of (Client Name) as of (Balance Sheet Date) and the related statements of income, retained earnings, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

If management elects to omit all disclosures substantially from the financial statements, we will include an additional paragraph that reads as follows:

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles and the statement of cash flows. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user’s conclusions about the company’s financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

If for any reason we are unable to complete the compilation of your financial statements, we will not issue a compilation report on such statements as a result of this engagement.

A compilation differs significantly from a review or an audit of financial statements. A compilation does not include performing any analytical procedures, inquiry or other procedures performed in a review. In   
addition, in a compilation one does not seek to understand an entity’s internal control or assess fraud risk; test accounting records or examine source documents or other, more detailed procedures

ordinarily performed in an audit. As a consequence, we will not express an opinion or provide any

assurance regarding the financial statements being compiled.

Our engagement cannot be relied on to disclose errors, irregularities, or illegal acts, including fraud or embezzlements that may exist. However, we will inform the appropriate level of management of any material errors that come to our attention and any irregularities or illegal acts that come to our attention, unless they are clearly inconsequential.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system for safeguarding assets, for authorizing transactions and retaining supporting documentation for those transactions and for devising an internal control system that will help assure the proper preparation of financial statements.

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. Note to the accounting firm: Be sure to check with the State Board of Accountancy or other regulatory bodies affecting this engagement for longer retention requirements. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the compiled financial statement, which we will provide to you at the conclusion of the engagement, 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 providing services under this agreement, we will not be the sole host or custodian of your original records.

You are also responsible for designing and implementing programs and controls to prevent and detect fraud and informing us about all known or suspected fraud affecting the Company. In addition, you remain responsible for identifying and ensuring that the Company complies with applicable laws and regulations.

Our fee for these services will be based on the amount of time required at the standard billing rate plus out of pocket expenses. However, if we encounter unexpected circumstances that require more staff time than anticipated, we will discuss the matter with you. All invoices are due and payable upon presentation.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to [State] law. The results of any such mediation shall be binding only upon the agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

This Agreement, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the laws (enter state or other jurisdiction) (without giving effect to its provisions on conflict of laws).

This Agreement is fully and voluntarily entered into by the Parties. Each Party states that he, she, or it has read this Agreement, has obtained advice of counsel if he, she, or it so desired, understands all of this Agreement, and executes this Agreement voluntarily and of his, her, or its own free will and accord with full knowledge of the legal significance and consequences of this Agreement.

If this letter correctly expresses your understanding, please sign the enclosed copy where indicated and return it to us.

The Partner In-Charge of this engagement is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We appreciate the opportunity to serve you and trust that our association will be a long and pleasant one.

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed on behalf of [Firm Name]

**ACCEPTED AND AGREED TO BY:**

[Client Name]

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

[Client Signature]

*Please consider adding the Limitation of Liability language found in this engagement letter packet, see table of contents*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

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## SARS 21 Engagement Letter Sample

[Client Contact]

[Client Name ABC Company]

[Client Address]

Dear [Client Contact]:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will prepare the financial statements of ABC Company, which comprise the balance sheet as of December 31, 20XX, and the related statements of income, changes in stockholder’s equity, and cash flows for the year then ended and the related notes to the financial statements. We are pleased to confirm our acceptance and our understanding of this engagement to prepare the financial statements of ABC Company by means of this letter.

The objective of our engagement is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS 21) promulgated by the Accounting and Review Services Committee of the AICPA and will comply with the AICPA’s Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

The financial statements will not be accompanied by a report. However, you agree that any cover-letter or other transmittal accompanying the financial statements will clearly indicate that no assurance is provided on them. In addition, as required by SSARS 21, each page of the financial statements will include a legend stating clearly that no assurance is being provided on them.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or other illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot be relied upon to disclose the same.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with levels of service higher than preparation of financial statements such as audit, review services, and compilation services, and we explained to you the manner in which such levels of service differ from preparation of financial statements. We also explained to you that we provide clients with services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your company (fraud audit). We further explained the additional costs associated with such higher and different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the preparation of financial statement services described in this letter.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements.

Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents and individuals within your company: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Any failure to provide such cooperation, and to do so on a timely basis, will impede our services, and may require us to suspend our services or withdraw from the engagement.

My liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you. In no event shall I be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, our maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fees received by me for this engagement. The provisions set forth in this paragraph shall survive the completion of the engagement.

Notwithstanding anything contained herein both accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed this Agreement shall have been deemed to have been entered into an Accountant's office located in <Specific County>, <Specific State>, USA and <Specific County>, <Specific State>, USA shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of <State>.

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement will be based on our standard hourly rates, as set forth on the attached rate sheet. In addition, you agree to reimburse us for any of our out-of-pocket costs incurred in connection with the performance of our services. We estimate that our fee for these services will range from approximately \_\_\_\_\_\_\_\_\_ to \_\_\_\_\_\_\_\_\_. You acknowledge that this range is not a limit to the total fees we may charge for our services, and that our fees may actually exceed that range. However, in the event that we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees exceeding the aforementioned range, we will adjust our estimate, and obtain your prior approval before continuing with the engagement.

Prior to commencing our services, we require that you provide us with a retainer in the amount of \_\_\_\_\_\_\_\_\_\_. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this engagement. Our fees and costs will be billed monthly, and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to a finance charge of 1.0% per month. In the absence of a written objection to any invoice within 30 days of the invoice date, you will be deemed to have accepted and acknowledged, as correct, the services rendered as described in the invoice and the value thereof.

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 our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

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. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the compiled financial statement, which we will provide to you at the conclusion of the engagement, 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 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.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing

misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to

[State] law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be asserted within one year from the date any such cause of action accrues, or within three years from the completion of the engagement, whichever is earlier, notwithstanding any statutory provision to the contrary.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties. If you would like us to provide you with any other services not specifically outlined in this engagement letter, you must make that request of us in writing. If we agree to provide the requested additional services, we will create a separate engagement letter specifically addressing the same, and that engagement letter, upon your signature, will govern our provision of those additional services.

If, after full consideration and consultation with counsel if so desired, you agree that the foregoing terms shall govern this engagement, please sign the copy of this letter in the space provided and return the original signed letter to me, keeping a fully executed copy for your records.

Thank you for your attention to this matter, and please contact me with any questions that you may have.

Very truly yours,

[Firm Contact]

[Title]

ACCEPTED AND AGREED:

[CLIENT NAME] \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: [Name of Signatory]

Its: [Title]

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

### Example Review Engagement Letter

[Date]

[Client Contact]

[Client Name]

[Client Address]

Dear [Client]:

Dear SALUTATION:

This letter will confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide:

We will perform the following services:

1. We will review the balance sheet of (COMPANY NAME) as of (BALANCE SHEET DATE) and the related statements of income, retained earnings (deficit), and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Our review will consist primarily of inquiries about company personnel and analytical procedures, and we will require a client representation letter from you. A review does not contemplate obtaining an understanding of the internal control structure or assessing control risk, tests of accounting records and responses to inquiries by obtaining corroborating evidential matter, and certain other procedures ordinarily performed during an audit. Thus, a review does not assure that we will become aware of all significant matters that would be disclosed in an audit. Our engagement cannot be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations that may exist. However, we will inform the appropriate management level of any material errors that come to our attention and any irregularities or illegal acts that come to our attention, unless they are inconsequential. We will not perform an audit of such financial statements, the objective of which is the expression of an opinion regarding the financial statements taken as a whole, and, accordingly, we will not express such an opinion on them.

Our report is presently expected to read as follows:

We have reviewed the accompanying balance sheet of COMPANY NAME as of BALANCE SHEET DATE, and the related statements of income, retained earnings (deficit), and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements represents the management of COMPANY NAME.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in

accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

If, for any reason, we are unable to complete our review of your financial statements, we will not issue a report on such statements as a result of this engagement.

We will not audit or otherwise verify the data you submit. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you to clarify some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to my attention.

You are responsible for maintaining an adequate and efficient accounting system, safeguarding assets, authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper returns. Furthermore, you are responsible for evaluating the adequacy and results of the services we provide.

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. Note to the accounting firm: Be sure to check with the State Board of Accountancy or other regulatory bodies affecting this engagement for longer retention requirements. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than a copy of your reviewed financial statements, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion, unless required by law, and if compensated for any time and costs associated with the effort. In providing services under this agreement, we will not be the sole host or custodian of your original records.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

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. You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to [State] law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Notwithstanding anything contained herein both accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed this Agreement shall have been deemed to have been entered into at Accountant's office located in <Specific County>, <Specific State>, USA and <Specific County>, <Specific State>, USA shall be the exclusive jurisdiction for resolving disputes related to this Agreement.  This Agreement shall be interpreted and governed in accordance with the Laws of <State>.

Prior to commencing our services, we require that you provide us with a retainer in the amount of

. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this engagement. Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to late fee of 1.0% per month. We reserve the right to suspend our services or withdraw from this engagement if 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.

We shall be pleased to discuss this letter with you at any time and appreciate the opportunity to serve you and trust that our association will be a long and pleasant one.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

The Partner In-Charge of this engagement is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Sincerely yours,

(Signature of Accountant)

Acknowledged:

COMPANY NAME:

DATE:

*Please consider adding the Limitation of Liability language found in this engagement letter packet, see table of contests.*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

### Example Tax Return Preparation Engagement Letter (Personal/Joint)

[Date]

[Client #1 Name]

[Client #2 Name]

[Clients’ Address]

Dear [Client #1 Name and Client #2 Name]:

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.

We will prepare your [Year] joint federal income tax return, and only the income tax returns for the states of (collectively, the “returns”). This engagement pertains only to the [Year] tax year, and our responsibilities do not include preparation of any other tax returns that may be due to any taxing authority. Our engagement will be complete upon the delivery of the completed tax returns to you and the return of the e-file authorizations to us.

We may from time to time, and depending on the circumstances, use certain third-party service providers and transmit information to them in serving your account. For example, such transmissions might include, but not be limited to: tax software providers for electronic filing, technical assistance, automated processing of tax forms, online backup services, and file sharing services. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information.

We are available under the terms of a separately stated engagement letter to provide a nexus study to determine if you have filing requirements in other states or jurisdictions. ( Note to accountant: this sentence should only be used if the individual tax return requires a schedule C.)

Your returns may be selected for review by one or more 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 your written request to represent you during the examination and/or during any appeal. Any such representation will be the subject to, and governed by, a separate engagement letter.

We will prepare the returns from the information which you will furnish to us. It is your responsibility to provide all the information required to prepare complete and accurate returns. We will furnish you with questionnaires and/or worksheets as needed to guide you in gathering the necessary information. Your use of such forms will assist us in keeping our fee to a minimum. To the extent we render any accounting and/or bookkeeping assistance, it will be limited to those tasks we deem necessary for preparation of the returns.

We will provide you with questionnaires and work sheets to guide you in organizing the information we need to prepare your tax returns. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge. We will not verify the information you give us. Unless you specifically indicate the portion of any business expenses as personal, we will treat all such expenses as business deductions. If any expenses are disallowed by the taxing authorities you will hold us harmless from any damages assessed by the taxing authorities. However, we may ask for clarification of some of the information. Any information we receive from you will be treated as confidential and is subject to disclosure by us only at your request or as compelled by law or for regulatory matters. However, we may be required to disclose your confidential information to an outside service bureau that assists us in providing tax preparation services.

I.R.S Code section 199A may apply to your tax filings for (Current tax year). We will provide guidance as best as we can based on our interpretation of this code section. Many unanswered questions have arisen in the tax profession and the I.R. S. in many cases has yet to provide authoritative guidance. Further, the planning possibilities embedded in this code section may provide unintended results in other facets of tax planning such as a pension, F.I.C.A tax, reasonable and unreasonable compensation, entity selection, etc… By executing this engagement letter you are asserting that you are aware of the difficulties in tax planning created by this newly formed code section and waive any liability against our firm for either failing to contact us prior to December 31st and or subsequent authoritative guidance by the tax courts, I.R.S, and other agencies that may affect tax planning and preparation for current tax year.

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 returns within a reasonable period of time prior to the applicable filing deadline. Accordingly, if we do not receive information from you, as noted above, by , it may be necessary for us to pursue an extension of the due date of your returns, and we reserve the right to suspend our services or withdraw from this engagement.

In preparing your tax return(s) we may rely on information provided to you by other tax preparers such as but not limited to the following: K-1s, Schedule C summaries, Schedule E summaries. We will not undertake any responsibility to determine the accuracy of such information. However, we may ask for clarity and or additional questions regarding such information. Such information may be challenged or questioned by the taxing authorities. We assume no responsibility for any changes made by the taxing authorities. In addition, you will hold us harmless from any additional tax, penalty, and interest that results from taxing authority changes.

