

[Date]

[Client Contact Name]

[Company Name]

[Address]

[City, State, Zip]

Dear [Client Contact Name],

This letter confirms the terms of our engagement to prepare the federal and state income tax returns for [Company Name] for the fiscal year ending [Year End Date].

### **Scope of Services**

We will prepare the following tax returns:

- Federal Form 1120 (U.S. Corporation Income Tax Return)
- State Income/Franchise Tax Returns for [List States]

### **Client Responsibilities**

You are responsible for the management, accuracy, and completeness of the financial information provided to us. This includes maintaining adequate records and internal controls. We will not audit or verify the information you submit, although we may ask for clarification if data appears inconsistent.

### **Professional Fees**

Our fees for these services will be based on the complexity of the returns and the time required by our staff. Our estimated fee for this engagement is \$[Amount]. This estimate excludes out-of-pocket expenses and may be adjusted if the records provided are incomplete or require significant manual adjustment.

### **Record Retention**

It is your responsibility to retain all documents, canceled checks, and other data that form the basis of income and deductions. These may be necessary to prove the accuracy of the returns to a taxing authority.

### **Signatures and Approval**

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our services.

Sincerely,

[Your Name/Firm Name]  
[Your Title]

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**Accepted by:**

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_