



Cilliers, CPA PLLC

**Tax Return Engagement Letter for Businesses (Form 1120, 1120S, 1065)**

Client: \_\_\_\_\_

Tax Return Type: \_\_\_\_\_

Dear Client:

This letter is to confirm and specify the terms of our engagement with you for the year ended December 31, 2011 and to clarify the nature and extent of the services we will provide. Also, by sending you this engagement letter we have assumed that you are the person responsible for the tax matters of the partnership. If this is not a correct assumption, please provide us with the name of the tax matters partner.

We will prepare the federal and state income tax returns for the entity stated above and we will advise you on income tax matters for which you specifically ask our advice. This firm is responsible for preparing only the returns listed above.

We will not audit or verify the data you submit, although we may ask you to clarify it, 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 defalcations or other irregularities, should any exist. However, should we find any irregularities or unusual items we will bring them to your attention. If we discover any errors or omissions on a prior year return we will bring that to your attention. We will render such accounting and bookkeeping assistance as we find necessary for preparing the income tax returns.

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

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on these penalties, please contact us. If your entity is an S Corporation or partnership, tax attributes of the entity generally flow through to its partners or members. The penalty for substantial understatement of tax relating to this S Corporation or partnership may be imposed on the partners or members.

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

The filing deadline for the tax return is March 15, 2012 (April 17, 2012 for Partnerships and LLC's taxed as a partnership). In order to meet this filing deadline, the information needed to complete the return should be received in this office no later than March 1, 2012 (March 15, 2012 for Partnerships and LLC's taxed as a partnership).

**If an extension of the time is required, any tax that may be due with this return must be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties.**

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such governmental tax examination, we will be available, upon request, to represent you under a separate engagement letter for that representation.

The cost for preparing this entity's tax return is a flat fee based on the previous year's tax return. This amount may be increased if there have been substantial changes in the entity during 2011. If a substantial amount of bookkeeping is required to complete the return, we will charge you for this work at \$65/hour. All invoices are due and payable upon completion of the tax return.

The fee does not include responding to the Internal Revenue Service, any state's Department of Revenue or any other governmental inquiries, and the client understands that the tax preparer is not responsible for Internal Revenue Service disallowances of doubtful deductions or deductions unsupported by adequate documentation for resulting taxes, penalties and interest.

Fees for services outside the tax return will be billed as follows:

Tax consulting and planning	\$140/hour
Bookkeeping	\$65/hour
Accounting/QuickBooks training	\$140/hour

This engagement letter does not cover the preparation of any financial statements. Any services related to the preparation of financial statements will be addressed in a separate engagement letter.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office. However, if there are any additional returns you expect us to prepare, please inform us by noting so just below your signature at the end of the returned copy of this letter.

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

Very truly yours,

Cilliers, CPA PLLC

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

Title: \_\_\_\_\_

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

Comments or additional requests: \_\_\_\_\_

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