



**SWC BUSINESS
ENTERPRISES, P C .**

Dear Client:

We appreciate this opportunity to work with you and advise you regarding your income taxes. To ensure a complete understanding between us, we are setting forth the pertinent information about the services that we will perform on your behalf.

Returns we will prepare/Tax information required

We will prepare your federal and state(s) income tax returns with the information which you will provide to us. We will make no audit or other verification of the data you have submitted and we perform our consulting and tax services under the assumption that all the information you submit to us is true, complete and accurate according to documents and other information retained in your files (particularly auto, travel and entertainment expenses). While it is not necessary that you provide us with support documents at the time we prepare your returns and review, you should retain all necessary written support and documentation should it be required by an IRS, AZDOR, or other state authority examination at a later date. We reserve the right to withdraw from this engagement if requested information is not received in a reasonable period of time. We will furnish you with questionnaires and/or worksheets to guide you in gathering the necessary information. If you prefer to assemble data in your own organized manner, please do so. Complete, and organized data will help to minimize our fee.

We will advocate positions in your favor

We will use our professional judgment to resolve any questions involving application or interpretation of tax laws. We will resolve such questions in your favor if there is reasonable justification for it. You have the final responsibility for the income tax and sales tax returns and, therefore, you should review them carefully before you sign them and or agree to any changes made.

Penalties

You should note that the taxing authorities provide for interest and penalties which may be imposed on you. Most of these penalties provide for assessment in the event of some wrongdoing or negligence on the part of the taxpayer. However, penalties may be imposed even though there is no fraud, negligence or willfulness on your part. The only way to avoid certain penalties is to show that there was either "substantial authority" for the position taken or to make "adequate disclosure" on the return. You are fully responsible for penalties and interest charges on your account unless they are due to our mistake. Once we prepare your return, and return it to you, any changes you make thereafter are not mistakes and you are subject to any penalties and interest imputed.

Tax planning and tax notices

5743 E THOMAS RD #6 SCOTTSDALE, AZ 85251

PHONE: 602-357-3275 FAX: 602-532-7088 • EMAIL: INFO@SWCBE.COM

S:\DATA\FILES\SWC BUSINESS ENTERPRISES, PC\OFFICE - 2008\TAX RETURN ENGAGEMENT
LETTER -_080320.DOC

The most important part of the tax return is done when you plan and have control over the return's ultimate results. We urge you to call us during the year if you are about to enter into important transactions or make important business decisions. The questions you ask us before you make decisions could result in large fees for our services, and our time will be billed at our standard rates for tax matters.

Our fees are \$175 per hour for Tax Matters.

Generally, we will bill you after we complete the returns, for time spent plus out-of-pocket expenses and reasonable collection costs incurred on your behalf. However, progress billings may be prepared for returns that cannot be completed due to incomplete information from you. Our invoices are due and payable on presentation. In fairness to our clients who pay promptly we charge a late payment service charge on all accounts unpaid after 30 days from billing date at the rate of 2% (2 percent) per month on all delinquent balances. Any dispute over fees may be submitted for resolution by arbitration in at our sole discretion.

Our fees may be paid by check, cash, Visa, Mastercard, or debit/check card.

Your Fees MUST be paid in Full before the tax return will be released to you or filed with the IRS / State Governments.

Privacy

As your CPA, we collect information provided by you from your tax organizer, worksheets, documents and discussions and information that we develop as part of the engagement. We are required to keep all information about our engagement confidential so we will not make any disclosure about you unless we have your approval or are required/permitted by law. This applies even if you are no longer a client. We are committed to the safekeeping of your confidential information and we maintain physical, electronic, and procedural safeguards to protect it.

General

Your original records, which will be returned to you, comprise the backup and support for your income tax returns. Our records and files are our property and not a substitute for your own records. Our firm destroys client files after a retention period of seven (7) years, after which time these items will no longer be available. Also, catastrophic events or physical deterioration may result in our records being unavailable.

If you are no longer a client of SWC Business Enterprises, PC and you have lost originals or copies of the information you provided to us, or the tax returns as prepared, you may request a copy of this information for a \$25 administrative fee.

Mailing of your Tax Returns

Historically, SWC Business Enterprises, PC has mailed out tax returns for our clients at no additional fee. Going forward, we will require an administrative fee of \$25.00 per return (Federal & State, as well as any other states you have filed in) to be paid in advance of this service provided by SWC Business

Enterprises, PC. If you prefer, SWC Business Enterprises, PC will make your returns available for pick up at our office so that you may mail them yourself.

Receipt of your Final Returns

You may choose the form in which you will receive your returns. You may choose to have your returns provided to you electronically, on CD, or in paper format (which will include electronic versions of your tax returns, copies of your original information, and a copy of your signed engagement letter.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship. If the above fairly sets forth your understanding, please sign on the line below and return it to us. This letter will be in effect regarding our engagement until superseded by a subsequent understanding.

Beginning the Work on Your Tax Return

The work on your tax return will NOT begin until SWC Business Enterprises, PC has a SIGNED copy of this engagement letter on file.

