



TAX YEAR 2020

Dear valued client,

We appreciate the opportunity to work with you on the preparation of 1099s (information returns). This letter is to specify the terms of our engagement, clarify the nature and extent of the services we will provide, and confirm an understanding of our mutual responsibilities.

Please select the from the following those services you would like us to perform in preparing your 1099s filings:

- Prep with completed 1099 Information Sheet (or equivalent)
- Extract data from QuickBooks
- Gather data from QuickBooks
- Consultation/Review of personally prepared 1099s and/or process

Additional Services –

- Set-up QuickBooks to track vendors
- Other: _____

We will prepare your 1099s based on the information we gather or received based on the selections above. We may contact you regarding a change in our level of service should additional work be required to produce accurate and complete filings. Our services are not intended to determine whether you have filing requirements in other taxing jurisdictions or 1099 form types than the one(s) you have informed us of. If you would like to add any additional form types or jurisdictions, please indicate and identify them in the comments/notes section below.

It is your responsibility to provide all the information required to prepare your information returns. We may provide you with a checklist of information required for the 1099s, or we may gather similar data from your books and records. You represent that the information you provide will be accurate and complete to the best of your knowledge. We will not audit or otherwise verify the information provided, although we may ask for clarification if the information appears to be incorrect, inconsistent, or incomplete. Our work in connection with the preparation of your 1099s does not include any procedures designed to discover errors or other irregularities, should any exist. You have the final responsibility for the 1099s filed and, therefore, you should review them carefully before you sign and authorize us to file them.

Mailing Address
447 State Street
Salem, OR 97301
503-362-9152
Fax: 503-362-9186
office@dpwcpas.com

SALEM OFFICE
447 State Street ▪ Salem, OR 97301
PORTLAND OFFICE
16037 SW Upper Boones Ferry Rd Suite 135 ▪ Portland, OR 97224
ENTERPRISE OFFICE
107 SW First Street Suite 112 ▪ Enterprise, OR 97828

AN INDEPENDENT MEMBER OF
IBDO
ALLIANCE USA

Filers are required to maintain all the documents that form the basis of the 1099s filed. If you have any questions as to the type of records required, please ask us for advice in that regard. Your signature on this letter confirms that we have advised you of the record keeping requirements.

The information on your filed 1099s may go through a matching process by the tax authorities. Incorrect information may result in notice issuance. In such an event, we would be pleased to assist you with resolving the matter under the terms of a separate engagement.

Your 1099s will be required to be filed electronically with the IRS. We will provide you with a copy of your final information returns for review prior to electronic transmission. Written approval is required before submission, which is acknowledgment they are correct to the best of your knowledge, and you authorize us to submit them electronically. We cannot transmit any information returns until we have the approval. E-filing of state copies varies by tax authority. If e-file is not available, paper copies will be filed. If completed 1099s that include 1099-NEC have not been approved by noon on January 29th, 2021 and there has been at least 48 hours to review them, we will proceed with filing to avoid potential late filing penalties.

The issuance deadline for recipient copies of information returns is February 1, 2021. To meet this deadline, the information needed to complete the 1099s should be received in this office no later than January 15, 2021. If we receive your information after this date, we will make every effort to complete your 1099s but will give priority service to clients who submitted information on time. The filing deadlines for government copies of 1099s are as follows –

- 1099-NEC – February 1, 2021
- All other 1099s –
 - March 1, 2021 if paper filed
 - March 31, 2021 if electronically filed

Any 1099s not filed by the filing deadline may be subject to late filing penalties.

Our fees are split between “gathering and/or extracting data” and “processing” 1099 forms.

- Gathering data – if the QuickBooks file is not set-up to utilize the 1099 Vendor Report a thorough review of all payments is required; we will bill \$125/hour for the time spent gathering vendor information from QuickBooks
- Extracting data – if the QuickBooks file is set-up properly a brief review of payments and generating of 1099 Vendor Report is needed; we will bill \$125/hour for the time spent extracting 1099 data from QuickBooks
- Processing – fees will be charge on a flat fee basis for each type of 1096 filed and number of 1099s required
 - \$150 per each 1096 and first 1099
 - Separate 1096s are required for each type of 1099 being filed (i.e. – 1099-MISC, 1099-NEC, 1099-INT, etc.)
 - \$20 per each additional 1099 processed

- Consultation/Review of personally prepared 1099s and/or process – we will bill \$125/hour for the time spent reviewing, but the amount is not to exceed 1.5 hours of time

The balance is due upon completion of the information returns. Amounts not paid within 60 days will be charged interest at a rate of 1.5% per month (18% per year). Checks should be made payable to "Doty Pruett Wilson PC."

You may terminate this engagement at any time. Should you do so, however, you remain liable for all unpaid fees as discussed above. We reserve the right to withdraw from this engagement at any time because of unpaid fees, the guidance of our professional standards, or for any other reason. We will notify you in advance of any decision by us to withdraw and will take all reasonable steps to assist in the orderly transfer of your information. Otherwise, this engagement will be considered complete upon acceptance of your e-filed 1099s by the tax authorities.

If the foregoing is in accordance with your understanding, please sign the enclosed copy of this letter in the space indicated and return it to us along with your tax information. If you have any questions, please do not hesitate to contact us. We appreciate the opportunity to work with you.

Sincerely,

Doty Pruett Wilson, PC

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

Accepted By (Printed) : _____ Date: _____

Title: _____

Signature: _____

Comments/Notes: _____

