

[Company Letterhead]

[Date]

[Name of CPA Firm/Consultancy]

[Address]

[City, State, Zip]

**Subject: Management Representation Letter regarding Research and Development Tax Credits**

Dear [Name of Contact],

This representation letter is provided in connection with your services to assist [Company Name] (the "Company") in identifying and calculating the Research and Development (R&D) tax credits for the fiscal year ended [Year End Date].

We confirm, to the best of our knowledge and belief, the following representations made to you during your engagement:

1. **Responsibility:** We acknowledge our responsibility for the preparation and fair presentation of the R&D tax credit claim in accordance with Section 41 of the Internal Revenue Code and related regulations.
2. **Accuracy of Information:** We have made available to you all relevant financial records, payroll data, project documentation, and technical descriptions related to our R&D activities. All data provided is true, accurate, and complete.
3. **Qualified Research Activities (QRAs):** We represent that the projects included in the study meet the "Four-Part Test":
  - The activities were intended to eliminate uncertainty regarding the development or improvement of a business component.
  - The activities involved a process of experimentation.
  - The research was technological in nature (relying on hard sciences).
  - The research related to a new or improved function, performance, reliability, or quality.
4. **Qualified Research Expenses (QREs):** We confirm that the wages, supplies, and contract research costs included in the calculation were directly related to qualified research activities. We have excluded any costs associated with non-qualifying activities such as routine data collection, market research, or social sciences.
5. **Substantiation:** We maintain contemporaneous documentation sufficient to support the time spent by employees and the costs incurred on qualified projects.
6. **Funding:** We represent that the research was not funded by any grant, contract, or another person or governmental entity where the Company does not retain substantial rights or is paid regardless of the success of the research.
7. **Consistency:** The methods used to determine qualified expenses are consistent with prior years, unless otherwise disclosed to you.

We understand that your work is based on the information we provide and that you will not perform an audit or independent verification of this information.

Sincerely,

[Signature]

[Name of Officer]

[Title, e.g., CFO or CEO]

[Company Name]