

# ENGAGEMENT LETTER

**From:** \_\_\_\_\_

**To: Clifford & Associates, LLC**

We have engaged you to prepare the applicable tax forms for our organization for the year ended \_\_\_\_\_, \_\_\_\_\_. We state that to the best of our knowledge and belief: We understand that it is our responsibility to provide all the information necessary to complete the returns. We will retain for four years all the documents, receipts, cancelled checks and other records required to substantiate the items of income and expense claimed on the return(s).

- We understand that you will not audit or otherwise verify any information, and that you may require clarification or additional information. In particular, our organization accepts full responsibility for deciding who is an employee or an independent contractor, recognizing that the IRS or the US Tax Court has the final determination. We will hold harmless Clifford & Associates, LLC, its subsidiaries, and employees should the IRS or other taxing authority question or challenge our designations.
- We have provided true, correct, and complete information regarding all employees and any payments to them or on their behalf, including independent contractors.
- We have provided true, correct, and complete information regarding amounts we have provided to you. We have maintained written documentation supporting all amounts, including logbooks and receipts. We have fully documented all business related expense reimbursements including travel and entertainment deductions as well as mileage and have maintained logbooks to support the business use percentage of automobiles, cellular phones, and other business/organizational assets.
- This organization has no foreign financial accounts, trusts, or businesses, except as indicated in the information we have provided to you.
- We will contact you immediately if our company or organization receives any letters from the Internal Revenue Service or other taxing authorities concerning these tax returns.
- We understand that if a question arises regarding the interpretation of tax law, and a conflict exists between the tax authorities' interpretation of the law and other supportable positions, you will use your professional judgment in resolving the issues. We understand that you are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest.
- We understand that penalties may be imposed on returns that are late, underpaid, or incorrect.
- We will contact you immediately if we discover additional information that will lead to a change in our tax returns. We understand additional charges may apply.

- We understand that you require a deposit for your services. We also understand that the balance of your invoice will be due and payable upon completion of the return(s), and that additional services will not be performed until the invoice is paid in full. We understand that your invoice will be based upon your standard billing rates.
- We understand that we will be charged an additional fee if you assist us or represent us or our company or organization in a tax examination or inquiry including responding to letters from taxing authorities. We understand that, in the event of preparer error, we are responsible for any additional tax that may be due.

### **Privacy Policy**

It has always been the policy of Clifford & Associates to keep all information that we collect from you confidential from all sources. We restrict access to all nonpublic personal information about you to members of our firm who need to know that information to provide services to you.

We do collect nonpublic personal information about you from the following sources:

- Information we receive from you on tax preparation organizer, worksheets, Federal and State tax reporting forms, and from other documents we use in tax preparation or other financial and related services.
- Information about your transactions with our affiliates, others, and us.
- Information we may receive from outside agencies such as banks and brokerage houses.

We do not disclose any nonpublic personal information about our clients or former clients, except as permitted, required, or approved by you in writing as listed below:

- Requirements to comply with federal, state, or local law.
- Requirements to comply with national, state, or local licensing rules.
- Requirements to disclose information in response to legal subpoenas.
- Items you permit or request us to disclose, as authorized by you in writing.
- Information that you authorize us to disclose by signing this engagement letter to electronically file your tax return, when applicable.
- Information that you authorize us to disclose by signing this engagement letter, which discloses that you are our client, without disclosure of financial or other personal information.

***We have read the above engagement letter and understand our responsibilities with regard to income tax preparation. We certify that we are authorized to accept this engagement letter on behalf of \_\_\_\_\_.***

***Accepted by:***

\_\_\_\_\_  
(Signature)

Name (print): \_\_\_\_\_ Title: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

Name (print): \_\_\_\_\_ Title: \_\_\_\_\_

CLIENT NAME(S): \_\_\_\_\_  
PREPARER NAME(S): \_\_\_\_\_



## Client Use Agreement CLIFFORD & ASSOCIATES, LLC

4150 Belden Village St. NW, Suite 601, Canton OH 44718  
(330) 493-1814 Toll-Free: 1-800-456-1803 Fax: (330) 493-1807  
contact@sharetheharvest.com [www.sharetheharvest.com](http://www.sharetheharvest.com)

**Federal law requires this consent form be provided to you.** Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

**You are not required to complete this form.** If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year. Duration of Consent (optional): \_\_\_\_\_

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at [complaints@tigta.treas.gov](mailto:complaints@tigta.treas.gov).

**Please initial all that apply:**

 

We authorize Clifford & Associates, LLC, to use our organization's income tax return and all related income tax information for the purpose of calculating estimated income taxes payable and such other tax and financial planning assistance as we may request.

