

December 18, 2018

Client Name

Dear Client:

I want to thank you for providing me the opportunity to be your CPA and trusted advisor. I want to be that trusted advisor for you and your business for years to come!

New Tax Laws!

As you are probably aware, last week the “Tax Cuts and Jobs Act” was signed into law last year. This is the most sweeping tax law changes that have been brought forth in decades! Simply said, the Law aims at reducing the current tax burden to most Americans, while making up the difference in an improved robust economy. The major piece of the Act that will benefit small business is reduced tax rates and a qualified business income deduction.

As a reminder.....

Your business is the key to your future and future retirement. Generally, our businesses are one of our biggest retirement assets. You should always be planning for contingencies and unknowns that may present themselves in the future. Two things to consider: change is inevitable; and preparation is the key. You should be planning for the next 5, 10, 20 years.

Your business also affords the ability to defer tax dollars in several different retirement options. Like it or not, we are all getting closer to retirement each and every year. It is important to evaluate your current position and goal on a continuous basis. The retirement choices of IRA, Roth IRA, Simple IRA, 401k, One Employee-401k, SEP, Keogh, and others all seem to be quite endless. I can help, along with your financial advisor, in determining the economic and tax benefits as well as the potential cost and compliance issues involved with each option. Now is the time to begin or continue funding for your retirement!

More reminders....

Here are some of the deadlines for Partnership and Corporate Returns:

- Year End Payroll – Most employment related forms are due January 31
- Form 1099 series forms for independent contractors, lessors, payers of dividends and interest due January 31
- Business License and Property Return filings for your locality are generally due March 1
- Partnership and S-Corporation Returns are due March 15
- C Corporation Returns are due April 15

Particular emphasis should be focused on providing eligible vendors, lessors, and business financial associates with the appropriate 1099 forms. A W9 is the form used to retrieve the appropriate information from the other party (available on my website). It is much easier to get this information before January, and easiest when you

begin a business relationship with the other party. There is a box to be answered on each tax return and rental schedule regarding your compliance with these rules; so the IRS plans to be more diligent on compliance in this area every year! Our office has been efilng our client's 1099 forms with resounding success for a few years. Client paperwork was reduced and an electronic postmark was obtained to prove timeliness of filings! I strongly suggest that you continue using our service in this area!

The Wonderful Commonwealth of Virginia

I will also mention that the Virginia Department of Taxation has also has continued audits examining compliance with the Consumer Use Tax. Each taxpayer is required to report to Virginia and pay the appropriate consumer use tax when sales tax has not been charged. This mostly involves mail-ordered items from out of state. It would be prudent for you to review your purchased made during 2018 to determine if you have anything that needs to be reported. Contact my office with more information on this, if it applies to you!

My philosophy is to have my office take the burden off of my clients. We are here to assist your office with any of the compliance filings listed above as well as assisting year-round with accounting assistance, advice, analysis and planning. I have enclosed several documents for your review:

- An Engagement Letter; please review and sign. It defines our business relationship as it relates to tax preparation services. It consists of 2 pages front and back. Please return via email, fax, mail or in person.

If you have any question, please do not hesitate to call! I am here to assist you in making the best business decisions. Otherwise, we look forward to taking care of your accounting and tax needs in the coming weeks, months and years!

Very truly yours,



Raymond W. Crump CPA

December 18, 2018

Client Name

Dear Client :

Raymond W Crump CPA PC is pleased to provide _____, (“hereinafter “you” or “your”), with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. This engagement between you and our firm will be governed by the terms of this letter.

Scope of Engagement

We will prepare the following federal and state tax returns for the year ended 12/31/2018:

Federal Form Filed:

State Form Filed:

We will not prepare any tax returns except those identified above without your written authorization to do so. We will prepare your tax returns based upon information and representations you provide to us. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information. We will prepare the above referenced tax returns solely for filing with the Internal Revenue Service (“IRS”) and state and local tax authorities. They are not intended to benefit or influence any third party, either to obtain debt or equity financing or for any other purpose.

You agree to indemnify and hold our firm and any of its partners, principals, shareholders, officers, directors, members, employees, agents or assigns (collectively, “firm,” “we,” “us,” or “our”) harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

You agree that you will not and are not entitled to rely on any advice given to you by us unless your request and our response are provided in writing.

Client Responsibilities

You will provide us with a trial balance and other supporting data needed to prepare your tax returns. It is your obligation to provide us with accurate and complete information, including income from sources outside of the United States of America.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns as required under tax law. You are responsible for the adequacy of all such documents. You represent that you have such documentation and can produce it if needed to respond to any audit or inquiry by taxing authorities. You agree to hold us harmless with respect to any additional taxes, penalties, or interest imposed on you by taxing authorities resulting from the disallowance of tax deductions due to inadequate documentation.

Personal expenses

Unless we are otherwise advised, you are responsible for confirming that personal expenses, if any, are segregated from business expenses and expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses, and are

supported by necessary records required by the IRS and other taxing authorities. At your request, we are available to answer your questions and advise you on the types of supporting records required.

State and local filing obligations

You are responsible for determining your state or local tax filing obligations with any state or local tax authorities, including, but not limited to, income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon review of the information you have provided us and other information that comes to our attention, we believe you may have an obligation to file additional tax returns, we will notify you of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm accordingly in a separate engagement letter and delineate the additional charges for this service.