We will not audit or otherwise verify the data you submit. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention.

Did you mine, buy, sell, or exchange a virtual currency, use a virtual currency to pay for goods and services, or receive a virtual currency as payment for goods and services? Be sure to let us know.

From information you provide to us, our firm will prepare [INSERT YEAR] federal and state corporation/partnership income tax return(s) for the state(s) of: [INSERT SPECIFIC STATE(S)’ NAMES]. This firm is responsible for preparing only the returns listed in the preceding sentence. Please note that if your corporation/partnership has an income tax filing requirement in a given state but does not file the required income tax return, it is possible that the non-filing could have adverse ramifications including (i) an unlimited assessment statute of limitations and (ii) inability to claim net operating losses or other tax attributes on any future years’ income tax returns.

The law provides various penalties and interests that may be imposed when taxpayers underestimate their tax liability. You acknowledge that any such understated 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 circumstances of these penalties, please contact me.

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities’ interpretations of the law and other supportable positions. In those instances, we will outline for you each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, we will adopt, on your behalf, the alternative which you select after having considered the information provided by us, provided the position(s) satisfy the substantial authority standard.

Without disclosure in the return itself of the specific position taken on a given issue, we must have a reasonable belief that it is more likely than not that the position will be held to be the correct position upon examination by taxing authorities. If we do not have that reasonable belief, we must be satisfied that there is at least a reasonable basis for the position, and in such a case, the position must be formally disclosed on Form 8275 or 8275-R, which form would be filed as part of the return. If we do not believe there is a reasonable basis for the position, either the position cannot be taken or we cannot sign the return. In order for us to make these determinations, we must rely on the accuracy and completeness of the relevant information you provide to us, and, in the event we and/or you are assessed penalties due to our reliance on inaccurate, incomplete, or misleading information you supplied to us (with or without your knowledge or intent), you will indemnify us, defend us and hold us harmless as to those penalties.

**U.S. filing obligations related to foreign financial assets.**

As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations.

These assets include any ownership interests you directly or indirectly hold in businesses located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signature authority. Based upon the information you provide; this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include *Form 8938*, *Statement of Specified Foreign Assets*, and FinCEN *Form 114*, *Report of Foreign Bank and Financial Accounts* (“FBAR”). Failure to file required forms can result in the imposition of both civil and criminal penalties, which may be significant. The FBAR is not a tax return, and its preparation is not within the scope of this engagement. If you ask us to prepare the FBAR, we will confirm this representation in a separate engagement letter.

**Foreign filing obligations**

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

We will also provide you with interim and year-end tax planning services on issues that you specifically bring to our attention in writing. Our ability to provide you with appropriate guidance on such issues will depend entirely on the timeliness, accuracy, and completeness of the relevant information bearing on the issue which we will rely on you to provide. Although we may orally discuss tax planning issues with you from time to time, such discussions will not constitute advice upon which we intend for you to rely for any purpose. Rather, any advice upon which we intend for you to rely, and upon which you will rely, will be embodied in a written report or correspondence from us to you, and any such writing will supersede any prior oral representations between the parties on the issue.

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement, including tax planning, preparation of your returns, and any representation of your interests during an examination by a taxing authority and/or any subsequent appeal, will be based on our standard hourly rates, as set forth on the attached rate sheet. In addition, you agree to reimburse us for any of our out-of-pocket costs incurred in connection with the performance of our services. We estimate that our fee for these services will range from approximately \_\_ to . You acknowledge that this range is not a limit to the total fees we may charge for our services and that our fees may actually exceed that range. However, if we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees exceeding the afore mentioned range, we will adjust our estimate and obtain your prior approval before continuing with the engagement.

Prior to commencing our services, we require that you provide us with a retainer in the amount of

. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this engagement. Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to a late fee of 1.0% per month. We reserve the right to suspend our services or to withdraw from this engagement if 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 all of our out-of-pocket costs, through the date of termination.

You should retain all the 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.

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. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records.

The balance of our engagement file, other than a copy of your income tax return, which we will provide to you at the conclusion of the engagement, 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.

Because the income tax returns we are to prepare in connection with this engagement are joint returns, and because you will each sign those returns, you are each our client. You each acknowledge that there is no expectation of privacy from the other concerning our services in connection with this engagement, and we are at liberty to share with either of you, without the prior consent of the other, any and all documents and other information concerning preparation of your returns. We will require, however, that any request for documents or other information be communicated to us in written form. You also acknowledge that unless we are notified otherwise in advance and in writing, we may construe an instruction from either of you to be an instruction on your joint behalf. Absent a contrary written instruction in the future, from either or both of you, we will communicate with either or both of you at the following mailing address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, and if such obligation is or may be a direct or indirect result of any inaccurate, incomplete, or misleading information that you provide to us during the course of this engagement (with or without your knowledge or intent), you agree to indemnify us, defend us, and hold us harmless as against such obligation.

Notwithstanding anything contained herein both accountant and client agree that regardless of where the client is domiciled and regardless of where this Agreement is physically signed this Agreement shall have been deemed to have been entered into at Accountant's office located in <Specific County>, <Specific State>, USA and <Specific County>, <Specific State>, USA shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of <State>.

You have supplied our firm with several K-1s which are necessary to complete your tax filings.

We will use these K-1s to complete the filings but assume no responsibility for their accuracy as we’re not the preparers for the flow-thru entities. In addition, we will make you aware of your responsibility for any additional state filings besides your resident state.

While the amounts may appear di minimis as income, expenses, credits, and withholding, we will nonetheless advise you if state filings are required and or in your best interest to file. (i.e.: establishing net operating losses and triggering the start date for the statute of limitations.)

Our fees will also be presented to you for the various state filings.

If you fail to retain us to prepare the state filings you assume all responsibility for any tax, penalties and or interest that may be assessed.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we

have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to [State] law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

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.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If, after full consideration and consultation with counsel, if so desired, you agree to authorize us to prepare your personal income tax returns pursuant to the terms set forth above, please execute this letter on the line below designated for your signature and return the original of this executed letter to this office along with a completed copy of the enclosed tax organizer and the supporting documentation requested therein. You should keep a copy of this fully executed letter for your records. If this firm does not receive from you the original of this letter, in fully executed form, but receives from you a completed copy of the enclosed tax organizer and/or supporting documentation requested therein, then such receipt by this office shall be deemed to evidence your acceptance of all of the terms set forth above. If, however, this office receives from you no response to this letter, then this office will not proceed to provide you with any professional services and will not prepare your income tax returns.

Thank you for your attention to this matter, and please contact me with any questions you may have.

Very truly yours,

[Firm Contact]

[Title]

**ACCEPTED AND AGREED:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Name of Signatory #1] [Date]

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[Name of Signatory #2] [Date]

*Please consider adding the Limitation of Liability language found in this engagement letter packet, see table of contents.*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

### Example of Business Tax Return Preparation Engagement Letter (No A&A Services)

[Date]

[Client Contact]

[Client Name]

[Client Address]

Dear [Client Contact]:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will prepare your [Year] federal income tax return, and only the income tax returns for the states of

, (collectively, the “returns”) with supporting schedules, and perform related research as considered necessary. This engagement pertains only to the [Year] tax year, and our responsibilities do not include preparation of any other tax returns that may be due to any taxing authority. Our engagement will be complete upon the delivery of the completed returns to you and receipt of the signed e-file authorizations to us. (Note to accountant, this letter may need to be edited slightly depending on use for 1120, 1120s, or 1065 tax forms.)

If your business has any operations in states other than those specifically listed, you are responsible for providing our firm all information necessary to prepare any additional applicable state(s) income tax returns such as the identity of all states in which XYZ Corporation/Partnership does business and the extent of business operations in each relevant state. Any additional state income tax returns will be prepared as a separate engagement.

Alternatively, under a separate engagement, using gross sales, payroll and other data provided by you, our firm can perform an investigation to determine each state where the XYZ Corporation/Partnership has an income tax return filing requirement. Please inform our firm if you would like to have such an investigation performed.

You have asked our firm to assist your company with your tax planning needs given the changes that may impact <Client Name> related to *The Tax Cuts and Jobs Act* (“Tax Act”).

Given the magnitude of the changes the Tax Act contains, as well as some new concepts introduced in the law, additional stated guidance from the Internal Revenue Service, and possibly from Congress in the form of technical corrections, may be forthcoming. We will use our professional judgment and expertise to assist you with evaluating the company’s (tax year) tax planning strategies given the Tax Act guidance as currently promulgated. In addition, you confirm and agree that any subsequent changes to the tax filings resulting from audits or examinations will be your responsibility and you will hold us harmless from any additional tax, penalties, or interest. Further, the determination of a specified trade or business will be made by you. We will also address with you any state conformity issues currently identified that may impact the company’s particular tax situation.

If, during our work, we discover information that affects your prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue.

Your returns may be selected for review by one or more taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, if you wish to have us represent you during the examination and/or during any appeal, please make that request of us in writing. If we agree to represent you, such representation will be the subject of, and governed by, a separate engagement letter.

Certain tax advice communications may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you (or other employees) may be waiving this privilege. To protect this right to privileged communication, please consult with the corporation/partnership’s attorney or us before disclosing any information about our tax advice.

Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud that comes to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as tax preparer is limited to the tax period specified above and does not extend to any later periods of which we are not engaged as tax preparers.

Our services are not designed to provide assurance on internal controls or to identify reportable conditions, that is, significant deficiencies or material weaknesses in the design or operation of internal control. Accordingly, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot be relied

upon to disclose the same. However, during the procedures, if we become aware of such reportable conditions, we will communicate them to you.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with attest and accounting services, as well as services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your company (fraud audit). We further explained the additional costs associated with such different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the income tax return preparation services described in this letter.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper income tax returns. Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services. You have the final responsibility for the income tax returns and, therefore, should review them carefully before you sign and file them.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents and individuals within your company: . Specifically, we must receive sufficient information from which to prepare your returns within a reasonable period of time prior to the applicable filing deadline, specifically, on or before . Any failure to provide such cooperation, and to do so on a timely basis, will impede our services and may require us to pursue an extension of the due date of your returns, suspend our services or withdraw from the engagement.

Did you mine, buy, sell, or exchange a virtual currency, use a virtual currency to pay for goods and services, or receive a virtual currency as payment for goods and services? Be sure to let us know.

We will assist client in determining if eligibility for the ERC falls within the parameters of a supply chain interruption. However, we will not make the final decision as to whether client has sustained a supply chain interruption to satisfy supply chain interruption status. This determination is beyond the scope of our services and should be made by those with ownership and managerial insight of the business.

If the amended returns are challenged by the taxing authorities and crucial to the refunds being claimed are disallowed as a result of the supply chain interruption status, we will be held harmless from any additional costs assessed by the taxing authorities.

The law provides various penalties and interest that may be imposed when taxpayers understate their tax liability. You acknowledge that any such understated 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 circumstances of these penalties, please contact me.

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities’ interpretations of the law and other supportable positions. In those instances, we will outline for you each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, we will adopt, on your behalf, the alternative you select after considering the information provided, provided the position(s) taken satisfy the substantial authority standard.

Disclosure in the return itself of the specific position taken on a given issue, we must have a reasonable belief that it is more likely than not that the position will be held to be the correct position upon examination by taxing authorities. If we do not have that reasonable belief, we must be satisfied that there is at least a reasonable basis for the position, and in such a case the position must be formally disclosed on Form 8275 or 8275-R, which form would be filed as part of the return. If we do not believe there is a reasonable basis for the position, either the position cannot be taken, or we cannot sign the return. In order for us to make these determinations, we must rely on the accuracy and completeness of the relevant information you provide to us, and, in the event we and/or you are assessed penalties due to our reliance on inaccurate, incomplete, or misleading information you supplied to us (with or without your knowledge or intent), you will indemnify us, defend us and hold us harmless as to those penalties.

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement, including preparation of your returns and any representation of your interests during an examination by a taxing authority and/or any subsequent appeal, will be based on our standard hourly rates, as set forth on the attached rate sheet. In addition, you agree to reimburse us for any of our out- of-pocket costs incurred in connection with the performance of our services. We estimate that our fee for these services will range from approximately to . You acknowledge that this range is not a limit to the total fees we may charge for our services and that our fees may actually exceed that range. However, in the event that we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees exceeding the aforementioned range, we will adjust our estimate, and obtain your prior approval before continuing with the engagement.

Prior to commencing our services, we require that you provide us with a retainer in the amount of

. The retainer will be applied against our final invoice, and any unused portion will be returned to   
you upon our collection of all outstanding fees and costs related to this engagement. Our fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to a late fee of 1.0% per month. 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 all of our out-of-pocket costs, through the date of termination.

