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Serving the Financial Lives of Appreciative Clients

## Business Income Tax Returns – 2025 Annual Engagement Letter

We appreciate the opportunity to work with your business (hereinafter “The Company”) and advise you regarding your income tax. To ensure a complete understanding between us, below is the pertinent information about the services that we propose to render to you. **Please read this letter carefully because it is important that you understand what you can and cannot expect from us.** This engagement letter only covers the preparation of your **2025** Federal, state and local income tax returns as addressed below. Any other tax, accounting or bookkeeping services are outside the scope of this engagement letter and are addressed separately.

We will prepare your **2025** Federal and state income tax returns, and tax returns for the state and local taxing authorities in which The Company communicates to us that it has incorporated in and/or is doing business in (collectively, the “returns”) in **2025**. This engagement pertains only to the **2025** tax year, and our responsibilities do not include preparation of any other tax return years that may be due to any taxing authority. You (the client) are responsible for determining your state and local tax filing obligations with respect to all state and local tax authorities including but not limited to income, franchise, sales and use, license, and excise taxes. The Company is responsible for providing to us all information necessary to identify all states and localities in which it conducts business or derives income. If the Company has tax filing requirements in a given state or local municipality but does not file that return, there could be possible adverse ramifications such as an unlimited statute of limitations, penalties, etc. The Company will be solely responsible for filing the returns with the appropriate taxing authorities.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. The Company acknowledges that any such understated tax, and any imposed interest and penalty thereon, are its responsibility, and that we have no responsibility in that regard. If you would like information on the amount or the circumstances of these interest and penalties, please contact us. The Company’s returns may be selected for review by the taxing authorities or The Company may receive a notice requesting a response to certain issues on the tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination or inquiry, we will be available upon request to represent The Company or respond to such inquiry, which would be covered under the terms of this engagement letter.

We will prepare the returns from information The Company provides us. It is The Company’s responsibility to provide all the information required for the preparation of complete and accurate returns. We will not audit or otherwise verify the information The Company submits. Accordingly, our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist. However, it may be necessary to ask The Company for clarification of some of the information provided, and we will inform The Company of any material errors, fraud or other illegal acts that come to our attention. To the extent we render any services, it will be limited to those tasks we deem necessary for the preparation of the returns only. **We reserve the right to suspend our services or withdraw from this engagement should we feel The Company is not following proper accounting procedures.**

Historically, we have provided The Company with assistance in preparing certain reconciliations of balance sheet and income statement accounts based on information The Company has supplied to us. Unless otherwise noted by The Company, this same assistance will be provided during the current year engagement and is subject to the same terms and conditions set forth in this letter. Please note that we will not determine the completeness or accuracy of the information supplied by The Company and the assistance we do provide is not to be construed as an oversight

function, in any respect, of The Company's accounting system; therefore, there should be no reliance, stated or implied by The Company on the accuracy of the assistance we are to provide. As a result of our assistance, we may propose standard, adjusting, or correcting journal entries to your financial statements. The Company, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries on the returns. Furthermore, it is The Company's responsibility, once these entries have been agreed to, to post the entries to its accounting system in a timely manner.

The timeliness of The Company's cooperation is essential to our ability to complete this engagement. Specifically, we must receive sufficient information from which to prepare the returns within a reasonable period prior to the applicable filing deadline. **Accordingly, if we do not receive this information from The Company, as noted above, by March 2, 2026, it may be necessary for us to pursue extensions of the due date of the returns, and we reserve the right to suspend our services or withdraw from this engagement.** Various penalties and interest are imposed when taxpayers fail to pay the full amount of taxes owed, or fail to file, by the filing due date. Furthermore, additional penalties and interest are imposed when taxpayers fail to remit the proper amount of subsequent year tax estimates. Based on information The Company has provided to us, we can assist in determining the correct amount of taxes owed for the current year and subsequent year tax estimates. The Company acknowledges that any such penalties and interest that arise due to the underestimation of current year taxes owed or subsequent year tax estimates remitted is its responsibility, and that we have no responsibility in that regard. If you would like information on the amounts or circumstances of these penalties and interest, please contact us.

The Company is responsible for maintaining an adequate and efficient accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help ensure the preparation of proper returns. Furthermore, **The Company is responsible for reviewing all the information presented on the tax return for correctness.**

We may encounter instances where the tax law is unclear, or where there may be conflicts between the taxing authorities of the law and other supportable positions. In those instances, we will outline in a written communication each of the reasonable alternative courses of action, including the risks and consequences of each such alternative. In the end, we will adopt on The Company's behalf the alternative which The Company selects after having considered the information provided by us. Pursuant to standards prescribed in IRS Circular 230 and IRC 6694, we are forbidden from signing a tax return unless we have a reasonable belief that a tax position taken on the return will have a more likely than not probability of being sustained on its merits unless we disclose this tax position on a separate attachment to the tax return. However, under no circumstances will we sign a tax return with a tax position that has no reasonable basis.

This engagement letter is contractual in nature and includes all the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all the parties.

Our fee for these services will be based upon the amount of time required at standard billing rates plus software charges and any out-of-pocket expenses. **All invoices are due and payable upon presentation.**

Failure to pay any bill or invoice when due shall constitute a breach of this agreement. A service charge of 1½% per month is added to bills not paid after thirty (30) days.

In the unlikely event that collection procedures would have to be instituted concerning any account balances due, these collection charges will be due and payable by The Company in addition to other balances (including but not

By your signature below, The Company confirms to us that the information it is supplying to us is accurate and complete to the best of your knowledge, and that any expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, and vehicle use are supported by records as required by law. The minimal substantiation must include the amount of the expense, the location of the travel or entertainment, the date and description of the gift, the business purpose of the expense, and the business relationship between the taxpayer and the person being entertained or receiving the gift. Although not required, the government prefers that the information be kept in a diary, or in some chronological order. There is a strong need that this information is contemporaneously kept. Where possible, charge cards should be used, and the above information shown on the back of the slip you maintain. You have the final responsibility for your returns therefore you also agree that you will carefully examine and approve your completed tax returns before signing and submitting them to the tax authorities.

If this firm does not receive this letter from The Company, in fully executed form, but receives supporting documentation requested therein, then such receipt by this office shall be deemed to evidence The Company's acceptance of all of the terms set forth above and we will commence with the tax return preparation process. **HOWEVER, UNDER NO CIRCUMSTANCES, SHALL WE SIGN A COMPLETED TAX RETURN UNTIL WE RECEIVE THIS SIGNED ENGAGEMENT LETTER FROM THE COMPANY.** If this office receives no response to this letter, then this office will not proceed to provide any professional services and will not prepare your income tax returns.

We want to express our appreciation not only for your business, but also for the confidence in our work that this engagement represents. We trust that our association will be a long and mutually beneficial one.

Sincerely,

Diane M. Dickison, EA  
Daryl Okken, CPA, CMA  
Sue Velardi, EA  
Stephanie Thompson  
Rachelle Wilkinson

I/We have read the above terms of this engagement letter and agree with the terms of this engagement.

\_\_\_\_\_  
Officer Printed Name

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Officer Signature

\_\_\_\_\_  
Date

Preferred Contact Phone #: \_\_\_\_\_

Primary Email Address: \_\_\_\_\_