

June 27, 2023

Timothy Thorn
James Island Charter High School
1000 Fort Johnson Rd.
Charleston, SC 29412

We are pleased to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide regarding the preparation of the payroll returns for the Employee Retention Tax Credit (ERTC).

Scope

Our engagement will be satisfied upon delivery of the completed returns to you, unless covered by another provision within this Engagement Letter. Client agrees to engage Veris CPA, LLC to perform the research, preparation, recordkeeping, original, or amended returns, required to obtain the ERTC credit for qualifying quarters in 2020.

The ERTC is a multi-step, multi-year process which affects your business payroll tax returns, business income tax returns, and personal income tax returns. The ERTC requires qualification of the employer and employee, identifying and separating qualified wages, performing calculations, preparing original or amending payroll tax returns and maintaining records.

Our services are dependent upon the accuracy, completeness and timeliness of the representations and information that we receive from you. We will use the information provided by you (financial and or Government mandated orders) to determine the qualifying quarters (periods). We will not verify or audit this information. Inaccurate, incomplete or untimely representations may result in an inaccurate submission of your filing by you and/or a decision by the IRS that is adverse to your interests. To the extent we render any services, it will be limited to those tasks we deem necessary for the preparation of the returns only. Any additional services will be considered "out of scope" of this Engagement Letter and will be billed at standard hourly rates, absent any other price agreement.

Client understands that the IRS is administering this credit and that client may receive inquiry notices in the future or be audited based on this engagement. Veris CPA, LLC will respond to any notices and can represent client if audited at a separate hourly charge. Client holds Veris CPA, LLC harmless for any actions taken by the IRS against client regarding the ERTC. Client understands that, of today's date, more guidance from the IRS may be forthcoming. There is no precedence for this credit and little lead time for professionals and software companies to prepare thereby adding to the possibility of errors. There are no court cases, revenue rulings or audit guidelines to date. Some future event may affect the calculations. Veris CPA LLC, is obtaining the data you provide and performing calculations in good faith using its experience and knowledge in these matters based on the available information at this time. Client holds Veris CPA LLC, harmless in the event that the IRS makes future adjustments detrimental to client.

Record Keeping & Retention

You should retain all the documents, cancelled checks and other data that may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the returns; therefore, you should review them carefully before you sign them. It is our policy to retain engagement documentation for a period of five years from the original due date of return, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement; those documents will be returned to you promptly upon completion of the engagement. You should retain a copy of the returns and supporting documentation for a minimum of six years.

You are responsible for maintaining an adequate and efficient record keeping / accounting system, for safeguarding assets, for authorizing transactions, and for retaining supporting documentation for those transactions, all of which will, among other things, help assure the preparation of proper returns. Furthermore, you are responsible to review all the information presented on the return for correctness.

Tax Examinations, Tax Notice / Disputes, and Penalties

The payroll tax returns may be selected for review by the taxing authorities. 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 you or respond to such inquiry. At that time, we will provide you with a subsequent engagement letter to clarify the nature and extent of services we will provide regarding the tax examination and additional invoices will be presented for these services (and any expenses) at our standard hourly rates.

There are instances, where at no fault of Veris CPA LLC, you may receive tax notices from a tax agency looking to challenge or clarify information. If the notice is not related to a clear error or omission by Veris CPA LLC (but rather from error or information was omitted by you to us), the time spent reviewing, providing direction, and resolving the issue will be presented as a separate invoice at our standard hourly rates.

Fees

Our fees for this engagement are not contingent on the results of our service. Rather, our fees for this engagement will be based on a number of factors including, but not limited to: the complexity of the work to be performed, the number of employees and or quarters, coordination with PPP information, research required, our professional time, as well as out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis. We estimate the fee for the services outlined herein to be between \$73,000 - \$109,500.

Multiple Iterations / Changes to Information

Our fees are based upon initial and accurate information provided by you the client. If new or modified information is presented after an initial draft has been delivered, additional fees may apply.

Administration

Our fees and costs will be billed weekly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of 1.5% per month. We reserve the right to suspend our services (including the filing of extensions) or to withdraw from this engagement if any of our invoices are deemed delinquent. If any collection action is required to collect unpaid balances due to us, you agree to reimburse us for the costs of collection, including attorneys' fees.

If you (or we) elect to terminate our services, our engagement will be deemed to have been completed upon notification of termination, even if we have not completed your return. You will be obligated, through the date of termination, to compensate us for all outstanding invoices as well as our final invoice, and to reimburse us for all our out-of-pocket costs. For these purposes, any nonpayment, inability to sign the tax return, or non-response by you of information requested (among other things) will constitute a basis for our election to terminate our services.

If we become obligated to pay any judgment or similar award, you agree to pay any amount in settlement, and any costs incurred as a result of any inaccurate or incomplete information that you provided to us during this engagement. You agree to indemnify us, defend us, and hold us harmless against such obligations, agreements, and/or costs.

Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be filed within one year from the completion of this engagement, notwithstanding, any statutory provision to the contrary.

In the event of litigation brought against us, any judgment you obtain shall be limited to in amount and shall not exceed the amount of the fee charged by us, and paid by you, for the services set forth in this Engagement Letter.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Charleston, South Carolina, by an attorney agreed upon by both parties, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to South Carolina law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

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.

Thank you for your attention in this matter, and please contact us with any questions that you may have.

Sincerely,

Veris LLC

Veris LLC

The client has submitted that all information for the sole purpose of preparing returns for the ERTC credit. Each item can be substantiated by receipts, canceled checks, or other documents. This information is true, correct, and complete.

ACCEPTED AND AGREED:

Client Representative Signature

Client Representative Name (Printed)

Date