You should retain all the 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.

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. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than a copy of your income tax return, which we will provide to you at the conclusion of the engagement, 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 we are required to respond to a subpoena, court order or other legal processes for the production of documents and/or testimony relative to information we obtained and/or prepared during 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.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, and if such obligation is or may be a direct or indirect result of any inaccurate, incomplete, or misleading

information that you provide to us during the course of this engagement (with or without your knowledge or intent), you agree to indemnify us, defend us (with counsel of our choosing), and hold us harmless as against such obligation.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to [State] law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all the parties.

If, after full consideration and consultation with counsel if so desired, you agree that the foregoing terms shall govern this engagement, please sign this letter in the space provided and return the original signed letter to me, keeping a fully executed copy for your records.

Thank you for your attention to this matter, and please contact me with any questions that you may have.

Very truly yours,

[Firm Contact]

[Title]

**ACCEPTED AND AGREED:**

[Client Name]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: [Name of Signatory] [Date]

Its: [Title}

*Please consider adding the Limitation of Liability Language found in this engagement letter packet, see table of contents.*

*Please consider nexus language for multi-state clients.*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

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### Example Agreed Upon Procedures Engagement Letter

[Date]

[Client Representative]

[Client Name]

[Client Address]

Re: Agreed-upon Procedures

Dear [Client Representative]:

This letter confirms our mutual understanding with respect to the engagement of [**FIRM] (hereinafter “firm”, “we”, or “us”) by [CLIENT] (hereinafter “”client” or ‘you”)** to provide professional services in connection with [**identify agreed upon procedure assignment]**, to specify the terms of our engagement and to clarify the nature and extent of the services we will provide.[ The term “client” includes the “client” and its management.]

We will apply the agreed upon procedures which [client] has specified listed in the attached schedule to the [insert appropriate financials, ex. A/R activity, etc.] This engagement is solely to assist [client] with verifying [ ] and will be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of [client]. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which the report has been requested or for any other purposes. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or we will not issue a report as a result of this engagement.

Our engagement to apply agreed-upon procedures will be performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report or will not issue a report as a result of this engagement.

Our engagement will be designed to perform the following agreed-upon procedures <list specific procedures agreed to between you and the final users>:

Examples of procedures:

1. Inspection of specified documents evidencing certain types of transactions or detailed attributes thereof
2. Confirmation of specific information with third parties
3. Comparison of documents, schedules, or analyses with certain specified attributes
4. Performance of mathematical computations
5. Performance of specific procedures on work performed by others.

Our engagement is limited in scope and will be confined to our agreed-upon procedures. We have no

obligation to perform any procedures beyond those listed [above or in the attached schedule] We will not be conducting an audit or review of the financial statements of <Client Name>, and therefore we will not express an opinion or any other form of assurance on them.

At the end of our engagement, we will submit a report listing the procedures performed and our findings. The report is intended solely for the use of [client in connection with [ ] ] and should not be used by anyone else for any other purpose. Our report will include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Accordingly, using this report for anything other than the original intent of the agreed-upon procedures could mislead the readers. You must notify us immediately if the original users of the report change.

The client shall, upon the receipt of written notice, indemnify and hold the firm and its affiliates, and their partners, principals, and personnel, harmless against all costs, fees, expenses, damages, and liabilities (including legal defense costs) associated with any third-party claim arising from or relating to any misrepresentation to the firm by the Client or the withholding or concealment of information from the firm by the client.

In addition, the Client shall upon receipt of written notice indemnify and hold the firm and its affiliates, and their partners, principals, and personnel, harmless against all punitive damages associated with any third-party claim arising from or relating to: (i) any services, work product, or deliverables from the firm that the Client or its management uses or discloses to others; or (ii) this engagement generally. The terms of this paragraph shall apply regardless of the nature of any claim asserted (including those arising from contract law, statutes, regulations, or any form of negligence of the Client, whether arising out of tort, strict liability, or otherwise) and whether or not the firm was advised of the possibility of the damage or loss asserted. These terms shall also continue to apply after any termination of this agreement by either party and during any dispute between the parties.

Concerning any services, work product, or other deliverables hereunder, or this engagement generally, the firm’s liability to the Client shall in no event exceed the fees that it receives for the portion of the work giving rise to liability, nor shall the firm’s liability include any special, consequential, incidental, or exemplary damages or loss, including any lost profits, savings, or business opportunity.

Either party may terminate this engagement, with or without cause, by providing written notice to the other party. In the event of early termination for any reason, the client will be invoiced and agrees to remit payment for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. Neither the client nor the firm shall have any liability to the other for any loss or consequential damage arising from early termination by either the client or the firm.

<Name of Firm Representative> is the engagement partner for the services specified in this letter.

<His/Her> responsibilities include supervising <Firm>'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the report.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with attest and accounting services, as well as services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your company (fraud audit). We further explained the additional costs associated with such different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the agreed upon procedures services described in this letter.

Our engagement cannot be relied upon to disclose errors, irregularities, or illegal acts, including fraud or

defalcations, which may exist. However, we will inform you of any such matters that come to our attention. Further, our engagement is not designed to provide assurance on internal controls or to identify reportable conditions, that is, significant deficiencies or material weaknesses in the design or operation of internal control. Accordingly, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement, and our engagement cannot be relied upon to disclose the same. However, during the procedures, if we become aware of such reportable conditions, we will communicate them to you.

With your signature below, you acknowledge that you are responsible for management decisions and functions. That responsibility includes designating qualified individuals with the necessary expertise to be responsible and accountable for overseeing all the services we perform (e.g., agreed-upon procedures, bookkeeping services, payroll services, tax services, prospective financial statements, profit- sharing plan services, etc.) as part of this engagement, as well as evaluating the adequacy and results of the services performed.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

We plan to begin our procedures on approximately [insert date] and, unless unforeseeable problems are encountered, the engagement should be completed by [insert date]. To facilitate the timely completion of the engagement contemplated in this letter, you authorize us to send to or receive from you certain information, including correspondence via electronic means (i.e., email, portal usage, etc.). This authorization extends to the electronic transmission of information to or from any third parties we may engage to assist us in completing the engagement. The text of such correspondence, as well as any attachments thereto such as draft or final financial statements or other documents, may contain information of a sensitive nature. We represent to you that we have made a good faith effort to ensure that the security of our information technology infrastructure and our policies and procedures for handling client information meet customary standards. However, due to the inherent limitations of currently available security systems, we cannot provide absolute assurance that any information transmitted to or from us via electronic means will not be compromised due to unauthorized access to our files. As such, you agree to hold us harmless concerning any loss you may suffer as a result of such compromise.

All documentation for this engagement remains the property of firm and constitutes confidential information. We will maintain all information you provide to us in connection with this engagement on a strictly confidential basis. In the event we receive a subpoena or summons requesting that we produce documents from this engagement or testify about the engagement, we will notify you prior to responding to it if we are legally permitted to do so. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we may constitute your inaction or failure as consent to comply with the request. Time incurred in connection with subpoenas, and/ or other related legal matters involving you, and or your account(s), will be billed at our normal per diem rates.

Our fees for this work will be at our regular hourly rates for the individuals involved plus direct out-of-pocket expenses. Payment for service is due when rendered, and interim billings may be submitted as work progresses and expenses are incurred. Billings become delinquent if not paid within <number> days of the invoice date. If billings are not paid within <number> days of the invoice date, at our election, we may stop all work until your account is brought current, or we may withdraw from this engagement. <Client> acknowledges and agrees that we are not required to continue work in the event of <client>'s failure to pay on a timely basis for services rendered as required by this engagement letter.

<Client> further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of <client>'s failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to <client> for any damages that occur as a result of our ceasing to render services.

We will require a retainer of $<amount>, which will be applied to current billings as registered.

At the conclusion of this engagement, we will return all original records you supplied to us. Your company records are the primary records for your operations and comprise the backup and support for your financial reports and tax returns. In providing services under this agreement, we will not be the sole host or custodian of your original records. Our records and files are our property and are not a substitute for your own records. Our firm destroys our client files and all pertinent work papers after a retention period of xx years, after which time these items will no longer be available. Catastrophic events or physical deterioration may result in our firm's records being unavailable. You should make and retain copies of original records given to us which may be needed after our retention period (e.g. basis information, agreements). By your signature below, you acknowledge and agree that upon the expiration of the xx year period the firm shall be free to destroy our records relating to this engagement. (Note to accounting firm: We recommend seven years to retain documents. You should check with your state board of accountancy for longer requirements.)

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement subject to the selection of a mutually agreed upon mediator. All mediations initiated as a result of this engagement shall be administered pursuant to the mediation rules of the American Arbitration Association (AAA). The results of this mediation shall be binding only upon agreement of each party to be bound. Each party shall bear its own costs of any mediation proceeding. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of reasonable attorney's fees and costs. If any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter. This section shall survive completion or termination of this Agreement, but under no circumstances shall either party call for mediation of any claim or dispute arising out of this Agreement after such period of time as would normally bar the initiation of legal proceedings to litigate such claim or dispute under the laws of the [state].

If mediation fails to resolve the dispute or claim, the parties hereby agree to submit any action, claim or counterclaim whether based in contract, tort, statutory rights or otherwise to the Superior Court of the [state] The parties also agree that the laws of the [state] shall govern all legal proceedings arising from this engagement.

The party(ies) signing this engagement letter authorize and represent that they have the legal authority to bind the person(s) and/ or entity(ies) listed on this contract. All parties to this agreement acknowledge and agree that facsimile, electronic and multi-party signatures used to execute this document will legally bind each party to the terms of this agreement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

We are looking forward to working with you on this engagement.

The Partner in Charge of this engagement is: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Very truly yours,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Accountant Name] [Firm Name]

APPROVED AND AUTHORIZED:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Client Representative]

[Client Name]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Final User’s Name] [*Optional*: Use if client is not final user]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Date]

*Please consider adding the Limitation of Liability language found in this engagement letter packet, see table of contents*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

### 

### Example Bookkeeping (Write-up) Engagement Letter

[Date]

[Client Contact]

[Client Name]

[Client Address]

Dear [Client Contact]:

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

For the fiscal year ended \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, we will provide the following bookkeeping services:

1. Record journals
2. Post general ledger
3. Post other ledgers (*specify*)
4. Reconcile bank statements
5. Prepare gross receipts tax reports
6. Post earnings records
7. Prepare payroll tax returns
8. Prepare W-2’s, W-3’s
9. Prepare 1099’s
10. Prepare Payroll Checks
11. Other bookkeeping services (*specify*)
12. The above list may not be all inclusive.

Our engagement is limited to the period and the accounting services indicated above. We will not audit or review your financial statements, or any other accounting documents and information you provide, in accordance with generally accepted auditing standards. Accordingly, we ask that you not in any manner refer to this as an audit or review. Nor will we otherwise verify the data you submit for accuracy or completeness. Rather, we will rely on the accuracy and completeness of the documents and information you provide to us. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any material errors, fraud or other illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and our engagement cannot, therefore be relied upon to disclose of such matters.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, and for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements. Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.  
  
You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Prior to the preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with levels of service higher than bookkeeping, such as audit, review, and compilation services, and we explained to you how such levels of service differ from bookkeeping. We also explained to you that we provide clients with services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your company (fraud audit). We further explained the additional costs associated with such higher and different service levels. After consideration of such services, you have informed us that you wish to retain us to perform only the bookkeeping services described in this letter.

In order for us to complete this engagement, and to do so efficiently, we require unrestricted access to the following documents and information concerning your company:

1. Copies of basic documents reflecting your financial transactions, including check stubs, summaries of cash receipts and sales (cash and charge), bank statements and canceled checks, listings of accounts receivable and accounts payable, and documentary support of property and equipment transactions-purchases, trades, sales, and other dispositions;
2. Information concerning any mortgage or pledge of business assets on business debts, any personal guarantees or debt, leases, or other information that effects or may affect the results of operations of the business;
3. Any other financial information necessary for purpose of reflection on your accounting records, trial balance and tax returns;
4. Identification of all cash receipts as to source (i.e., loans, sales, etc.), and information concerning all transactions consummated with cash.

Any failure to provide such documents and information, and to do so on a timely basis, will impede our services, and may require us to suspend or withdraw from the engagement. You agree to accept responsibility for any effect on your accounting records and financial statements of basic financial information or transaction documents not submitted to us for processing and entry, or losses that may result from their absence.

For purposes of entry of the financial information from your basic transaction documents, classification according to the agreed-upon chart of accounts will be performed by you or your employees. As business conditions change, we may mutually agree to change/modify this arrangement.

