

Erwin CPA Group

PO Box 609
Lapel, IN 46051
317-408-5592
www.erwincpagroup.com

Dear Client:

We will prepare the federal and Indiana corporate income tax returns for tax year 2017 and we will advise you on income tax matters as to which you specifically request our advice. We are responsible for preparing only the returns listed above.

We must receive all information to prepare your return by April 2, 2018, to ensure that your return will be completed by April 17, 2018. If we have not received all of your information by then, it is possible you will have to file an extension and pay any estimated tax due using an extension payment in order to avoid late filing penalties and interest as well as underpayment penalties and interest.

We will not audit or verify the data you submit, although we may ask you to clarify it, or furnish us with additional data.

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.

The law provides for a penalty to be imposed where taxpayers make a substantial understatement of their tax liability. For corporate 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 \$10,000. The penalty is 20 percent of the tax underpayment. Taxpayers 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. You agree to advise us if you wish disclosure to be made in your returns or if you desire us to identify or perform further research with respect to any material tax issues for the purposes of ascertaining whether, in our opinion, there is "substantial authority" for the position proposed to be taken on such issues in your returns.

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.

You are also confirming that you will furnish us with all the information required for preparing the returns.

We will use our professional judgment in preparing your returns. Whenever we are aware that a possibly 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, as long as it is consistent with the codes, 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.

Fees for our services will be increase by \$50 over what your fee was in the previous year. If you are a new client, you can request a quote of our expected fees or visit our website for more information on our fees. Payment for service is due upon receipt of your invoice. Returns will not be filed until payment is received. We reserve the right to stop work on any account that is 60 days past due. A late payment penalty can be assessed at the rate of 1% per month for payments 30 days or more past due.

Our fees do not include responding to Internal Revenue Service inquiries, and the client understands that the tax preparer is not responsible for Internal Revenue Service disallowance of doubtful deductions or deductions unsupported by adequate documentation or for resulting taxes, penalties, and interest.

It is our policy to keep records related to this engagement for 7 years. However, Erwin CPA Group 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 7-year period Erwin CPA Group shall be free to destroy our records related to this engagement.

If any 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.

We will be pleased to discuss this letter with you at your convenience. If the foregoing is acceptable to you, please sign the original copy of this letter in the space provided and return it to us.

Very truly yours,

Steve M. Erwin

Steve M. Erwin, CPA
Erwin CPA Group

January 2, 2018

Date

Accepted:

<Client Representative Name>

<Client Representative Name>

<Client Signature>

<Client Signature>

Date

Date