**COVID-19 Loan Engagement Letter**

**Considerations**

**If you are a CPA practicing as a CPA firm, please check your state laws regarding compliance with CPA requirements.**

Use this document for 1065, 1120, 1120S, and 990 series tax returns.

You may modify this document for use in the field OR custom print for all clients or those clients that have special needs/circumstances that may require modifications.

The **Scope of Services** paragraphs can be amended to delete any services not to be provided, or to add additional services.

**Other issues to consider:**

* Deposits or retainers
* Interest on past due fees
* Collection and legal expenses
* Limitation on claims (time period)
* Waiver of jury trial
* Binding arbitration
* State laws to apply and venue for disputes

These issues may be added to this engagement letter. You may wish to consult with an attorney in your state.

Designed for you to customize for your office by inserting replacing red text with your office legal name (or underlines for manual completion). May also be customized for each client.

This engagement letter has been modified specifically for Paycheck Protection Program and Economic Injury Disaster Loans for businesses.

If you are engaged for the preparation of a 1040/1041 income tax return, you must use the Individual Engagement Letter and obtain consent forms 1 and 2.

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Date

Business name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City, State, Zip Code \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dear Client,

Thank you for engaging the services of office legal name, d/b/a Succentrix Business Advisors, for ­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. This letter will confirm our understanding of the terms and objectives of the engagement and the nature and limitations of the services provided.

This engagement will include services for the business year ending December 31, 2019 including:

**Annual Services**

$ \_\_\_\_\_\_\_\_ Accounting back work to produce financials to apply for Economic Injury

Disaster Loan or the Paycheck Protections Program.

$ \_\_\_\_\_\_\_\_ Annual federal and state business income tax returns, Form [1065],

[1120], [1120S], [990] (please circle one).

$ \_\_\_\_\_\_\_\_ Annual county business personal property tax return.

$ \_\_\_\_\_\_\_\_ Preparation of application for a Paycheck Protection Program Loan of

the COVID-19 Aid, Relief, and Economic Security Act.

$ \_\_\_\_\_\_\_\_ Preparation of application for an Economic Injury Disaster Loan of the

COVID-19 Aid, Relief, and Economic Security Act.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

No fee can be charged for loan applications under the CARES Act. Accordingly, you agree to sign a Small Business Administration Fee Disclosure Form and Compensation Agreement to be submitted with your loan application. The bank will pay this portion of our fees. Our fees for annual services other that the loan applications will be billed upon completion of the service and are payable upon presentation. You may request an estimate of these fees in advance.

**Client Responsibilities**

You and your management team are responsible for:

1. Providing complete and accurate information of your business and financial transactions.
2. Implementing, and maintaining accounting procedures and internal controls relevant to your business.
3. Maintaining sufficient bank balances for the payment of sales, payroll, and other taxes that you authorize us to pay on your behalf.
4. Reviewing the completed financial statements and tax returns and contacting us for any questions or corrections before distributing to any third parties, including the filing of the tax returns.
5. Retaining all documents, receipts, canceled checks, bank statements, and other records for at least five (5) years (preferably seven (7) years) after the returns are filed. Your copies of the tax returns should be kept until five (5) to seven (7) years after termination of the business.
6. Contacting us immediately if additional information or errors are discovered that would lead to a change in the financial statements or tax returns, or if any correspondence is received from the IRS or state authorities concerning returns prepared by us.
7. Paying any tax, penalties and interest resulting from any unreported income or overstated or disallowed deductions as determined by the IRS or state tax authorities.

**Succentrix Responsibilities**

We are responsible for:

1. Preparing tax returns to the best of our knowledge, from information provided by you.
2. Using professional judgment in resolving issues where the tax law is unclear, or where there might be conflicts between various interpretations of the law as it relates to your returns. We will discuss these issues with you before completing your tax returns.
3. Being available to assist you if your returns are selected for examination by taxing authorities (additional fees may apply).
4. Retaining copies (or electronic images) of your tax returns for at least five (5) years after completing the tax returns. Our working papers pertaining to your business will remain our property and are not a substitute for your original records.

We are not required to, and will not, verify the accuracy or completeness of the information you provide to us. Additionally, we will not express an opinion or any other assurance on the financial statements.

Our engagement cannot be relied upon to discover errors, irregularities, or illegal acts, including fraud, which may exist. We may inform you of such matters that come to our attention.

This engagement will remain in effect for subsequent years unless modified or terminated by either party. This engagement may be cancelled by either party, at any time by written or electronic notice to the other party. If you cancel, you agree to pay us for any work performed prior to our receipt of the cancellation notice based upon our current rate schedule.

**Privacy Policy**

Your privacy is very important to us at Succentrix Business Advisors. It has been our policy to treat all client information with strict confidentiality. Consistent with that policy, we allow access to nonpublic personal information concerning your business only to staff members who must have it, in order to provide you the products and services for which you have retained us. We do not disclose any personal or confidential information to anyone else without your express permission to do so, except as permitted by law. In addition, we maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. This statement is furnished to you as required by the Gramm-Leach-Bliley Act of 1999. This is the annual notice required by law.

**Consent to Use and Disclose Taxpayer Information**

By signing this engagement letter, you consent to our use and disclosure of your taxpayer information to allow Succentrix Business Advisors to send to you, by any medium: firm newsletters, surveys, press releases, information concerning firm seminars and nontax-related services, and any other communication sent to some or all our firm’s clients. This consent shall apply to our affiliate, Succentrix Business Advisors, Inc. staff, including their tax and accounting professionals, if we determine that their assistance in tax and accounting matters is needed to provide the highest quality of service to you. This includes any consulting needed after the return is filed for any issue about the return. No additional fees will be charged for use of the Affiliate’s services. The Affiliate will not be permitted to disclose any of your tax information to any additional person(s).

In order to file you loan application, you will need to sign Consent Form 3 to your bank which allows Succentrix Business Advisors to share your financial and other information with your bank.

You may request a limited use and disclosure of your tax return information by contacting us.

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_

“Legal name” d/b/a Succentrix Business Advisors Date

Client Acknowledgment:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Client name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature Printed Name Title Date

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**Consent to Disclosure of Tax Return Information - THIRD PARTY (Form 3)**

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot disclose your tax return information to third parties for purposes other than those related to the preparation and filing of your tax return without your consent. If you consent to the disclosure of your tax return information, Federal law may not protect your tax return information from further use or distribution.

You are not required to complete this form to engage our tax return preparation services. If we obtain your signature on this form by conditioning our tax return preparation services on your consent, your consent will not be valid. If you agree to the disclosure of your tax return information, 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 from the date of signature.

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).

You may request a limited disclosure of your tax return information as directed by you.

This consent will allow \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ d/b/a Succentrix Business Advisors to disclose your **2018**/**2019** tax return information to the person(s) named below for the purpose indicated.

**If you consent to this request, please complete the following information.**

Name and address to whom the information is being disclosed to:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Purpose of disclosure: Preparation of Paycheck Protection Program Loan or Economic Injury Disaster Loan.

Taxpayer Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_

Spouse Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_

Representative Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_

Initial (both spouses) if you agree for this consent to be effective for 5 years. \_\_\_\_ \_\_\_\_