Prior to commencing our services, we require that you provide us with a retainer in the amount of

. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this engagement. Our fees and costs will be billed monthly at the fixed rate of and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to a late fee of 1.0% per month. 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. If any collection action is required to collect unpaid balances due us, you agree to reimburse us for our collection costs, 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 our report. You will be obligated to compensate us 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. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the compiled financial statement, which we will provide to you at the conclusion of the engagement, is our property. 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 we are required to respond to a subpoena, court order or other legal processes 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 standard hourly rates then existing 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.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, and if such obligation is or may be a direct or indirect 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 obligation.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement.

Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to [State] law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all the parties.

If, after full consideration and consultation with counsel if so desired, you agree that the foregoing terms shall govern this engagement, please sign the copy of this letter in the space provided and return the original signed letter to me, keeping a fully executed copy for your records.

Thank you for your attention to this matter, and please contact me with any questions that you may have.

Very truly yours,

[Firm Contact]

[Title]

**ACCEPTED AND AGREED:**

[Client Name]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: [Name of Signatory] [Date]

Its: [Title]

*Please consider adding the Limitation of Liability language found in this engagement letter packet, see table of contents*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

### Conflict of Interest “Informed Consent”: Joint Representation Wording

[**Note:** (1) If the engagement/proposed engagement is described in IRC Circular 230 §10.29(a)(2), this letter can be used to meet IRC Circular 230 §10.29(b)(3) requirements if it is carefully tailored for the specific engagement/proposed engagement; (2) if the engagement/proposed engagement is described in IRC Circular 230 §10.29(a)(1), McGowanPRO recommends that the CPA immediately disengage from one or both clients.]

[Date]

[Client A Name]

[Client A Address]

[Client B Name]

[Client B Address]

Dear [Client A Name] and [Client B Name]:

This letter confirms our mutual understanding with respect to the engagement of [FIRM] [hereinafter “firm”, “us”, or “we”) by [Client One and Client Two] (collectively “Client”) (hereinafter “you”, or the “Client”) to provide professional services. This letter discusses certain ramifications of the proposed joint representation. You have the opportunity to have your own legal representative review and advise you on all matters related to the joint representation, including this letter, prior to signing this letter.

You are engaging our firm to perform the following service(s): <insert CPA services>. [or to perform the professional services described in the [insert date] engagement letter between our firm and [insert both clients’ names] The Terms and Conditions of the [insert date] engagement letter is specifically incorporated herein. The potential benefits of dual representation include reduced fees, expedited services and negotiations because only one firm is retained.

The dual representation, however, also presents a potential conflict of interest. The potential conflict of interest arises because your respective interests could become actually adverse in the future. Therefore, our firm must perform its services in a manner furthering both of your interests, cannot favor one party to the detriment of the other, and cannot negotiate on behalf of either party with the other party.

Based upon both parties’ current cooperation and the preexisting relationship of the parties, we believe our firm’s joint representation of both parties presents no actual conflict of interest, at this time, and as accountants and advisors, our firm can adequately represent both parties’ interests.

Should an actual conflict of interest arise, our firm will promptly apprise you of any actual conflict so that you can jointly decide how to resolve the conflict and/or whether you wish to obtain separate representation. Further, if either of you becomes aware of an actual conflict of interest, you agree to inform our firm of that actual conflict immediately.

Additionally, because our firm represents both parties, conversations or other communications between either party and our firm are not considered confidential and are available to the other party. In fact, our firm may be required to disclose any oral or written communications between our firm and one party to

the other party.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

By signing below, you acknowledge that (1) the potential conflict of interest has been fully disclosed to you; (2) you understand and acknowledge the potential conflict of interest as described; (3) you consent to the joint representation subject to the potential conflict of interest as disclosed; and (4) neither party’s communications with our firm are protected from disclosure to the other party.

Very truly yours,

[Accountant Name]

[Firm Name]

Approved:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Client A Name] [Client B Name]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[Date] [Date]

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

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## Example FBAR Engagement Wording

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having an ***aggregate*** value exceeding $10,000 in a foreign country, shall report such a relationship. Filing requirements also apply to taxpayers with direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign account(s). For example, a corporate-owned foreign account would require filings by the corporations *and* by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

If you and/or your entity have a financial interest in any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare Form TD-F-90-22.1 required by the U.S. Department of the Treasury. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will be unable to prepare any required disclosure statements.

In addition, the Internal Revenue Service under IRC Section 6038(a) requires information reporting with respect to certain foreign corporations (Form 5471) and describes the information required to be reported on this form, which is due when your income tax return is due, including extensions. Therefore, if you are an officer, director, or shareholder in a foreign corporation, you may be required to file Form 5471. IRC section 6038(b)(1) provides for a monetary penalty of $10,000 for each Form 5471 that is filed after the due date of the income tax return (including extensions) or that does not include complete and accurate information as defined under regulations. By your signature below, you accept responsibility for informing us if you are an officer, director, or shareholder in a foreign corporation and you agree to provide us with the information necessary to prepare the appropriate Form 5471(s). ***In the event that you do not provide us with this information, we assume no liability for penalties associated with missing, late or incomplete filing information* pursuant to code section 6038(a).**

### 

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

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### Example Disengagement Letter

The following letter contains example language that may be used as a guide in documenting withdrawal from a client relationship.

[Date]

BY CERTIFIED MAIL/RETURN-RECEIPT REQUESTED

Board of Directors

[Corporate Name]

[Corporate Address]

RE: Termination of Professional Services

Dear Board Members:

I am writing to give you formal notice that as of the date on this letter, the Firm will cease to render any professional services to the Corporation or its individual shareholders, including but not limited to bookkeeping, accounting, and tax-related services. I regret that disengagement has become necessary, but conflicts within the Corporation’s management and our inability to obtain cooperation from the Corporation on critical engagement issues have led to our decision. (Note to Accountant, this paragraph may need editing for a non-corporate engagements.)

We are unaware of any impending tax or financial reporting deadlines that the Corporation must meet. The shareholders, however, are on extension relative to their federal and state income tax returns.

Those returns must be filed by [Date]. We urge that the shareholders promptly retain successor tax professionals in order to meet those filing deadlines.

We currently possess the Corporation’s original general ledger, cash journals, and schedules of aged accounts receivable and fixed asset depreciation. We will forward those original documents to you promptly under separate cover. We do not possess any other original documents of the Corporation or the shareholders.

I wish to call your attention to the Corporation’s outstanding account with this Firm for past services rendered in the amount of (\_\_\_\_\_\_\_\_\_\_\_\_\_), which is currently past due. Termination of future services does not discharge the Corporation’s obligation to make full payment of that past due balance. I would appreciate your prompt attention to bringing closure to that account.

If you wish this Firm to provide a successor accounting or tax professional with information concerning the Corporation and/or its shareholders, please provide me with a letter informing me of the precise information you wish us to produce. Upon receipt of your written request, we will, at a minimum, follow the standards of our profession in cooperating with successor professionals. Please be advised that if the Corporation has paid this Firm’s fees in full, we will also consider those aspects of your request that exceed the minimum requirements of our professional standards.

Thank you, and please contact me with any questions you may have.

Very truly yours,

[Engagement Partner]

Cc: Individual Shareholders

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

**Example Client Credit Worthiness Letter**

Date:

Dear Lender,

You have requested that we provide you with certain information regarding [Client] (hereinafter referred to as “our client”). Our client has consented to our provision of the requested information.

We have prepared the income tax returns for our client during the period from through . Those income tax returns have each included a Schedule C and Schedule SE, Self-Employment Tax computation.

We prepared the income tax returns noted above based on the documentation and other information provided to us by our client. We did not audit, review, or otherwise verify the accuracy of such documentation or information at any time, and we have not and do not express an opinion or give any other form of assurance regarding the same.

By providing you with this letter, we have not established any direct or indirect client, contractual or quasi-contractual relationship with you. We do not understand or anticipate that you or any third party will rely on the information in this letter as a basis for entering into or continuing any contractual or other relationship with our client. We fully expect that before you or any third party decides to enter into any such relationship with our client, that you and/or that third party will exercise an appropriate level of independent due diligence. Accordingly, and use of this information is solely your responsibility and judgment.

By accepting this letter, you acknowledge all the above, and also that we are under no obligation to provide you or any third party with any additional information at any time, including but not limited to any changes or corrections to any of the information we have provided in this letter concerning our client.

Very Truly Yours,

Certified Public Accountant

*The above example would be an appropriate limited response to a lender or broker’s request for credit-worthiness information. However, the most protective thing for the accountant to do, especially in states (with very restrictive laws on the ability of third parties to sue accountants~~)~~, would be to decline to respond to the lender’s request.  In California, for example, unless the third party can demonstrate that there is close and direct contact between itself and the accountant, it will be difficult to establish the requisite standing to bring a lawsuit alleging detrimental reliance on the accountant’s work product or representations. We recommend consulting local counsel to gain a better understanding of your state's law on this point. By responding to the lender or broker’s request for a credit-worthiness letter, the accountant would be helping the lender build its case for close and direct contact.  So, unless this is a client that the accountant does not want to lose, and would lose if the accountant didn’t provide the requested response, we advise against responding to the request, and advise the accountant to direct the lender or broker to the client for the needed information.”*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-6110.***

## 

**Cannabis Industry – Incorporated Business Engagement Letter**

Due to the nature of the industry in which you are involved and the fact that the business activity violates specific Federal laws, you must provide us with the following representations in a written document at the conclusion of our engagement and prior to our filing of the tax returns:

All information provided for the preparation of the client’s tax returns, either verbal or written, is true and correct to the best of the client’s knowledge and belief. All items pertaining to gross income are reported without offset or reduction. No items of expense or liability are overstated.

If any of this information is later found to be in error, the client will

(1) notify our firm immediately and

(2) assume full responsibility for any discrepancies.

If our firm cannot provide tax returns due to delays arising from the untimely response or lack of documentation, the client will hold the firm harmless for any penalties that may incur.

The client acknowledges that a tax provision, known as “Internal Revenue Code Section 280E,” is applicable and may potentially limit claimed deductions for business expenses incurred. The client acknowledges that advice has been rendered by our firm regarding the non-deductibility of certain expenses reported on the tax returns and the subsequent tax consequences of these deductions.

The client represents that they are not affiliated with any law enforcement agencies. The client further represents that none of the interactions with our firm have been to gather evidence for any court, criminal or civil. If the client is found to be so associated with law enforcement, the client hereby acknowledges that all the actions taken constitute “entrapment.”

The client asserts that no requests have been made for illegal services or requests to “launder money” or to misrepresent facts to any person, including outside financial institutions. Further, the Client will indemnify, save and hold harmless, our firm and its members and employees from any loss, cost or expense or liability arising out of, or on account of any and all court proceedings, criminal or civil, on actions taken involving the Client.

CPA Engagement Letter Content – Read Carefully

Indemnification

To the extent permitted by law, the Client agrees that (CPA FIRM), and its employees shall not be liable to the Client for any actions, losses, damages, claims, liabilities, costs or expenses in any way arising out of or relating to this engagement for an aggregate amount in excess of the fees paid by them to (CPA FIRM) for the services performed pursuant to this engagement. Further, in no event will (CPA FIRM) or its employees, agents, or representatives be liable for consequential, special, indirect, incidental, punitive, or exemplary loss damage, or expense (including, without limitation, lost profits and opportunity costs).

**To the extent permitted by law, the Client shall indemnify and hold harmless** (CPA FIRM) **and its employees from and against any and all actions, losses, damages, claims, liabilities, costs and expenses (including, without limitation, reasonable legal fees and expenses) brought against, paid, or incurred by any of them at any time, in any way arising out of or relating to** (CPA FIRM) **services provided in connection with this engagement, except to the extent finally judicially determined to have resulted from intentional misconduct by** (CPA FIRM)**.**  
  
The Limitation on Liability and Indemnification provisions of this engagement letter shall apply regardless of the form of action, loss, damage, claim, liability, cost or expense, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. These provisions, as well as the other agreements and undertakings of the Client, shall survive the completion or termination of this engagement.

**Outsourced CFO TO GO Engagement Letter**

This Agreement is entered into as of (ENTER DATE), between (ENTER CLIENT NAME). (“the Company”) and (the “Contractor”). It confirms our understanding of the terms and objectives of this engagement and the nature and limitations of the CFO services that will be provided for the period beginning (date) and ending (date).