Ultimate responsibility

You have final responsibility for your income tax returns. Check them carefully for accuracy and completeness before you sign them.

CPA Firm Responsibilities

We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

Bookkeeping assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the income tax returns. We will request your approval before rendering these services. Additional charges will apply for such services.

Management responsibilities

Raymond W Crump CPA PC, in its sole professional judgment, reserves the right to refuse to take any action that could be construed as making management decisions or performing management functions on your behalf. However, we may provide advice and recommendations to assist management in performing its functions and making decisions.

Errors, fraud, or theft

Our engagement does not include any procedures designed to discover errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

Tax planning services

Our engagement does not include tax planning services, which are available upon request and will be considered as a separate engagement. During the course of preparing the tax returns identified above, we may bring to your attention certain available tax saving strategies for you to consider as possible means of reducing your income taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to any such recommendations, as the responsibility for implementation remains with you, the taxpayer.

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request we assist you in responding to such inquiry. If you ask us to represent you, we will confirm this in a separate engagement letter and delineate how additional charges for this service will be calculated.

Timing of the Engagement

We expect to begin the preparation of your returns upon receipt of the trial balance and other supporting data agreed to above.

If your return is electronically filed, our services will conclude upon the earlier of the filing and acceptance of your 2018 tax returns by the appropriate taxing authorities or one year from the execution date of this letter. You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization for Form, and State Equivalent Authorization Form before your returns can be filed electronically. You are responsible for reviewing the accuracy of all tax returns and any accompanying schedules and statements prior to filing.

If your return is filed by mail, our services will conclude upon the earlier of delivery to you of your 2018 tax returns for your review and filing with the appropriate taxing authorities or one year from the execution date of this letter.

Extensions of Time to File Tax Returns

It may become necessary to apply for an extension of the filing deadline if there are unresolved tax issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. In addition, extensions may affect your liability for penalties and interest or compliance with government or other deadlines.

To the extent you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, you must notify us of this in writing. Our firm will not file these applications unless we receive either a signed copy of this engagement letter or your express written authorization to do so. In some cases, your signature may be needed on such applications prior to filing. Failure to timely file for an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial.

We are available to discuss this matter with you at your request if the need arises.

Penalties and Interest Charges

Federal, state, and local taxing authorities impose various penalties and interest charges for non-compliance with tax law, including, for example, failure to file or late filing of tax returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all taxes, penalties, and interest charges imposed by taxing authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose, or inadequate disclosure of income or tax positions, can result in the imposition of penalties and interest charges.

Fees and Billings

Our professional fee for the services outlined above will be based on our standard hourly rates. This fee is based upon the complexity of the work to be performed, our professional time, plus out-of-pocket expenses.

Our fee is dependent on the timely delivery, availability, quality, and completeness of the information you provide to us. If the information you provide or we request is not submitted in a timely manner, or it is incomplete or unusable, we reserve the right to delay services and charge additional fees and expenses.

We will bill you for our professional fees, expenses and out-of-pocket costs as of the date we deliver our work product to you. Payment is due within 30 days of the date on the billing statement. If payment is not received by the due date, you will be assessed interest charges of 2% per month on the unpaid balance. We reserve the right to suspend or terminate our work due to non-payment of fees. If our work is suspended or terminated, you agree that we will not be responsible for your failure to meet governmental and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines, and for any other damages (including but not limited to consequential, indirect, lost profits, or punitive damages) incurred by you as a result of the suspension or termination of our services.

Electronic Data Communication and Storage and Use of Third Party Administrative Services

In the interest of facilitating our services to your company, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third party vendors' secured portals or clouds. Your confidential electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data, such as providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We require our third party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third party service providers during this engagement.

Termination and Other Terms

We reserve the right to withdraw from the engagement without completing services for any reason, including, but not limited to, your failure to comply with the terms of this engagement letter, if you disagree with our recommendations regarding tax return filing and reporting obligations, tax return positions to be taken or disclosures to be made in the returns, or for any other reason.

At the completion of our engagement, the original source documents will be returned to you. Workpapers and other documents created by us are our property. Such original workpapers will remain in our control, and copies are not to be distributed without our prior written consent.

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 amend this letter or issue a separate engagement letter to reflect the obligations of both parties. In the absence of any other written communications from us documenting additional services, our services will be limited to and governed by the terms of this engagement letter.

If any portion of this engagement letter is deemed invalid or unenforceable, such a finding shall not invalidate the remainder of the terms set forth in this engagement letter.

Entire Agreement

This engagement letter, including any attachments, encompasses the entire agreement of the parties and supersedes all previous understandings and agreements between the parties, whether oral or written. Any modification to the terms of this engagement letter must be made in writing and signed by both parties.

* * * * *

We appreciate the opportunity to be of service to you]. Please date and sign the enclosed copy of this engagement letter and return it to us to acknowledge your agreement with its terms. It is our policy to initiate services only after we receive the executed engagement letter.

Very truly yours,



Raymond W. Crump CPA

APPROVED:

[Authorized Officer]

[Title of Officer]

[Date]