



*Teresa Campbell, CPA, PC*

**CERTIFIED PUBLIC ACCOUNTANT**

*-American Institute of CPAs*

*-Colorado Society of CPAs*

December 29, 2017

Dear Client,

We are pleased to have the opportunity to assist you in your 2017 partnership or S corporation tax return preparation. Enclosed you will find an engagement letter, an information sheet, and a request date form.

We must have the following information before we can begin work on your tax return:

- 1. Signed engagement letter,**
- 2. Completed information sheets, and**
- 3. Signed yellow request date form**

Please note that the dates you may request to have your tax return completed are dependent on the date you provide your tax information to us. Therefore, there is no need to return this form to us until you submit the information for your tax return preparation.

In order to ensure your return is completed by March 15, we must have **all** of your information no later than **February 15, 2018**.

**PLEASE** use the enclosed **salmon colored insert** as a checklist of items that we need. At a minimum, for each of the documents listed we need the December 2017 statements. Very often, we need other statements for the year as well. If you provide all twelve of each of the listed documents, it will definitely expedite the processing of your tax return.

**If you use a highlighter, please use yellow only. Other colors obscure the underlying text when scanned.**

There are things you can do to help things go smoothly and **minimize your fee**. Most importantly, please ensure that we have all of the information we need before we begin your tax return, including the completed and signed enclosed documents. In addition, allowing us to use our processes to work on tax returns without having to stop to address inquiries regarding the status of your tax return can keep your bill down.

We look forward to serving you in 2018.

Sincerely,

Teresa Campbell, CPA

306 South Third Montrose, CO 81401 Phone (970) 249-7973 Fax (970) 249-7826  
tcampbell@teresacampbellcpa.com

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December 29, 2017

\_\_\_\_\_  
\_\_\_\_\_  
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Dear \_\_\_\_\_,

Our office is pleased to provide you with professional tax services. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you. In order to better understand each party's obligations, the terms 'we, us and our' will identify the office of Teresa Campbell, CPA, PC. The terms 'you and your' will identify the client.

Unless otherwise noted, we will perform our services in accordance with Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants and US Treasury Department Circular 230.

We will prepare your 2017 corporate federal and Colorado income tax returns from information you furnish and will advise you in income tax matters as to which you specifically request our advice. We will not audit nor verify the data you submit, although we may ask you to clarify some of the information, or furnish us with additional data. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover fraud, defalcations, or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as we find necessary for preparing the income tax returns. We have not been engaged to and will not prepare financial statements.

We will prepare the above referenced tax returns solely for filing with the Internal Revenue Service and state tax authorities as identified above. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose. We will advise you on income tax matters as to which you specifically request our advice.

During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer.

The due date for you to file your federal and state income tax returns is March 15, 2018. In order to make sure we meet this deadline, we must have all of your tax information by **February 15, 2018**. You agree that in the event your return cannot be completed by the due date, it will be necessary for us to apply for an extension. You may be subject to late filing or late payment penalties.

You confirm that it is your responsibility to provide all the information required for the preparation of complete and accurate returns. 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. By your signature below, you are confirming to us that unless we are otherwise advised, the travel, entertainment, gifts, and related expenses are supported by the necessary records required under Section 274 of the Internal Revenue Code. If you have any questions as to the type of records required, please ask us for advice in that regard. You are responsible for ensuring that personal expenses, if any, are segregated from business expenses.

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to, income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon review of the information you have provided to us, along with information that comes to our attention, we believe you may have additional filing

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obligations, we will notify you of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

The law provides for a penalty to be imposed where a taxpayer makes a substantial understatement of his or her tax liability. For S-corporations and individual taxpayers, a substantial understatement exists when the understatement for the year exceeds the greater of 10 percent of the tax required to be shown on the return or \$5,000. The penalty is 20% of the underpayment. Taxpayers other than "tax shelters" may seek to avoid all or part of the penalty by showing (1) that they acted in good faith and there was reasonable cause for the understatement, (2) that the understatement was based on substantial authority, or (3) that the relevant facts affecting the item's tax treatment were adequately disclosed on the return. A taxpayer is considered a "tax shelter" if its principal purpose is to avoid Federal income tax. Because in S-corporation is an entity whose tax attributes flow through to its shareholders, the penalty for substantial understatement of tax related to S-corporation items may be imposed on the shareholder. You agree to advise us if you wish disclosure to be made in your returns 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 returns.