1. Appointment as Contractor: Subject to the terms and conditions of this Agreement, the Company hereby engages the Contractor to perform the services which are listed on Schedule A attached hereto, and Contractor hereby accepts such engagement. Contractor’s Managing Member shall perform the services under this Agreement.
2. Performance of Duties: Contractor will provide the services to the Company which are listed on Schedule A attached. The Contractor will report directly to the Chief Executive Officer in connection with the performance of consulting services under this Agreement. Contractor will work from outside the Company’s offices and may attend meetings at the corporate office when reasonably necessary. Company acknowledges and agrees that QuickBooks and other accounting records are solely the Company’s responsibility. Contractor services are not intended to be an audit, review or compilation of the financial statements and will not result in the submission or issuance of financial statements by (date) as defined by Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Any financial statements prepared by Contractor are to be used by management solely for analytical purposes and for internal use only.

Contractor will not make management decisions on behalf of Company and the Company is responsible for all management functions and decisions. Contractor’s engagement is limited to the period and the management services indicated above. Contractor will not audit, review, or otherwise verify the accuracy or completeness of your financial statements or accounting records. Contractor will rely on the accuracy and completeness of the documents and information you provide or make available to Contractor. Accordingly, Contractor’s engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and Contractor will inform you of any material errors, fraud or other illegal acts that come to our attention, unless they are clearly inconsequential. In addition, Contractor has no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement, and Contractor’s engagement cannot, therefore be relied upon to make disclosure of such matters.

Except to the extent specifically described above, you are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, for retaining supporting documentation for those transactions, for devising a system of internal controls that will, among other things, help assure the preparation of proper financial statements, for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

Except to the extent specifically described above, you are responsible for the design and implementation of programs and controls to prevent and detect fraud, for informing Contractor about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements, for informing   
  
Contractor of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others, and for identifying and ensuring that the entity complies with applicable laws and regulations.

1. Remote access and email communication: Company agrees to provide Contractor with remote access to Company’s system, including QuickBooks, from the internet to perform the services described in this Agreement. Company agrees to maintain sole responsibility for the appropriateness of its security measures for remote access users. Contractor will also communicate via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, Contractor cannot guarantee or warrant that emails be properly delivered and read only by the addressee. Therefore, Contractor disclaims explicitly and waives any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted in connection with the performance of this Agreement. and will have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.
2. Tax preparation: Contractor will prepare the federal and state business tax returns, and other related required tax filings, listed in Schedule A. It is Company’s responsibility to carefully examine and approve the completed tax returns before signing and mailing them to the tax authorities. There may be instances where the tax law is unclear, or where there may be conflicts between the taxing authorities’ interpretations of the law and other supportable positions. In those instances, Contractor will outline each reasonable course of action, including the risks and consequences of each such alternative. In the end, Contractor will adopt, on your behalf, the alternative you select after considering the information provided by Contractor.

Without disclosure in the return itself of the specific position taken on a given issue, Contractor must have a reasonable belief that the position(s) satisfies the substantial authority standard and that the position will be held to be the correct position upon examination by taxing authorities.  If Contractor does not have that reasonable belief, it must be satisfied that there is at least a reasonable basis for the position, and in such a case the position must be formally disclosed on Form 8275 or 8275-R, which form would be filed as part of the return.  If Contractor does not believe there is a reasonable basis for the position, either the position cannot be taken or the return will not be signed.

The law provides various penalties and interests that may be imposed when taxpayers underestimate their tax liability. Company acknowledges that any such understated tax, and any imposed interest and penalties, are its sole responsibility.

Note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having a value exceeding $10,000 in a foreign country, shall report such a relationship. Although there are some limited exceptions, filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign   
  
  
account(s). For example, a corporate-owned foreign account would require filings by the corporation *and* by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

The Company’s returns may be selected for review by one or more than one taxing authority. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, Contractor will be available upon your written request to represent you during the examination and/or during any appeal. Any such representation will be the subject of, and governed by, a separate engagement letter.

1. Document retention: All files, records, documents, information, notebooks, and similar items constituting records of the business of the Company, whether prepared by Contractor or otherwise coming into its possession, shall remain the exclusive property of the Company. Contractor shall not retain any copies of the foregoing without the Company’s prior written permission. Upon the expiration or earlier termination of this Agreement, or whenever requested by the Company, Contractor shall immediately deliver to the Company all such files, records, documents, information, and other items in its possession or under its control. The balance of the engagement file is Contractor’s property, and Contractor will provide copies of such documents at Contractor’s discretion, if compensated for time and costs associated with the effort. Contractor’s policy is to retain engagement documentation for five years, after which time Contractor will destroy engagement files. Any original records accumulated will be returned to Company.
2. Subpoena, court order or other legal process: In the event Contractor is required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information Contractor obtained and/or prepared during the course of this engagement, Company agrees to compensate Contractor at its standard hourly rates.
3. Indemnity:

In the event that Contractor is obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, and if such obligation is or may a direct or indirect result of any inaccurate, incomplete, or misleading information that Company provides to Contractor during the course of this engagement (with or without Company’s knowledge or intent), Company agrees to indemnify and defend Contractor, and hold Contractor harmless against such obligation.

Contractor will rely on Company for compliance with all Internal Revenue Service substantiation requirements. Contractor is not responsible for the disallowance of doubtful deductions or inadequately supported deductions, nor any resulting additional tax, penalties and interest. In the event Contractor or Company are assessed additional tax, penalties and interest due to Contractor’s reliance on inaccurate, incomplete or misleading information supplied to Contractor (with or without Company’s knowledge or intent). Company will

indemnify and defend Contractor and hold Contractor harmless as to additional tax, penalties and interest.

1. Term: The engagement will commence on the date of your signature below and will continue for a term of one year, at which point we may agree to renew the terms of this Agreement to govern another one-year engagement or create a new agreement for that purpose. Notwithstanding that stated term, the Company or Contractor may terminate this Agreement at any time upon 30 days’ written notice, and immediately with cause. This Agreement may only be modified by mutual written agreement.
2. Compensation: As base compensation for the services rendered pursuant to this Agreement, the Company shall pay the Contractor a fee of (amount) per month, to be paid electronically each month. The monthly fee shall be paid on an automatic basis by the Company each month, without receipt of an invoice from Contractor. The Company will file Form 1099 with the IRS reporting on fee payments. The parties agree that if the services listed in Schedule A are increased, they will negotiate in good faith for an additional fee to be paid to Contractor. The Company shall reimburse Contractor for all out-of-pocket costs and for reasonable travel expenses for travel authorized in advance by the Company.

Contractor reserves the right to suspend services or to withdraw from this engagement in the event that any of Contractor’s payments due are deemed delinquent. In the event that any collection action is required to collect unpaid balances due, you agree to reimburse Contractor for costs of collection, including attorneys’ fees. If Contractor elects to terminate Contractor’s services for nonpayment, or for any other reason provided for in this letter, Contractor’s engagement will be deemed to have been completed upon written notification of termination, even if Contractor has not completed Contractor’s services. You will be obligated to compensate Contractor through the date of termination.

1. Confidentiality: Contractor acknowledges that during the engagement it will have access to Company information of a confidential nature (“Confidential Information”). Contractor agrees that it will not disclose any Confidential Information, directly or indirectly, or use any Confidential Information in any manner, either during the term of this Agreement or at any time thereafter, except as required during this engagement.
2. Non-Compete: Consultant agrees that during the term of this Agreement and for a period of twelve (12) months after the termination of this Agreement, it will not solicit work from, be employed by or perform duties as a consultant or otherwise with a Competitor, where the work performed by Consultant involves duties that are the same as or substantially similar to any of the duties or functions which Consultant performed for the Company or requires Consultant to use Company Confidential Information. A “Competitor” means any enterprise, whether individual, corporate or otherwise, that (i) is engaged in the same or substantially similar line of business as conducted by the Company, and (ii) sells products or provides services to companies or individuals located in (Name of State), or in any other state or territory of the United States in which the Company has or had members or affiliates during the term of this Agreement.
3. Conflicts of Interest: Contractor represents that it is free to enter into this Agreement and that this engagement does not violate the terms of any agreement between Contractor and any third party. During the term of this Agreement, Contractor shall devote as much of its productive time, energy, and abilities to the performance of the services hereunder as is necessary to perform the services in a timely and productive manner. Contractor is expressly free to perform services for other parties while performing services for the Company provided that the performance of services for other parties do not hinder or interfere with the performance of Contractor’s services under this Agreement.
4. Independent Contractor: Contractor is an independent contractor of the Company. Nothing in this Agreement is intended to constitute Contractor as an agent, legal representative, joint venture, partner, employee, or servant of the Company for any purpose whatsoever. Contractor acknowledges and agrees that it is not authorized to enter into or make any representation, warranty, agreement, or debt on behalf of the Company without the express written authorization of the Company.
5. Choice of Law: The laws of the State of (Name of the State) shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereto. Company agrees that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that I have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound.  The costs of any mediation proceeding shall be shared equally by the participating parties.

Any litigation arising out of this engagement, except actions by me to enforce payment of my professional invoices, must be filed within one year from the completion of the engagement, notwithstanding any statutory provision to the contrary. Contractor’s liability relating to the performance of the services rendered under this Agreement is limited solely to direct damage sustained by Company. In no event shall Contractor be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to Company or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, Contractor’s maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fees received by Contractor for this engagement. The provisions set forth in this paragraph shall survive the completion of the engagement.

1. Assignment: Contractor shall not assign any of its rights under this Agreement, or delegate the performance of any duties hereunder, without the Company’s prior consent.
2. Entire Understanding: This document constitutes the entire understanding and agreement of the parties, and any and all prior agreements, understandings, and representations are hereby terminated and canceled in their entirety and are of no further force and effect.

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year first written above.

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

Chief Executive Officer

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

Schedule A

1. Review of monthly QuickBooks financial statements and related adjustments

2. Preparation of monthly checking and savings accounts reconciliations

3. Review monthly Scoreboard

4. Meetings and communication with Client.

5. Administration and calculation of Executive compensation program

6. Participate quarterly Board meetings

7. Review annual budget

8. Facilitation with outside council as needed

9. Oversight and management of year end audit process

10. Preparation of annual personal property tax return

11. Preparation of federal and state income tax returns

12. Preparation of federal and state estimated tax payments

13. Preparation of annual Form 1099 MISC for Board fees and other services

14. Preparation of annual Form 1099 PATR for patronage dividends

15. Calculation of year end patronage dividend and related review of distributions

## 

## Payroll Tax Return Preparation

<Date>

<Client Representative>

<Client Name>

<Client Address>

Dear <Client Representative>:

This letter is to confirm our understanding of the terms and objectives of our engagement as well as the nature and limitations of the services we will provide.

We will prepare, on a quarterly basis, the federal and state payroll tax returns for the year ending <date>. ***You are responsible for making all federal and state payroll tax deposits.*** If there is payroll tax due with the quarterly report, we will notify you.

On an annual basis, for the year ending <date>, we will prepare the year-end payroll tax returns, including federal and state unemployment tax returns, Forms W-2 and W-3, as required. We <will/will not> reconcile the returns with the withholding records. This firm is responsible for preparing only the returns listed above. All other returns <specify by name> are to be prepared by the Company or other preparer or will be provided by our Firm under separate engagement letter.

We assume no responsibility for preparing forms 1099 or annual form 1098.

We will not determine whether any independent contractors should be recharacterized as employees. We are available under the terms of a separate engagement letter to perform this service.

None of our services can be relied on to detect errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

We may communicate with you and/or store engagement data via email, portals, cloud platforms, or other digital means. We and any of our third-party vendors will maintain reasonable measures to safeguard communications and engagement data in those environments. Notwithstanding those measures, there exist inherent risks that engagement data may be breached, and in the specific case of email, that messages may be undelivered, or intercepted or used by, disclosed to, or shared with an unintended third party. You accept those risks and authorize us to proceed with the aforementioned digital activities. Further, we advise you to make use of our portal or encrypted email as the most secure means of digitally transmitting to us your confidential, proprietary, and personally identifiable information. You agree to hold us harmless as to any adverse consequence you may sustain as a result of sharing your data with us not in accordance with our advice, or from any other data breach in connection with this engagement, except to the extent determined to have been caused by our gross negligence or willful misconduct. In the event of a data breach, each of us agrees to notify the other in the most expedient time possible and without unreasonable delay.

It is our policy to keep records related to this engagement for <number> years. However, <Firm Name> does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the <number>-year period <Firm Name> shall be free to destroy our records related to this engagement.

Our fees will be based upon the amount of time required at our standard billing rates plus out-of-pocket expenses. Bookkeeping hourly rates vary from $<amount> to $<amount> per hour. Tax, financial, and consulting hourly rates vary from $<amount> to $<amount> per hour depending on the individual providing the services. All invoices are due and payable upon presentation. We will bill on an interim basis prior to completion of this engagement. Billings become delinquent if not paid within <number> days of the invoice date. If billings are past due in excess of <number> days, at our election, we may stop all work until your account is brought current or withdraw from this engagement. <Client> acknowledges and agrees that we are not required to continue work in the event of <client>’s failure to pay on a timely basis for services rendered as required by this engagement letter. <Client> further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of <client>’s failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to <client> for any damages that occur as a result of our ceasing to render services.

