



McCAULEY
NICHOLSON & PREDER
Certified Public Accountants

January 2020

• Member American Institute of Certified Public Accountants
• Member Arizona Society of Certified Public Accountants

Engagement Letter for Business Income 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.

We will prepare your 2019 Federal and requested state income tax returns from information which you will furnish to us. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of it or furnish us with additional data.

Business income tax returns now require a signature (under penalty of perjury) of the business representative and the tax return preparer for the following statements:

Did the business make any payments in 2019 that would require it to file form(s) 1099?

Yes No

If yes, did the business file or will it file all required 1099's?

Yes No

Partnerships – Effective 01/01/18, there is a new centralized partnership audit regime that assesses and collects tax at the partnership level. Certain partnerships may elect out of the centralized partnership audit regime by making an election on their tax return. A Partnership that makes an election must notify each of its partners of the election within 30 days of making the election. **Unless you tell us otherwise, we will assume your partnership wants to elect out of the centralized partnership audit regime. Your signature below affirms that you want to elect out and that you will notify your partners of this election within 30 days of signing this letter.**

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You represent that the information you are supplying to us is accurate and complete, to the best of your knowledge, and that your expenses are supported by records as required by law. You should retain all the documents, receipts, canceled checks, and other data that form the basis of your 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 and file them.

Fees for our services will be billed at our standard rates plus out-of-pocket expenses. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. We reserve the right to stop work on any account that is 45 days past due, in accordance with our firm's stated collection policy.

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 in the space indicated below and return it to us. This letter will continue in effect until canceled by either party.

Sincerely,

McCauley, Nicholson & Preder, CPAs

ACKNOWLEDGEMENT;

This letter correctly sets forth our understanding.

Business Phone Number: _____

Business Name: _____

Officer's Signature: _____

Date: _____