



LANDON C. SCOTT, PLLC
CERTIFIED PUBLIC ACCOUNTANTS | ADVISORS

1120/1120-S and 1065 ANNUAL BUSINESS TAX RETURNS ENGAGEMENT LETTER

Dear Client:

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared, to confirm the following arrangements.

We will prepare your 2017 Federal and requested state income tax return from information that you will furnish us. We presume to only prepare the state in which you are located or we have previously filed. If you have taxable activity in a state other than the one you are located you are responsible for providing our firm with all information necessary to prepare any additional state income tax returns. If you have income tax filing requirements in a given state but do not file that return there could be possible adverse ramifications such as unlimited statute of limitations, penalties, etc. If you would like to us investigate any possible filing requirements please inform us.

The returns will be prepared based on the laws in effect at the time of preparation. We are not responsible for any retroactive law changes made by the federal or state governments after the returns have been prepared. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We need you to supply us with your businesses final year end accounting records. Should you not have records that allow us to prepare the returns; accounting services will be provided at our standard rates, to facilitate the preparation of the returns.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, cancelled checks, logbooks, receipts and other data that form the basis of income and deductions as required by law. 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.

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. Our work product will not guarantee that errors, fraud, or illegal acts will be detected. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns. You understand that we will not audit or otherwise verify any information, that we may require clarification or additional information, that we are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest. We are not insurers or guarantors of the accuracy of the financial information, which is your representation.

We will use professional 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.

Due to the accounting needed to be done, complexity of issues, and volume of work load it is necessary for you to provide your information to us by **February 15, 2018**. While we will do our best, we cannot guarantee completion of your returns by the filing deadline if your complete information is not received by our office by February 15, 2018.

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2017 Tax Return Due Dates for Business Types

- S corporation returns on Form 1120S: **March 15, 2018**
- Partnership returns on Form 1065 with Schedule K-1's is: **March 15, 2018**
- C corporation returns on Form 1120: for December 31 year-end corporations, the deadline is **April 17, 2018**. Corporations must file by the 15th day of the 4th month after the end of its tax year.

In order to meet this filing deadline, the information needed to complete the return should be received by us no later than **February 28, 2018**.

You agree that in the event your return cannot be completed by the due date, it may be necessary for us to apply to extend the due date. If an extension of the time is required, any tax that may be due with your return must be paid with that extension. We will file an extension if necessary for returns in our office, all others must be requested. **Extensions must otherwise be requested as we cannot file an extension without your permission and requesting one. There is a minimum fee of \$45.00 for a Federal extension and \$70.00 if a Minnesota extension payment is required.** Any amounts not paid by the filing deadline are subject to interest and late payment penalties when those amounts are actually paid.

Your returns may be selected for examination or inquiry (notices) by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination or inquiries, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred. You understand that in the event of preparer error, you are responsible for additional tax and interest that may be due, but that the extent of our responsibility is to pay any penalty that the IRS or engaged state revenue departments may assess.

You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional services may necessitate that we issue a separate engagement letter to reflect the obligations of both parties. In the absence of any other written communications from us documenting such additional services, our services will be governed by the terms of this engagement letter.

At times you may wish to communicate with Landon C. Scott, PLLC via e-mail. By signing below you authorize us to transmit confidential information, including, but not limited to, tax and financial data over the internet. You, as the individual and authorized signer, accept the inherent risks associated with sending data via e-mail. You agree that Landon C. Scott is not liable for any damages that may result from those inherent risks associated with sending confidential information via e-mail pursuant to this authorization including, but not limited to, interception by a third party or unintentional inclusion of an authorized recipient.

Our fee for these services will be billed upon completion and presentation of the returns. For annual clients the payment of fees is due upon completion, returns will not be electronically filed without payment. For monthly clients payment is due within 30 days of the statement date. Accounts with a balance due after 60 days will incur a finance charge at a rate of 18% per annum. We reserve the right to suspend or terminate our work due to nonpayment. In the case of non-payment we will not file any extensions on your behalf. In the event that our work is suspended or terminated as a result of non-payment, you agree that we will not be responsible for your failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against you resulting from your failure to meet said deadlines. You agree to pay all our costs of collection.

If the foregoing fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office. You may return this letter with your tax information.

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

Very truly yours,

Landon C. Scott, PLLC

Please indicate which forms you wish for us to prepare in addition to the Federal return:

Minnesota ___ Wisconsin ___ Other (Please list) _____

Have you prepared and filed all necessary Forms 1099? Yes _____ No _____
Do you have any sales in states besides your home state? Yes _____ No _____

Signature: _____ Date: _____

Print Name: _____

Company Name: _____

Comments or additional requests:

E-mail Address: _____

By providing your e-mail address you are authorizing us to communicate with you based on the terms of our "E-mail Authorization Form" document referenced on our website www.lscottcpas.com