

Cooper & Associates, AC

Hurricane, WV

S Corp/ C Corp – Engagement Letter

Dear :

Thank you for selecting Cooper & Associates, AC to assist you in preparing your corporate income tax returns. This letter confirms the terms of our engagement and the nature, timing, and limitations of the services we will provide. You received this letter because we understand that you are a corporate officer/member. If that is not correct, please tell us who is the corporate officer responsible for the tax matters of the corporation so that we can coordinate tax return preparation with the right party.

We will prepare your **2024** federal and state income tax returns, including Schedules K-1 for the shareholders, from the information you furnish us. We will perform limited analysis of your accounts, as we deem necessary in our professional judgment, solely for the purposes of preparing your tax returns. We may propose adjusting journal entries to your accounts. Our analysis cannot be relied upon to discover defalcations or irregularities; however, we will inform you if we do discover such defalcations or irregularities.

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

We will use professional judgment in resolving issues when the tax law is unclear or when there is conflict among the authorities.

The filing deadline for the tax returns is, generally, **March 15**. To meet this filing deadline, we must receive your information in substantially complete form by **February 15th**.

If an extension of time to file is required, we will use the information available to us at the time to prepare the extension. **An extension, however, only provides you with an extension to file, not an extension to pay. Taxes paid after March 15 will result in late payment penalties and interest.**

In addition, if a return is filed late (after March 15 if not extended, or after September 15 if extended), the IRS assesses a penalty of \$220 per shareholder per month or fraction thereof.

You are responsible for reporting foreign activities. By signing this letter you acknowledge that you will inform us if you have income from foreign sources, you have signatory authority over any foreign account, or you engage in any foreign transactions with a related entity. If you are unsure whether income or an account is foreign, we will review it. **Note that the penalties for failure to report foreign activities are severe.**

We will not as part of our services be responsible in any way for providing advice to you with respect to the classification of employees versus independent contractor status or the ramifications thereof from a tax or any other perspective. If you have any questions regarding the classification of employees versus independent contractors or any issues related thereto you should consult with legal counsel experienced in employment practice matters.

Our tax preparation engagement specifically excludes beneficial owner reporting required by the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). Starting January 1, 2024, certain business entities have new beneficial owner reporting requirements. Failure to file required reports through FinCEN can result in severe penalties. A separate engagement is required for beneficial owner reporting assistance.

Your tax returns may be selected for review by the taxing authorities. If the government selects your return for examination, we will be available to assist you. At our discretion, there may be additional fees for this service. In the event that 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. You may, within the time permitted for

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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 construe that inaction or failure as consent to comply with the request.

Our maximum liability to you arising for any reason relating to services rendered under this letter shall be limited to the amount of fees you paid for these services. In the event of a claim by a third party relating to services under this letter, you will indemnify us from all such claims, liabilities, costs and expenses, except to the extent determined to have resulted from our intentional or deliberate misconduct. If any dispute arises (between/among) the parties hereto, the parties agree first to try in good faith to settle the dispute through non-binding mediation. The costs of mediation shall be shared equally by the parties. The parties agree that, if any dispute cannot be settled through mediation, the dispute may then be brought before a court of competent jurisdiction, but the matter will ultimately be decided by the court, sitting without a jury. The parties recognize they have knowingly and voluntarily agreed to waive all rights to have any such dispute determined by a jury, but otherwise retain all rights afforded under the applicable civil justice system.

We generally retain, for seven years, the final work product generated for our clients. After the retention period, the documents are destroyed. We do not keep original documents — they are returned to you after completion of the returns. It is your responsibility to retain your records for possible future use, including possible examination by the taxing authorities.

Our fees for tax preparation services are based on the amount of time required and the complexity of the return at our standard billing rates, \$200 per hour, plus out-of-pocket expenses. **All invoices are due and payable upon presentation.** We reserve the right to suspend our services or to withdraw from this engagement in the event our invoices are not paid. If our services are terminated, you will be obligated to reimburse us for all costs through the date of termination. Tax returns will not be filed electronically until fees are paid.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to our office. Work cannot commence until a signed copy of this document is returned.

Yours truly,

Cooper & Associates, AC

Acknowledged:

Signature: _____

Print name: _____

Title: _____

Date: _____