Sam Phillips, CPA

Business Engagement Letter

413 N Broadway Ave, Salem IL 62881
240 N Main St, Breese IL 62230

Business Name: _____
Contact Person _____ Title_____
Contact Person's Phone #_____ Email_____

QuickBooks Information: Version _____ Username _____ Password _____

Welcome to Sam Phillips, CPA! Thank you for choosing us to assist you with your tax affairs. This letter confirms the terms of our engagement with you and the nature and extent of services we will provide.

We will prepare your federal and state income tax returns using information you provide to us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit. You may request an "Organizer" to help you gather the information required for a complete return. If you use the Organizer, it will help you avoid overlooking important information and contribute to efficient preparation of your returns. That helps keep the cost of our services as low as possible.

It is your responsibility to provide information required for preparation of complete and accurate returns. You should keep all documents, canceled checks and other data that support your reported income and deductions. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. You are responsible for the returns, so you should review them carefully before you sign them. Filing your returns by the due date is your responsibility. We will charge a minimum $200 expedited fee for information that is dropped off after August 1, 2026.

Our work will not include any procedures to discover defalcations or other irregularities. The only accounting or analysis work we will do is that which is necessary for preparation of your income tax returns.

We will use our 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 you instruct us otherwise, we will apply the "realistic possibility of success" standard to resolve such issues in your favor where possible.

The law imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please call us.

Your returns may be selected for audit by a taxing authority. Any proposed adjustments are subject to appeal. In the event of a tax examination, we can arrange to be available to represent you. Such representation will be a separate engagement for which an engagement letter will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement.

Our fee for preparation of your tax returns will be based on the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days. By signing this letter, you agree that you will pay additional fees (up to 35% of the total invoice) if we are required to refer invoices past due by more than ninety (90) days to a collection agency. In addition, you agree to pay all court costs associated with collection procedures.

We will retain copies of records we used to complete your tax return for a period of seven years. After seven years, these copies will be destroyed.

To indicate that this letter correctly summarizes your understanding of the arrangements for this work, please sign this letter in the space indicated.

We appreciate your confidence in us. Please call if you have questions.

Sincerely,
Sam Phillips, CPA

Accepted By: _____ _____ _____/_____/2026
(Taxpayer Signature) (Title)