If a dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us. Thank you for this opportunity to serve you.

Very truly yours,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

<Accountant Name>

<Firm Name>

Accepted:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

<Client Representative>

<Client Name>

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

## 

## Employee Retention Credit (ERC) Letter

Note to Accountant: This letter is included in this collection of engagement letter examples because it is uncertain as to the IRS’s position on extending the ERC program or amending submissions at the time of publication of this document. (11/1/23)

[Date]

[Client Contact]

[Client Name]

[Client Address]

Dear [Client Contact]:

Thank you for selecting us as your accountants and business advisors. 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. Please read this letter carefully.

**Services to be Provided**

You have prepared a claim of refund for the Employee Retention Credit via a third-party. Under Internal Revenue Code Section 280C, employer tax credits create a reduction in wages in the amount of the credit. This reduction occurs in the year the wages were paid. If a return has already been filed for the year the credit is claimed, an amended return must be filed to reduce the wage deduction by the amount of the credit.

You are requesting we prepare the YYYY Amended US Return of \_\_\_\_\_\_\_\_\_\_, for this purpose.

**Employee Retention Credit – General Eligibility**

The Employee Retention Credit (ERC) – sometimes called the Employee Retention Tax Credit or ERTC – is a refundable tax credit for businesses and tax-exempt organizations.

The credit is available to eligible employers that paid qualified wages to some or all employees after March 12, 2020, and before January 1, 2022. Eligibility and credit amount vary depending on when the business impacts occurred. The ERC is not available to individuals.

Generally, businesses and tax-exempt organizations that qualify are those that:

* Were shut down by a government order due to the COVID-19 pandemic during 2020 or the first three calendar quarters of 2021, **or**
* Experienced the required decline in gross receipts during the eligibility periods during 2020 or the first three calendar quarters of 2021, **or**
* Qualified as a recovery startup business for the third or fourth quarters of 2021

Eligible employers must have paid qualified wages to claim the credit.

Eligible employers can claim the ERC on an original or adjusted employment tax return for a period within those dates.

**Our Professional Responsibilities**

U.S. Treasury Circular No. 230 §10.34(d), Standards with respect to tax return and documents, affidavits and other papers, and the AICPA Statements on Standards for Tax Services (“SSTS”) No. 3, Certain Procedural Aspects of Preparing Returns, permit tax practitioners to rely on information furnished by the client in good faith and without verification, the practitioner may not ignore the implications of information furnished to, or actually known by, the practitioner. Moreover, if the information as furnished appears to be incorrect, inconsistent with an important fact or another factual assumption, or incomplete, it is incumbent upon the practitioner to make reasonable inquiries of the client.

As a result, we must first evaluate the information prepared by a third party, including the ERC calculations, before preparing any amended tax returns. Professional standards state we should not recommend a tax return position or prepare or sign a tax return taking a position unless we have a good-faith belief that the position has at least a realistic possibility of being sustained administratively or judicially on its merits if challenged. We may also recommend a tax return position if we (i) conclude that there is a reasonable basis for the position and (ii) advise you of the need to appropriately disclose that position.

According to the AICPA Levels of Confidence for Tax Return Positions, which is based upon Treasury regulations, “realistic possibility” is defined as a 33% possibility of prevailing in an administrative or judicial proceeding if challenged by the IRS, and “reasonable basis” is defined as significantly higher than not frivolous and lower than realistic possibility. In practice, a position has a reasonable basis if it is considered to have a 20-25% chance of prevailing in an administrative or judicial proceeding if challenged by the IRS.

For the reasons listed above, we are required to review third party calculations, which may include follow-up questions to you and/or the third-party preparer. It may also include a review of documentation used to calculate the amount of the ERC prepared by the third party.

If, upon our review and based on our professional judgement, we determine that you have improperly claimed ERC on its payroll tax returns, regardless of who prepared them, we will comply with Circular 230 §10.21, Knowledge of a Client’s Omission, and SSTS No. 6, Knowledge of Error: Return Preparation and Administrative Proceeding or Court Decision, by informing you, in writing, of:

* the nature of the error on the previously filed return(s);
* how you may correct the error; and
* the potential consequences for not correcting the error.

We will also inform you, in writing, that, as of the date of this writing, statutory provisions require the client's income tax returns to reflect a wage deduction in line with the ERC claim.

Though the statutory provisions requires amendment, professional standards do not allow us to prepare a return that perpetuates an ERC claim that has less than a reasonable basis of being upheld. In this event, we will withdraw from the engagement.

**Affect of Examination by IRS**

It is important to note the following outcomes, if the credit is examined by the IRS (not an exhaustive list):

* The IRS may disagree with the ERC calculation reflected on your payroll tax return(s);
* If your ERC claim is disallowed after the statute of limitations to amend the business tax return has passed, you will be unable to deduct wages upon which ERC was calculated, resulting in a lost deduction and overpayment of federal income tax;

* If your ERC claim is disallowed, you may owe additional payroll taxes, interest, and penalties for which the client will be responsible; and

* The client may be unable to obtain refunds for fees paid to a third party or recoup other losses from them for incorrect ERC calculations.

**Other Matters**

It is important to note that despite our review of the third-party information, your ERC eligibility, qualified wages, and credit amounts may still be subject to examination by the IRS or other governmental authorities. Any assistance we may be able to provide with such examination would be considered separate from this engagement. Fees for any such services are not included in fee amounts outlined in this Engagement Letter.

You agree to provide us with all information relevant and material to your business that we deem necessary in connection with the performance of these services. By your signature below, you represent and warrant to us that all information provided to us will be accurate and complete to the best of your knowledge; and agree that our firm will be able to rely, without independent verification, on the accuracy and completeness of the information provided.

The timeliness of your cooperation is essential to our ability to complete this engagement. If we do not receive from you, as per our requests, timely and sufficient information from which to provide the services outlined above, it may be necessary for us to suspend our services or withdraw from this engagement.

We will not audit or otherwise verify the data you submit to us in connection with this engagement, and we will not express an opinion or other form of assurance thereon. We also will not review or evaluate your systems of internal control in an effort to identify and communicate significant deficiencies or material weaknesses therein. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, other illegal acts, or internal control deficiencies or weaknesses that may exist. However, it may be necessary to ask you for clarification of some of the information you provide, and we will inform you of any such matters that come to our attention.

You are responsible for adopting sound accounting policies, for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions. Furthermore, you are responsible for management decisions and functions, for designating a competent employee to oversee any of the services we provide, and for evaluating the adequacy and results of those services.

You are also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving (a) management (b) employees who have significant roles in internal control, and (c) others. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Further, you understand and acknowledge that our firm will not be rendering any legal advice as part of this engagement. As such, you should engage separate legal counsel to assist as appropriate in addressing any legal issues that may arise, including whether you qualify for the ERC.

We may communicate with you and/or store engagement data via email, portals, cloud platforms, or other digital means. We and any of our third-party vendors will maintain reasonable measures to safeguard communications and engagement data in those environments. Notwithstanding those measures, there exist inherent risks that engagement data may be breached, and in the specific case of email, that messages may be undelivered, or intercepted or used by, disclosed to, or shared with an unintended third party. You accept those risks and authorize us to proceed with the aforementioned digital activities. Further, we advise you to make use of our portal as the most secure means of digitally transmitting to us your confidential, proprietary, and personally identifiable information. You agree to hold us harmless as to any adverse consequence you may sustain as a result of sharing your data with us not in accordance with our advice, or from any other data breach in connection with this engagement, except to the extent determined to have been caused by our gross negligence or willful misconduct. In the event of a data breach, each of us agrees to notify the other in the most expedient time possible and without unreasonable delay.

It is our policy to retain engagement documentation for a period of at least seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records.

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 standard hourly rates 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.

During the course of this engagement, or after its completion, a third party, such as a lender or loan broker, may request written confirmation from us regarding some aspect of your finances or those of one or more of your shareholders, directors, officers, employees, agents, contractors, representatives, subsidiaries or affiliates. Please be advised that it is our established policy not to provide any such written confirmation to third parties, even if authorized to do so by our clients, and that policy shall strictly apply to this engagement relationship.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

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.

Our liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you. In no event shall we be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, our maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fees received by us for this engagement. The provisions set forth in this paragraph shall survive the completion of the engagement.

Notwithstanding anything contained herein, both parties agree that regardless of where you are domiciled and where this Agreement is physically signed, this Agreement shall have been deemed to have been entered into at our offices in (Name of State) and shall be the exclusive jurisdiction for resolving disputes related to this Agreement. This Agreement shall be interpreted and governed in accordance with the Laws of (Name of State).

This Engagement Letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

**Fees**

Our fees for this work will be at our standard rates, plus out-of-pocket expenses. Payment for services is due when billings are rendered. Billings become delinquent if not paid within 30 days of the invoice date. If billings are past due in excess of 60 days, we will stop all work until your account is brought current or withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we will not be liable to you for any damages that occur as a result of our ceasing to render services.

We require that all outstanding invoices be paid prior to releasing the completed deliverables. We do not release incomplete deliverables.

In addition, you agree to reimburse us for any of our out-of-pocket costs incurred in connection with the performance of our services, if any. In the event that we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees will exceed the applicable amounts from the table below, we will adjust our fee, and obtain your prior approval before continuing with the engagement.

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 the project contemplated by this Engagement Letter. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

If, after full consideration and consultation with counsel if so desired, you agree to authorize us to proceed with this engagement, please execute this letter on the line below designated for your signature, and return the original of this executed. You should keep a copy of this fully executed letter for your records.

Thank you. Please feel free to contact us with any questions that you may have.

Very truly yours,

Acknowledgement:

ACCEPTED AND AGREED:

[Client entity legal name]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Client Representative Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

***Please be further advised that McGowanPRO and McGowan Companies cannot be responsible for material changes to this document or information supplied in the blanks currently provided. If you would like to have a proposed finished product reviewed in advance of utilization of this document please contact our Risk management Director, John Raspante at 732-856-1061.***

## 

## 1041 - Fiduciary (Trust) Tax Return Engagement Letter

CLIENT NAME

STREET ADDRESS

CITY, STATE ZIP

Dear FIDUCIARY NAME:

Thank you for selecting (FIRM NAME) to assist you with tax compliance for (NAME OF TRUST). This letter confirms the terms of our engagement for the year ended YEAR 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 (YEAR) federal and requested state fiduciary income tax returns, including tax information for beneficiaries from information you provide. 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.

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 fiduciary income tax returns, you should review them carefully before you sign them.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

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 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 you 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 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 for 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. All invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days.

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 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.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement.

Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to [State] law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

To affirm that this letter correctly summarizes your understanding of the services we are to provide, 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,

YOUR FIRM NAME

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

ACCOUNTANT IN CHARGE

Accepted By:

Date:

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

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## 

## 990 Tax Letter

(date )

«Name»

«Attn»

«Add1»

«City» «State» «Zip»

We appreciate the opportunity of working with your exempt organization and advising you regarding your income tax. To ensure a complete understanding between us, we are setting forth the pertinent information about the services that we propose to render for you.

We will prepare your Federal Form 990 and related state income tax returns with supporting schedules for the year ended (Date). We are not being engaged to determine your filing obligation in all state, local and foreign jurisdictions. If you believe you may need to file in additional jurisdictions, please let us know and we can discuss filing requirements or completion of a Nexus study under the terms of a separate engagement.

We will perform any bookkeeping we find necessary for the preparation of the income tax returns. You represent that the information you are supplying to us is accurate and complete to the best of your knowledge. We will not verify the information you give us. However, we may ask for clarification of some of the information. Any information we receive from you will be treated as confidential and is subject to disclosure by us only at your request or as compelled by law or for regulatory matters.

We will 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 follow whatever position you request, so long as it is consistent with the Internal Revenue Code, Regulations and interpretations that have been promulgated. If the taxing authorities later contest the position taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability for any such additional penalties or assessments.

We will not perform management functions or make management decisions on your behalf. However, we will provide advice, research materials and recommendations to assist management in performing its functions and making decisions. We reserve the right, based on our sole professional judgment, to refuse to do any procedure or take any action that could be construed as making management decisions or performing management functions.

