



Billing and Fee Agreement - 2020-2021

January 15, 2021

Dear Clients:

As we move toward the next tax filing season we wanted to clarify our billing and fee policy for the various services we provide.

We separate our work into two primary categories: **tax services** and **accounting services**. Tax services include federal and state income tax return preparation, planning, and special research or consulting projects. Accounting services includes bookkeeping and write-up work, preparing financial reports, state and local business excise tax returns, payroll, and accounts payable and receivable services. Tax service engagement letters are published on an annual basis, and accounting services engagement letters are issued prior to starting new recurring work or projects. This **Billing and Fee Agreement** is supplemental to our existing engagements and contracts, and is intended to provide transparency in how we bill for services rendered.

All billing is based on our staff hourly rates:

- Tiffanie Ranta, CPA \$275 per hour
- Margaret Matthews, CPA \$275 per hour
- Cindy Nelson, CPA \$275 per hour
- Victor Szmania \$200 per hour
- Marie Poole, EA \$200 per hour
- Tax Preparers \$150 per hour
- Bookkeeping and Admin Staff \$75 per hour

We will update our billing rates on an annual basis.

Fees for our services will be at our standard rates plus out-of-pocket expenses. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. If we have not received payment within 30 days of our invoice, all work may be suspended until your account is brought current. Client acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services.

We review current and past information to determine a client's tax and accounting needs, then define our service level and scope of the engagement. Billing may occur on a one-time or project basis, as well as monthly, quarterly, or annual basis for recurring services. Projects billed hourly will be defined as such,



and a retainer would likely be collected for large projects. Project billing is a function of time and applicable partner or staff rate. Special billing rates for projects may also be assigned.

Recurring engagement invoices will include all the services expected to be rendered throughout the billing cycle. We will review the time spent on each account and adjust fees as your accounting needs and tax complexity changes. For tax return billing, you could expect some fluctuation in your annual fees if the complexity of your tax situation varies from year to year.

We employ a **value-based billing model** in our recurring engagements in that we do not bill separately for quick questions during the year, but rather look at communication and work over the course of the year when doing our billing and fee projections for the year ahead. It is our hope that this encourages each of you to contact us without hesitation. We have found that ongoing communication with clients leads to more successful engagements and fewer surprises throughout the year.

When quoting projects we generally provide a range, because while data entry time is relatively easy to predict, it is more difficult to determine the time required to gather all your information and perform our due diligence if figures appear to be incorrect, or if information is missing. If our expected fees will greatly exceed our estimate provided, we will provide you with notice and require your authorization prior to incurring more time or expense on your behalf.

We are not increasing our hourly rates for the 2020-2021 filing season due to the economic toll the COVID-19 pandemic has had on everyone. However, due to the volume of changes to the tax code, including the additional tax credits available for 2020-2021, we are expecting that each return will require more time to prepare and complete. While this may result in increased overall fees for some of you, we will make every effort to keep our fees to a minimum and provide transparency into how your invoices are compiled. We do still need to bill fairly for our time, and we are always happy to discuss our fees if you have questions. Please contact our office if you are unable to pay your invoice or are interested in setting up a payment plan.

We look forward to working with you, and we welcome your questions and feedback.

Sincerely

Ranta CPA & Associates