 

We authorize Clifford & Associates, LLC, to use our organization's name and address, including releasing it to a printer or third-party mailhouse, for the purpose of facilitating Clifford & Associates, LLC, mailings, such as calendars and newsletters.

 

We authorize Clifford & Associates, LLC, to use the following email address for the purpose of sending digital copies of mailings: \_\_\_\_\_

(please provide a current email address)

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**Signature**

**Date**

**Name (print)** \_\_\_\_\_

**Title** \_\_\_\_\_

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**Signature**

**Date**

**Name (print)** \_\_\_\_\_

**Title** \_\_\_\_\_



# 2010 Business Organizer

## CLIFFORD & ASSOCIATES, LLC

4150 Belden Village St. NW, Suite 601, Canton OH 44718  
(330) 493-1814 Toll-Free: 1-800-456-1803 Fax: (330) 493-1807  
contact@sharetheharvest.com [www.sharetheharvest.com](http://www.sharetheharvest.com)

Organization Name: \_\_\_\_\_

Type of Organization:  C-Corp  S-Corp  Partnership

We have designed this package to assist you in the collection of the information needed to prepare your organization's tax return and to increase the efficiency of your return's preparation. Please use this organizer to gather tax information for this filing season.

You may drop-off your materials at our office or send them to us via mail, fax, or email. We are adept at working with QuickBooks and Quicken files. Excel and Quattro Pro spreadsheets are also acceptable. Call first before forwarding other types of files.

A list of recommended Internal Controls is also enclosed. This checklist is designed to help owners and board members maintain compliance with IRS regulations.

**Please remember** that corporate tax returns are due **March 15** and partnership returns are due **April 15**. Therefore, timely return of the needed information will aid in our prompt preparation of the return. We will file for a 3-month extension if some extenuating circumstance impedes completion of the return by the filing deadline.

Please complete the following checklist. If you have included more than one of any item, please indicate the quantity in the box provided:

|  |   |
|--|---|
|  | Copy of previous year's tax return (Form 1120, 1120-S, or 1065), if we did not prepare it                   |
|  | Income and expense statement.   |
|  | Balance sheet (showing beginning and ending balances)   |
|  | Cash flow statement if different from the income and expense statement                                      |
|  | Minutes from all relevant board meetings  |
|  | Review of 10 key internal controls on enclosed worksheet  |
|  | Any tax reporting statements received by the organization   |
|  | Any IRS letters or other information and statements you have questions about                                |
|  | Our engagement letter signed by the appropriate board members.  |
|  | Up to date contact information for bookkeeper(s). Include phone, fax, email, cell phone, etc. as available. |

♥ **Organization Information (please note any changes from prior year)**

**Basic Information**

Name: \_\_\_\_\_  
Federal EIN #: \_\_\_\_\_  
Founding Date: \_\_\_\_\_  
Type of Organization: \_\_\_\_\_  
Accounting Method:  Cash  Accrual  
Fiscal Year-End: \_\_\_\_\_  
Website: \_\_\_\_\_  
E-mail address: \_\_\_\_\_  
Address/Phone:  
Line 1: \_\_\_\_\_  
Line 2: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Office Phone: \_\_\_\_\_  
Cell Phone: \_\_\_\_\_  
Other Phone \_\_\_\_\_  
Fax number \_\_\_\_\_

Best time & method of contact: \_\_\_\_\_  
\_\_\_\_\_

**Directors, Officers, Trustees, & Other Key Employees**

First Name: \_\_\_\_\_  
Last Name: \_\_\_\_\_  
Middle initial/Suffix \_\_\_\_\_  
Title: \_\_\_\_\_  
Hours Devoted /Week: \_\_\_\_\_  
Address/Phone:  
Line 1: \_\_\_\_\_  
Line 2: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_

First Name: \_\_\_\_\_  
Last Name: \_\_\_\_\_  
Middle initial/Suffix \_\_\_\_\_  
Title: \_\_\_\_\_  
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Address/Phone:  
Line 1: \_\_\_\_\_  
Line 2: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_

\* Please list additional information on another copy of this page.

## Business Organizer Questionnaire

- Have all accounts including, but not limited to the following, been reconciled: checking, savings, credit cards, loans and investments?

Yes    No

If no, when will those be done? Estimated date: \_\_\_\_\_

- Has the balance sheet been compared to all bank, loan, and credit card statements for accuracy?
- Is the miscellaneous category total less than 1% of total expenses? If not, review and consider reassignment of appropriate items.
- Are liability accounts being used to track employee withholding and other non-expendable items?