Management agrees to perform the following functions in connection with (firm name)provision of tax services:

* Make all management decisions and perform all management functions;
* Designate an individual who possesses suitable skill, knowledge, and/or experience to oversee the tax services and evaluate the adequacy and results of the services;
* Accept responsibility for the results of the tax services; and
* Establish and maintain internal controls over the tax return preparation process

We will perform your tax services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

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. 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 are not responsible for the disallowance of doubtful deductions, inadequately supported documentation or for the resulting taxes, penalties and interest. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign and file them.

Our engagement is not intended, nor can it be relied upon to determine if your organization has Unrelated Business Taxable Income. (UBTI) Our firm is available under the terms of a separately agreed upon engagement letter to determine if UBTI exists in your organization. It is further understood, that if you do not engage our firm to conduct such a study and UBTI is subsequently determined by any taxing authority, you will hold our firm harmless from any resulting damage(s).

Our minimum fees for these services will be at our standard hourly billing rates for the time spent plus out-of-pocket expenses, including computer-processing charges. Our fees will be adjusted accordingly based on the degree of responsibility assumed, complexity of the engagement, special skills required to resolve issues and the adequacy and timeliness of the information you provide. Periodically during the engagement, we will issue progress invoices which are payable upon presentation. Billings become delinquent if not paid within 30 days of the invoice date. If billings are past due in excess of 45 days, we will stop all work until your account is brought current or withdraw from the engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable to you for any damages that occur as a result of our ceasing to render services. A delinquency charge of 1% per month may be assessed on any unpaid balance after deduction of current payments, credits and allowances made within 30 days of date of billing.

Prior to commencing our services, we require that you provide us with a retainer in the amount of \_\_\_\_\_\_\_\_\_\_. The retainer will be applied against our final invoice, and any unused portion will be returned to you upon our collection of all outstanding fees and costs related to this engagement.

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 (if not paid within thirty days of the invoice date) or for any other reason, such as but not limited to, unethical business practices, conflicts of interest, incomplete data, misleading information or uncooperativeness on the part of management in performing our engagement. 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 our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for the interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

If a dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. All parties shall share the costs of any mediation proceeding equally. Client and (firm name )(“accounting firm”) both agree that any dispute over fees charged by the accounting firm to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTING FIRM, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD, WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.

In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, the client and the accounting firm hereby mutually agree on the fair allocation of risk between them. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs, and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the aggregate fees paid or owing to the accounting firm under this agreement. The client and the accounting firm intend and agree that this limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. However, our liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you. In no event shall we be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). The provision set forth in this paragraph shall survive the completion of the engagement.

Your returns are subject to examination by the taxing authorities. In the event of an audit, you may be requested to produce documents, records or other evidence to substantiate the items of income and deduction shown on the tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. If an examination is made, we will represent you if you so desire. Such additional services are not included in our fee for preparation of your returns.

The Internal Revenue Service Restructuring and Reform Act of 1998 provides a limited privilege of confidentiality to certain communications between CPAs and their clients. Because your federal tax return is intended to be disclosed to revenue officials, and is not intended to be confidential, the confidentiality privilege does not extend to the tax return, nor to the basis for the numbers and calculations included in the return.

However, communications involving tax advice between you and our firm may be privileged and not subject to disclosure to the Internal Revenue Service. By disclosing the contents of the communications to anyone, or by turning over information about those communications to the taxing authorities, you may be waiving this privilege. In addition, the confidentiality privilege can be inadvertently waived if the contents of any privileged communication are discussed with a third party, such as a lending institution, a friend, or a business associate.

It is not the policy of this firm to voluntarily disclose to third parties any non-public information obtained from or about your company during or as a result of this engagement absent your express consent to do so. Indeed, as professionals, we are obligated to preserve the confidential nature of such information in our possession. However, such information may not be protected from disclosure by an absolute privilege, and therefore, we may be compelled by law or legal process, with or without your consent, to produce documents or testify about facts and circumstances that have come into our possession, or become known to us, during or as a result of this engagement. You should consult with legal counsel to obtain a thorough understanding of the extent and limitations of the confidentiality of information in our possession.

As an exempt organization, you need to be especially careful about privileged communications. If a communication is made in the presence of an employee who is not authorized to act or speak for the organization in relation to the communication’s subject matter, then the communication will be deemed to be made in the presence of a third party and any privilege will be waived.

Although we may verbally discuss tax planning issues with you from time to time, such discussions will not constitute advice upon which we intend for you to rely for any purpose. Rather, any advice upon which we intend for you to rely, and upon which you will rely, will be embodied in a written report or correspondence from us to you, and any such writing will supersede any prior oral representations between the parties on the issue.

During the preparation of your income tax returns, we may provide you with written communication regarding certain tax matters. To ensure compliance with IRS Circular 230 disclosure requirements, we inform you that any tax advice contained in such communications (including any attachments) is not intended or written to be used, and cannot be used, by you for the purpose of avoiding penalties under the Internal Revenue Code or any applicable state or local tax law provisions. Such written communications are intended solely for your use and no one else should rely on the tax advice that may be provided therein.

There may be subsequent changes in federal and state tax laws due to legislative actions, tax court rulings, administrative interpretation, etc. The changes occasionally are given retroactive effect. Retroactive changes could result in improperly filed returns and/or negate planning efforts. In the event amended returns are required, they would be the subjects of a separate engagement. You, as the taxpayer, have the final responsibility to determine how to proceed with such matters and to seek consultation to review your position.

Recent laws have greatly expanded the Internal Revenue Services' assessment of penalties and made the collection of those penalties a major source of revenue for the government.And in some states, a knowing failure to file a return or supply required information, or falsifying or concealing material information may be considered a felony. We urge you to consult an experienced tax attorney for additional guidance on these points.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of his or her tax liability. You agree to advise us if you wish disclosure to be made in your return or if you wish for us to identify or perform further research with respect to any material tax issues for the purpose of ascertaining whether, in our opinion, there is "substantial authority" for the position proposed to be taken on such issues in your return.

In 2007, Congress imposed more stringent standards on tax preparers, requiring that each return position have substantial authority, unless proper disclosure is made. By providing our firm with the information necessary to prepare your tax return(s), you are accepting the following terms and conditions: 1) We will be preparing all tax returns in compliance with the new standards for tax professionals and all applicable interim guidance as promulgated by the IRS, 2) our firm’s compliance with the standards that apply to us as return preparers may lead to conflicts between us concerning appropriate disclosures, and 3) this potential for conflict has been disclosed to you. We will inform you if we identify a situation that would create a potential for a conflict of interest so that we can jointly attempt to resolve the potential conflict. Advising you of these standards, providing you with the appropriate disclosure, whether or not you choose to make the disclosure and documenting that we have done so may be considered a valid alternative to disclosing the tax position on your return. However, we reserve the right to require disclosures that, in our professional judgment, would be necessary to comply with all applicable standards. If we are unable to resolve our differences over the standards, you may choose to retain the services of another professional.

As each tax situation is unique, compliance with US Treasury Regulations may require additional time researching tax issues and preparing your tax returns. Therefore, additional fees may be billed.

Also, if we advise you to disclose a tax position that, in our professional judgment, will not meet the tax professional standard and you decline to disclose the position, we reserve the right to stop work. We shall not be liable to you for any damages that occur as a result of ceasing to render services, and you reserve the right to terminate the engagement and have someone else prepare your returns.

Most states have statutes that require legal entities such as yours to keep up-to-date minute books that document such items as major asset purchases, loans, officer salaries, bonuses and other important matters affecting the organization. If you do not currently maintain an up-to-date minute book, you are advised to contact an attorney to determine the documentation required to comply with state law.

Work papers and other written or digitally created materials, files, or analyses (collectively, "files") prepared during the course of our engagement are the sole and exclusive property of the accounting firm and constitute confidential and proprietary information of the accounting firm. It is our policy not to grant access to our files. If all or any portion of our files are subpoenaed, we will require assistance from your legal counsel to assist us in obtaining a protective order to prevent public disclosure of our files. If the accounting firm, its partners, managers, agents, or employees are requested, pursuant to subpoena, court order, regulatory agency, governmental agency, or other legal process, to appear in person or to produce or provide access to its files or any other materials relating to this engagement in judicial or administrative proceedings to which the accounting firm is not a party, you agree to reimburse the accounting firm at standard billing rates for its professional time and expenses, including reasonable attorney's fees, incurred in responding to such requests. This provision shall survive the termination of your engagement with the accounting firm.

It is our policy to keep records related to this engagement for seven years. However, (firm name) does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By signing this engagement letter, you acknowledge and agree that upon the expiration of the seven-year period, we are free to destroy our records related to this engagement.

You agree that you will not use our firm’s name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include our report or a disclaimer on the financial presentations that we so specify. Further, you agree to provide us with printers’ proofs or masters of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing of the document. You also agree to provide us with a copy of the final reproduced material that contains both our firm’s name or the name of an employee of the firm and financial presentation(s) for our approval before it is distributed.

In connection with this engagement, we may communicate with you or others via email transmission, and by signing this letter, you authorize us to do so. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee.  Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement.  In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return. You are not required to give your consent to the use of your tax return information. If we condition our service on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

Notwithstanding anything contained herein both the accounting firm and «Name» agree that, regardless of where «Name» domiciled and regardless of where this agreement is physically signed, this agreement shall have been deemed to have been entered into a (enter firm mane and state )shall be the exclusive jurisdiction for resolving disputes related to this agreement. This agreement shall be interpreted and governed in accordance with the Laws of (enter state).

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be asserted within one year from the date any such cause of action accrues, or within three years from the completion of the engagement, whichever is earlier, notwithstanding any statutory provision to the contrary.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties. If you would like us to provide you with any other services not specifically outlined in this engagement letter, you must make that request of us in writing. If we agree to provide the requested additional services, we will create a separate engagement letter specifically addressing the same, and that engagement letter, upon your signature, will govern our provision of those additional services.

There are many reporting requirements with respect to assets held in foreign countries or having signature authority over foreign accounts, whether or not you have any ownership in such accounts. We will need to document for our files affirmative representations regarding any foreign holdings or signature authority, of lack thereof. There are significant penalties that could be imposed by failing to properly report such assets or authority.

By signing this engagement letter, you hereby consent to the use by (firm name )of any and all tax return information contained in your federal income tax returns (including your name, address and e-mail address) for the following purposes:

* Communications of information about new ideas, financial matters and additional or ancillary services offered by (firm name) or its affiliated entities.
* To determine whether you need additional information and/or appropriate recommendations regarding business valuation services, litigation support services, business consulting, technology services, investment advisory services or other relevant products and/or services.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. We will be pleased to discuss this letter with you at any time.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Whether you return a signed copy of this engagement letter to us or not, a discussion, meeting or the receipt of any information from us will be your confirmation of your agreement to the terms of this letter, including your affirmative representation that you have substantiation to support all deductions claimed and that you have provided us with all information necessary to prepare a complete and accurate return.

Sincerely,

RESPONSE:

I am currently the for «Name» and I have authority to execute this agreement on behalf of that Company. I agree that this letter correctly describes the terms and conditions under which your firm agrees to perform services for «Name» and the objectives as well as limitations of the services requested by «Name» that your firm has agreed to perform.

Signature Date

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## Negative Engagement Letter

A Negative Engagement letter includes wording that indicates even if the client does not sign the letter, certain actions taken by the client (submission of tax returns) will be deemed as acceptance of the engagement letter terms.

A signed engagement letter is the best course of action in any engagement. By obtaining the client’s signature on an engagement letter, the firm creates a clear contract with the client including all of the important terms of the engagement. Most firms, however, have difficulty receiving back completed organizers and sufficient source documentation, let alone signed engagement letters in 1040 engagements.

To address that concern, many firms have opted for negative letters, i.e., letters that do not require a signature. They can take many forms. Attorney Picardi clarified that every state recognizes that contracts can be formed by something other than a signed writing. Oral contracts and those formed by actions are examples. In the absence of a state law requiring signed writing (and you should check this with local counsel), the reasonableness of the communication will probably control the matter if litigation ultimately ensues.

The firm should continue to style its engagement letter to be signed by the client but should also include language that purports to make the terms of the letter binding even in the absence of a client signature. Example language would be as follows:

*If you agree to authorize this firm to prepare your 200\_ personal income tax returns pursuant to the terms set forth above, please execute this letter on the line below designated for your signature and return the original of this executed letter to this office along with a completed copy of the enclosed tax organizer and the supporting documentation requested therein. You should keep a copy of this fully executed letter for your records. If this firm does not receive from you the original of this letter, in fully executed form, but receives from you a completed copy of the enclosed tax organizer and/or supporting documentation requested therein, then such receipt by this office shall be deemed to evidence your acceptance of all of the terms set forth above. If, however, this office receives from you no response to this letter, then this office will not proceed to provide you with any professional services and will not prepare your 200\_\_ income tax returns.*

Negative engagement letters may not be the best, but they are useful and are certainly recommended over no engagement letter at all.