If you have provided us with your QuickBooks file for the limited purpose of preparing the above-mentioned tax returns, by your signature below, you understand that we are not responsible for the accuracy and completeness of your company's books and records. Accordingly, we will not advise you regarding the proper recording or appropriateness of the underlying transactions within your QuickBooks file.

We will use professional judgment in preparing your returns. Whenever we are aware that an applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request on your return so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties or assessments. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable to you for any damages that occur as a result of ceasing to render services.

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 at any time during the calendar year 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.

If you and/or your entity have a financial interest in, or signature authority over, any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare the Report of Foreign Bank and Financial Accounts (FBAR) required by the U.S. Department of the Treasury in order for the FBAR to be received by the Department on or before the due date. Beginning with the 2017 tax filing season, the FBAR filing deadline is April 15<sup>th</sup> and follows the federal income tax due date guidance, which notes that if the tax due date falls on a weekend or legal holiday, the form is considered timely filed if filed on the next business day. An automatic 6-month extension will be granted to October 15<sup>th</sup> of each tax year. Therefore, you will need to provide us with the necessary information if you would like us to request an extension on your behalf.

Electronic filing of FBAR reports is mandatory using the Bank Secrecy Act (BSA) e-filing system for the Financial Crimes Enforcement Network (FinCEN). If you would like our firm to submit your electronic FBAR report (FinCEN Form 114) on your behalf, we must receive a signed consent form (FinCEN Form 114a) from you prior to submitting the foreign reporting form. If you do not provide our firm with information regarding any interest you may have in a foreign account, or if we do not receive your signed authorization to file your foreign reporting form, we will not be able to prepare and file any of the required disclosure statements.

Additionally, the Internal Revenue Service also requires information reporting under applicable Internal Revenue Code (IRC) sections and related regulations, and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you have any direct or indirect foreign interests that require disclosure to the IRS, you must provide us with the information necessary to prepare the applicable IRS forms.

Failure to timely file the appropriate forms with the U.S. Department of the Treasury and the Internal Revenue Service may result in substantial monetary penalties. By your signature below, you accept responsibility for informing us if you believe that you may have foreign reporting requirements with the U.S. Department of the Treasury and/or Internal Revenue Service and you agree to timely provide us with the information necessary to prepare the appropriate form(s). We understand that the foreign reporting requirements are very complex, so if you have any questions regarding the application of the US Department of the Treasury and/or the IRS reporting requirements to your foreign interests or activities, please ask us for advice in that regard. We assume no liability for penalties associated with the failure to file, or untimely filing, of any of these forms.

You are responsible for complying with 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.

Federal law has extended the attorney-client privilege to some, but not all, communications between a client and the client's CPA. The privilege applies only to non-criminal tax matters that are before the IRS or brought by or against the US government in a federal court. The communications must be made in connection with tax advice. Communications solely concerning the preparation of a tax return will not be privileged.

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. We recommend that you contact us before releasing any privileged communications. As a corporation, you need to be especially careful about privileged communications. If a communication is made in the presence of a corporate employee who is not authorized to act or speak for the corporation 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.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

Management is responsible for the design, implementation and administration of applicable policies that may be required under the Affordable Care Act. As Teresa Campbell, CPA, PC is not rendering any legal services as part of our engagement, we will not be responsible for advising you with respect to the legal or regulatory aspects of your company's compliance with the Affordable Care Act.

You will be billed according to the complexity of your tax return. Estimates of our fees will be provided upon request. If during the preparation of your tax return we determine your fee will significantly exceed our initial estimate, you will be notified. If our fees are not paid as agreed, we shall have the right to cease further work or withdraw from the engagement. An invoice will be given to you with your tax return. We expect payment at time of delivery. Exceptions will only be made for those who make arrangements with Teresa prior to delivery. Interest of 1.5% per month will be charged on overdue balances. If it becomes necessary for us to incur collection fees, those fees will be paid by you. If either party elects to terminate this engagement for any reason, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our services. You will be obligated to compensate us for all time expended and all related costs.

The fee does not include responding to correspondence or examination from the Internal Revenue Service or other taxing authorities. You understand that the tax preparer is not responsible for Internal Revenue Service disallowance of doubtful deductions or deductions unsupported by adequate documentation, nor for resulting taxes, penalties, and interest.