- In regards to owner's capital accounts, please enter the following information:

| Owner's Name | Deposits | Contributions | Withdrawals | Personal Bills assumed by Company |
|--------------|----------|---------------|-------------|-----------------------------------|
|              |          |               |             |                                   |
|              |          |               |             |                                   |
|              |          |               |             |                                   |

- Are there any equipment or property owned by the owners/partners/shareholders/directors regularly used by the company/organization? If so, please list all items detailing the following:

| Item Description | Date Purchased | Date Placed In Service | Cost | Owned By |
|------------------|----------------|------------------------|------|----------|
|                  |                |                        |      |          |
|                  |                |                        |      |          |
|                  |                |                        |      |          |

- Was there any continuing education and training provided for the bookkeeper during the past calendar year?

Yes    No

- If any goods were sold as retail, please provide all information regarding cost of goods sold, including beginning and ending inventory for the year, purchases and other costs associated with inventory.
- Are there any vehicles owned by the owners/partners/shareholders/directors regularly used by the company/organization? If so, please list all items detailing the following:

| Make & Model | Date Purchased | Total Miles for Year | Business Miles for Year | Cost |
|--------------|----------------|----------------------|-------------------------|------|
|              |                |                      |                         |      |
|              |                |                      |                         |      |
|              |                |                      |                         |      |

\*\*\* **Please Note:** Substantial personal use should be either reimbursed by the employee or recorded as taxable income.

- If you made **estimated** tax payments, please enter the amount and date paid. Enter the amount and date paid of checks written and mailed. Please double-check. Cancelled checks are the best record of estimated payments. Neither we nor the IRS are responsible for errors by taxpayers. **Be sure that amounts paid for the prior year's taxes are not included. List prior year credit carry-forwards, if any, on the first row.**

| Quarter paid/ Due Date    | Date Paid | Federal Taxes | State Taxes | City Taxes:<br>City _____ |
|---------------------------|-----------|---------------|-------------|---------------------------|
| <b>Prior Year credits</b> |           |               |             |                           |
| 1st Quarter               |           |               |             |                           |
| 2nd Quarter               |           |               |             |                           |
| 3rd Quarter               |           |               |             |                           |
| 4th Quarter               |           |               |             |                           |

- List all depreciable assets purchased during the year in the company's name

| Item Description | Date Purchased | Cost | Depreciation Method | Projected Life of Item |
|------------------|----------------|------|---------------------|------------------------|
|                  |                |      |                     |                        |
|                  |                |      |                     |                        |
|                  |                |      |                     |                        |

➤ List all assets sold during the year. These will be reported on Form 4797.

|                                |  |  |  |
|--------------------------------|--|--|--|
| Item Description               |  |  |  |
| Date Acquired                  |  |  |  |
| Date Sold                      |  |  |  |
| Gross Sales Price              |  |  |  |
| Depreciation Allowed/Allowable |  |  |  |
| Cost or other Basis            |  |  |  |
| Improvements                   |  |  |  |
| Expense of sale                |  |  |  |

## **List of Key Internal Controls**

The following is a list of Internal Controls that will help to direct the board members in the proper way of running the organization. The IRS would ask similar questions in the event of an IRS audit. Please note any exceptions to these policies. An officer or director needs to sign the disclaimer at the bottom and return this page to us.

1. At no time did relatives constitute a majority of the board of directors present at any meeting.
2. All officers and key employees submit written reports at least quarterly.
3. Persons may not sign checks to themselves for any reason.
4. The person(s) writing checks do not make deposits.
5. No person authorizing payment of the bills can write checks or transfer funds except under a defined emergency policy agreed upon by the board of directors in writing.
6. No person pays any bill without prior authorization of a non-relative authorized by the board.
7. No person on the board votes for any relative's pay or contract for services.
8. No person on the board is paid for any services unless:
  - a. There is a written contract.
  - b. They did not vote on the contract.
  - c. At least three (3) competitive bids were received and reviewed by at least three (3) unrelated members of the board member being paid.
9. The bookkeeper and/or treasurer has had training in non-profit accounting within the last three years.
10. If computerized software is used, those using the software have had training within the last year.

I/we have reviewed the internal control policies and the activities of our organization for the year of \_\_\_\_\_.

The following statements apply:

\_\_\_ I/we found complete compliance with all ten internal control checks.

\_\_\_ I/we found substantial compliance with a few exceptions unlikely to occur again. Those exceptions will be reported if requested.

\_\_\_ I/we found compliance with at least 6 of 10 policies but there were repeated oversights and mistakes. These will be summarized and listed separately. A plan to correct the errors is in place.

\_\_\_ I/we found most of the policies have been violated. We need a fuller review to establish the integrity of our finances. A plan to correct the errors is in place.

Signed: \_\_\_\_\_ Date \_\_\_\_\_  
Name/title

Signed: \_\_\_\_\_ Date \_\_\_\_\_  
Name/title