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## Example Limitation of Liability and Consequential Damages Disclaimer

A **limitation of liability provision** and a **consequential damage provision** within your engagement letter may not always be enforceable. They none the less offer several benefits. Namely, they are enforceable in many instances and courts accept them with more frequency of late. See, Creative Playthings Franchising, Corp v. James A. Reiser, Jr., 463 Mass. 758 (2012).

*The Supreme Judicial Court, Suffolk County, Duffly, J., held that the limitations period in a contract shortening the time within which claims must be brought was valid and enforceable under Massachusetts law, under certain conditions. A limitations period in a contract shortening the time within which claims must be brought is valid and enforceable under Massachusetts law, if the claim arises under the contract. The agreed-upon limitations period is subject to negotiation by the parties, is not otherwise limited by controlling statute, is reasonable, is not a statute of repose, and is not contrary to public policy.*

In addition, an accepted limitation provision should act as a deterrent in pursuing litigation when a client or plaintiff’s attorney understands that challenging the enforceability is an obstacle to pursuing a case.

In drafting a limitation of liability provision, it is recommended to limit liability to the amount of fees received (*Sample 1*). If the client objects, a multiple of fees may be negotiated (*Sample 2*). Dependent on the engagement, there may be issues that require the acceptance of no limitation. All of these terms may be negotiable with your client and it is recommended to consult local legal counsel for direction on the specific engagement and State laws.

### Example language 1 – Limitation to Fees

With respect to any services, work product, or other deliverables hereunder, or this engagement generally, the firm’s liability to the Client shall in no event exceed the fees that it receives for the portion of the work giving rise to liability, nor shall the firm’s liability include any special, consequential, incidental, or exemplary damages or loss, including any lost profits, savings, or business opportunity.

### Example language 2 – Multiple of Fees

My liability relating to the performance of the services rendered under this letter is limited solely to direct damage sustained by you. In no event shall I be liable for the consequential, special, incidental, or punitive loss, damage or expense caused to you or to any third party (including without limitation, lost profits, opportunity costs, etc.). Notwithstanding the foregoing, our maximum liability relating to services rendered under this letter (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to (enter multiple of fees) fees received by me for this engagement. The provisions set forth in this paragraph shall survive the completion of the engagement.

### Example language 3 – Statute of Limitations

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.

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## Example Alternative Dispute / Mediation Wording

The following sample provision does not rule out the possibility of litigation but requires that the parties go through the mediation process before resorting to litigation. Although a contractual provision cannot assure that a party will participate in such a non-binding process in good faith and with best efforts, experience has shown that once parties become engaged in the mediation process, they tend to become committed to it and the possibility of a negotiated resolution, especially if the mediator is skilled:

*You agree that any dispute that may arise regarding the meaning, performance, or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of [County and State], by [Name of Mediation Organization], according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to [State] law. The results of any such mediation shall be binding only upon the agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.*

***Please be advised that this example letter/information is provided as a service from your insurance broker. These are risk management suggestions and are not to be construed as legal advice from an attorney to a client. We strive to provide sound risk management advice and suggestions and hope this information is useful to you in this matter.***

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## Example File-Retention Policy

The following is a sample file-retention policy you may use as a guide as you adopt your own policy. However, it is important to consult with a local attorney and/or your state society to decide whether and to what extent this sample policy should be modified to be consistent with federal and local statutes and regulations that bear on your practice. For purposes of this example, it is assumed that the statutory limitation period applicable to malpractice claims against accountants is three years.

1. Existing client files are not subject to purging, except that at the end of each engagement, original client documents are returned to the client copies of key client documents are retained);
2. Former client files will be kept intact for seven years after termination of the client relationship;
3. After seven years have expired from the termination of the client relationship, all engagement files for that former client will be segregated into three categories:
   * Original client records — to be returned to the former client.
   * Essential files and summaries — to be put in a permanent file of reduced size and retained.
   * All other files – to be destroyed and discarded.
4. Permanent files for former clients will be held for an additional three years and then destroyed and discarded.

Under this sample policy, the most essential portions of your engagement files will be on hand for a period of ten years from the date of termination of your client relationships. The risk of a claim arising out of a client relationship beyond that period of time is remote, and the benefits of purging files at that point would likely outweigh the risks of doing so. Moreover, your engagement files will be entirely intact for seven years after the end of your client relationships. This is the period within which most claims against you would be asserted.

A corollary to this file-retention policy is the admonition that once a claim is asserted against you, and you have properly reported the claim to your professional liability insurer, you should segregate and retain all of the files relating to that client engagement and that client generally. From that point forward, you should follow the direction of your insurer and its appointed defense counsel with respect to the maintenance of those files.

Please consider your file retention policy to coincide with the Hosting Services Interpretation. ET; section 1.295.143 of the AICPA code of conduct

## Cloud Provider Engagement Letter Clause

Our firm provides accounting software in the Cloud; this will be provided by a third party (the ‘Cloud Supplier’). The third party is responsible for Confidentiality, Internet Communication, Data Protection Act, and General Limitation of Liability.

The service provided by the Cloud Supplier will be a discrete web-based hosted facility, and you agree that access will also be provided to the firm and the third party.

The firm cannot be held liable for any interruption of service provided by the Cloud Supplier. However, we will liaise with them to help ensure that standard service is resumed as soon as possible.

## Employee Retention Credit (ERC) Disclaimer for amended entity tax return

You have informed us that you used a third-party company to claim the Employee Retention Credit (“ERC”), originally enacted under the 2020 Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and as subsequently amended. We had no role in that process. Our services in preparing your (tax year) income tax returns do not include rendering an opinion of any kind concerning your qualification for the ERC. The only connection between the ERC you claimed and the returns we will prepare for you will be that we will report on your returns the cash you received during the subject tax year as a result of claiming the ERC. Consequently, you agree to indemnify us, defend us, and hold us harmless as against any cost, settlement, judgment, fine, penalty, loss, obligation, sanction, claim, or other harm or proceeding that you or any third party may incur, suffer, or institute as a result of your ERC claim.

## Pass Through Tax Entity (PTET) Disclaimer

## Our services as outlined in this agreement are not designed to determine if the Pass-through-entity-tax (PTET) would be beneficial for you. Our firm is available under the terms of a separate agreement to provide consultation regarding the benefits of the PTET.

## Corporate Transparency Act (CTA)

McGowan Pro strongly recommends that CPAS refrain from providing Corporate Transparency Act (CTA)related services for several reasons, including but not limited to the accusation of practicing law unlawfully, exemption requirements, and material penalties for noncompliance. As a result, a disclaimer should be used for liability protection.

(Name of CPA firm) is not providing any service which can be construed as legal advice as part of this engagement. We assume no responsibility for advising you on the legal or regulatory aspects of the Corporate Transparency Act (CTA). In addition, we assume no responsibility for submission of any reports to the Financial Crimes Enforcement Network (FinCEN) and client’s beneficial ownership information. It should be noted that management is responsible for complete compliance with the CTA.

## Placement Service Language

During our engagement, certain members of our staff will be assisting you. You agree not to offer employment to any of our staff. If you offer one of our staff working on your engagement employment and they choose to accept, we will incur a significant cost to find, replace, and train personnel, and therefore, we expect reimbursement for such costs. Customarily, the fee approximates 25 – 35% of the first year’s salary. If you do hire one of our staff, you agree to reimburse 25% of the first year’s salary for the placement service.

# Contributors

### [Ralph G](http://www.engagementletters.com/ralph_picardi.html). Picardi, Esq., CPA. – Picardi LLC

Ralph Picardi is the partner in charge of Picardi LLC’s litigation practice, which concentrates primarily in the area of defending accountants and other professionals in matters of professional liability, as well as product liability defense and general commercial litigation. In addition to litigation, Mr. Picardi specializes in advising accountants, lawyers, and their insurers in matters of coverage and in matters of loss control through hotlines, seminars, risk management audits and publications.

Mr. Picardi is a former Business Litigation partner in the Boston law firm of Burns & Levinson, LLP, where, in addition to professional liability defense, he handled all of the litigation needs of the firm’s business clients, large and small. Specifically, Mr. Picardi handled disputes involving securities, antitrust, intellectual property, minority stockholders, construction, real estate, tax, landlord/tenant, collection and basic contracts.

Before practicing law, Mr. Picardi practiced as a Certified Public Accountant for Ernst & Young in Boston. He is currently a member of the American Institute of Certified Public Accountants, the Massachusetts Society of Certified Public Accountants and the Professional Liability Underwriting Society.

A member of the Massachusetts and District of Columbia bars, he is also admitted to the United State District Courts for Massachusetts and the District of Columbia, the United States Tax Court, and the United States Courts of Appeal for the First, D.C. and Ninth Circuits.

Mr. Picardi served as a law clerk to Judge Melvin T. Brunetti of the United States Court of Appeals for the Ninth Circuit, after having served as a student extern for Judge J. Clifford Wallace of the same court.

He received a J.D. degree, cum laude, from University of San Diego School of Law in 1987 and served on the editorial board of the Law Review. He received a B.S. in Accounting, magna cum laude, from Boston College School of Management in 1981.

### Nancy M. Reimer, Esq. – Freeman, Mathis, & Gray

Ms. Reimer focuses on a wide range of complex commercial litigation in federal and state courts, including trials and appeals, alternative dispute venues, grand jury proceedings, state and federal investigations, and SEC investigations. She also appears before professional licensing and disciplinary   
  
boards. She devotes the majority of her practice to the defense of professional malpractice claims against accountants, attorneys, financial advisors, securities brokers and other professionals, as well as breach of fiduciary duty claims and claims against directors and officers of corporations. She also counsels clients in prevention techniques for avoiding litigation and other risk exposures.

Ms. Reimer has represented national, regional and small accounting firms in connection with a variety of claims brought by clients and client successors, including trustees and liquidators in connection with claims involving employee defalcations, going concern disclosures, revenue recognition issues, valuations, accounting for tax liabilities, internal controls issues, balance sheet presentation issues, and wills and trust issues. She is often quoted in leading publications including, the National Law Journal, Accounting Today and The Journal of Accountancy.

### Legal Experience

Freeman, Mathis, & Gray, Boston, Massachusetts, 2018 to present  
LeClairRyan, Boston, Massachusetts, July 2007 – present   
Donovan Hatem LLP, Boston, Massachusetts, 2001 – July 2007   
Burns & Levinson, Boston, Massachusetts, 1999 – 2001

Mintz, Levin, Cohn, Ferris, Glovsky & Popeo, Boston, Massachusetts, 1997 – 1999 Day, Berry & Howard, Boston, Massachusetts, 1989 – 1997

**Memberships and Affiliations** Boston Bar Association Massachusetts Bar Association American Bar Association

### Distinctions

Recognized as a "Top Rated Lawyer in Commercial Litigation" in Corporate Counsel and The American Lawyer magazines, 2012

Listed by Boston magazine as a Massachusetts “Super Lawyer” in 2005 and 2007 "AV Preeminent" rated by Martindale-Hubbell

**John F. Raspante, CPA, MST, Director of Risk Management**

John Raspante is McGowanPRO’s Director of Risk Management. He oversees the industry specific expertise and risk management for McGowanPRO’s accounting and financial clients. Mr. Raspante is the former Director of Compliance and Risk Management as well as the Director of Education for Graf Repetti & Co. LLP, Certified Public Accountants & Business Advisors. Prior to joining Graf Repetti, Mr. Raspante worked nine years for CAMICO Mutual Insurance Company, a provider of accountants’ professional liability insurance. Mr. Raspante’s primary responsibility at CAMICO was providing loss prevention services to the organization’s largest insureds. Mr. Raspante is a frequent speaker within the accounting profession on issues relating to risk management and professional ethics. He presents regularly at different conferences for accounting firm associations and CPA State Societies. He is a published author and contributor for accounting firm periodicals such as Journal of Accountancy and Accounting Today.

As Director of Risk Management Services, John oversees the rendering of these following services to McGowanPRO accounting firm professional liability policy holders:

* Best practice advisory services
* Engagement letter review
* Web site and Marketing Content review
* NASBA approved webinars
* NASBA approved Ethics Training
* Client Termination Guidance
* CPA profession alerts and updates
* Tax organizer review
* Quality control document review
* Risk management tools
* CPA Firm Registration Assistance

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# About McGowanPRO

Established in 1999, McGowanPRO focuses on providing professional liability insurance, errors and omissions insurance and related products to the accounting profession and financial industry. Our focused approach makes us leaders in the industry.

# Contact

For more information regarding Risk Management for accounting firms including Professional Liability Insurance, Information Security & Cyber Liability insurance, please contact us:

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