We will notify you if we have not received your engagement letter at the time the preparation of your return is scheduled to begin.

The Staff of SWC Business Enterprises, PC

The above agreement is accepted by:

Signature

Name of Business

PRINT: Approved by (NAME)

Date

Power of Attorney and Declaration of Representative

OMB No. 1545-0150
For IRS Use Only

▶ **Type or print.** ▶ **See the separate instructions.**

Received by:
 Name _____
 Telephone _____
 Function _____
 Date / /

Part I **Power of Attorney**

Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer information. Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address	Social security number(s) _____ _____ _____	Employer identification number _____ _____
	Daytime telephone number () - ____	Plan number (if applicable) _____

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax matters

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for **Line 4. Specific uses not recorded on CAF.** ▶

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 2 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Circular 230. See the line 5 instructions for restrictions on tax matters partners.

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: _____

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ _____

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.
- a** If you also want the second representative listed to receive a copy of notices and communications, check this box
 - b** If you do not want any notices or communications sent to your representative(s), check this box

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here.

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

9 Signature of taxpayer(s). If a tax matter concerns a joint return, **both** husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

▶ IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

Signature	Date	Title (if applicable)
Print Name	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PIN Number	Print name of taxpayer from line 1 if other than individual
Signature	Date	Title (if applicable)
Print Name	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> PIN Number	

Part II Declaration of Representative

Caution: *Students with a special order to represent taxpayers in Qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program, see the instructions for Part II.*

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a** Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b** Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c** Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d** Officer—a bona fide officer of the taxpayer’s organization.
 - e** Full-Time Employee—a full-time employee of the taxpayer.
 - f** Family Member—a member of the taxpayer’s immediate family (i.e., spouse, parent, child, brother, or sister).
 - g** Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d) of Treasury Department Circular No. 230).
 - h** Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Treasury Department Circular No. 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See **Unenrolled Return Preparer** on page 2 of the instructions.

▶ IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II instructions.

Designation—Insert above letter (a–h)	Jurisdiction (state) or identification	Signature	Date

PARTNERSHIP/LLC TAX ORGANIZER
FORM 1065
(SHORT VERSION)

Organization Name _____	Tax Period _____
Address _____	Federal ID # _____
_____	State ID # _____

Provide a general ledger, trial balance, depreciation schedules, balance sheet and profit and loss statement. In addition, provide the following information:

	<u>DONE</u>	<u>N/A</u>
1. Copies of correspondence with tax authorities regarding changes to prior year returns.	_____	_____
2. Details of partner/member ownership changes.	_____	_____
3. For each partner/member, TIN, address, percentage of ownership/profit/loss, and general or limited classification. Identify the Tax Matters Partner/Member.	_____	_____
4. Copy of most recent operating agreement.	_____	_____
5. Schedule of all payments or distributions to or for partners/members including descriptions, amounts and the accounts to which these amounts have been posted.	_____	_____
6. Schedule of loans to/from partners/members and related parties including interest rates and payment schedules.	_____	_____
7. Schedule of all fringe benefits paid on behalf of partners/members and indicate which benefits have been included in their guaranteed payments.	_____	_____
8. Detailed analysis of entries in prepaid and accrued expense accounts.	_____	_____
9. Copies of all federal and state payroll reports filed.	_____	_____
10. Copies of Forms 1096/1099, 5500, 1042, 8804, 8805, 5471, 8865, 8858, and 8886 that have been <u>filed</u> .	_____	_____
11. Copies of Forms 1099, 5471, 8865, 8858, 8886 and Schedules K-1 that have been <u>received</u> .	_____	_____
12. Schedule of all interest and dividend income not included on Forms 1099.	_____	_____
13. Schedule of assets acquired and/or sold during the year including date acquired, date sold, sales or purchase price, including any trade-in allowance. Form HUD-1 for real estate.	_____	_____
14. Copy of the inventory uniform capitalization computation.	_____	_____
15. Schedule of contributions.	_____	_____
16. Details of any lobbying expenses.	_____	_____

PARTNERSHIP/LLC TAX ORGANIZER (1065)
(SHORT VERSION)

- | | <u>DONE</u> | <u>N/A</u> |
|--|-------------|------------|
| 17. List of potential non-deductible expenses, such as penalties and life insurance premiums. | _____ | _____ |
| 18. Schedule of any club dues paid. | _____ | _____ |
| 19. Vehicle and mileage data for partnership/LLC owned passenger vehicles. | _____ | _____ |
| 20. Information to complete domestic activities production deduction. | _____ | _____ |
| 21. List details of all entries in miscellaneous income/expense accounts. | _____ | _____ |
| 22. Detail of meal and entertainment expenses. | _____ | _____ |
| 23. List each type of trade or business activity or rental activity and indicate the date started or acquired. | _____ | _____ |
| 24. List activities conducted in other states, including gross receipts by state. | _____ | _____ |
| 25. Can the Internal Revenue Service discuss questions about this return with the preparer?
Yes ___ No ___ | | |

COMMENTS OR EXPLANATIONS