In addition, in the event our firm or any of its employees or agents is called as a witness or requested to provide any information whether oral, written, or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that you have provided to this firm, or any documents and workpapers prepared by Teresa Campbell, CPA, PC in accordance with the terms of this agreement, you agree to pay any and all reasonable expenses, including fees and costs for our time at the rates then in effect, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions, including password protecting tax returns and other confidential documents. However, as emails can be intercepted and read, disclosed, or otherwise used or communicated to 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 or communication of email transmissions, or for the unauthorized use or failed delivery 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 consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is our policy to keep records related to this engagement for seven years. However, Teresa Campbell, CPA, PC 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 authorities. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Teresa Campbell, CPA, PC shall be free to destroy our records related to this engagement.

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.

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 applicable rules for resolving professional accounting and related services to the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of the state of Colorado. 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 by a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

If during the course of our engagement we encounter circumstances which we believe may create a conflict of interest or conflict with the ethical standards of our profession, we will inform you of our concerns. If these concerns cannot be adequately addressed to our satisfaction, or we are compelled to do so by the professional standards of our profession, we may withdraw from the engagement. Additionally, we reserve the right to withdraw from the engagement should we encounter circumstances that conflict with the ethical standards of our office.

We look forward to providing you quality tax service. If you agree with the conditions of this engagement, please sign below.

Sincerely,

Teresa Campbell, CPA

\_\_\_\_\_  
Name of Corporation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Client Information (Corporations and Partnerships)**

**New**

Date \_\_\_\_\_

Name of Entity \_\_\_\_\_

Primary Contact \_\_\_\_\_

Federal ID # \_\_\_\_\_

State ID # \_\_\_\_\_

Mailing Address \_\_\_\_\_

Street Address \_\_\_\_\_

\_\_\_\_\_

Phone Number \_\_\_\_\_ (h) How early may we call? \_\_\_\_\_

\_\_\_\_\_ (w) How early may we call? \_\_\_\_\_

\_\_\_\_\_ (c) How early may we call? \_\_\_\_\_

Fax # \_\_\_\_\_

E-mail \_\_\_\_\_

Owners' Names	Social Security #s	Addresses
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

In addition to the documents you bring today, do you expect to bring in additional information at a later date?

Yes                  No

If yes, what? \_\_\_\_\_

## Request Date Form (Pass-Through Entities)

Check the appropriate box and circle the date you would like to receive your tax return. Sign and return with your tax information.

**The date you select is the latest date we will contact you with final questions related to your tax return, not the date it will be e-filed!**  
**We will honor these requested dates as long as you have provided COMPLETE information and respond to our questions in a timely manner.**  
Please select your date carefully. Consider potential travel and other times of unavailability.

***If you provide all of your information to us between January 1 - January 11, please check this box and circle one of the following dates:***

Jan 29 Jan 30 Jan 31  
Feb 1 Feb 5 Feb 6 Feb 7 Feb 8 Feb 12 Feb 13 Feb 14 Feb 15 Feb 19 Feb 20 Feb 21 Feb 22 Feb 26 Feb 27 Feb 28  
Mar 1 Mar 5 Mar 6 Mar 7 Mar 8 Mar 12 Mar 13 Mar 14 Mar 15 Extension (write in date below)

***If you provide all of your information to us between January 12 - January 24, please check this box and circle one of the following dates:***

Feb 14 Feb 15 Feb 19 Feb 20 Feb 21 Feb 2 Feb 26 Feb 27 Feb 28  
Mar 1 Mar 5 Mar 6 Mar 7 Mar 8 Mar 12 Mar 13 Mar 14 Mar 15 Extension (write in date below)

***If you provide all of your information to us between January 25 - January 31, please check this box and circle one of the following dates:***

Feb 26 Feb 27 Feb 28  
Mar 1 Mar 5 Mar 6 Mar 7 Mar 8 Mar 12 Mar 13 Mar 14 Mar 15 Extension (write in date below)

***If you provide all of your information to us between February 1 - February 8, please check this box and circle one of the following dates:***

Mar 6 Mar 7 Mar 8 Mar 12 Mar 13 Mar 14 Mar 15 Extension (write in date below)

***If you provide all of your information to us between February 9 - February 15, please check this box and circle one of the following dates:***

Mar 14 Mar 15 Extension (write in date below)

***If you provide your information to us after February 15, we will apply for an automatic extension of time to file your tax return. Please check this box and write in a date below:***

If the time for filing your return is extended, on what date would you like to have your tax return completed?  
(Please select a date no earlier than June 1 and no later than September 15)

\_\_\_\_\_

\_\_\_\_\_  
Signature