

## BILLING PROCEDURES

We have found that our client relationships work best when our fees and payment terms are clearly articulated and understood. Accordingly, this letter explains our standard billing procedures that apply to all of our clients unless alternative arrangements have been agreed upon in writing. Most of our services are performed under an engagement letter delineating the services to be provided. Those engagement letters will refer to this writing and include the terms noted below.

Our fee for services are influenced by a number of factors: the level of expertise and skill demanded, time required, the size and difficulty of the project, your time constraints or those of the circumstances, the organization of the information, the nature of the project, utilization of our resources, the value of our recommendations and our relationship. Our invoices are generally rendered with completion of the project or every two weeks, requesting payment of fees and reimbursement of costs. The time spent on the project by our staff will establish our minimum level of fees.

Each person is assigned an hourly rate that reflects that person's experience, skill, area of expertise and demand in the marketplace. Currently, hourly rates range from \$180.00 an hour to \$235.00 an hour. Quarterly and annual payroll services are offered at our Base Rates. These rates are usually adjusted annually. Our Base Rate currently is \$180.00 an hour. Upon your request we will forward our rate revisions.

Our compilations and review engagements are subject to AICPA and PICPA peer review, which we must participate in to maintain these vital memberships. Accordingly, our billing rates and fees for these services are delineated in our engagement letter for these engagements.

Our tax planning, tax advice and financial planning services, as contrasted to tax compliance and tax estimating services, generally provide significant increases to your wealth. Accordingly, our value-based fees are delineated in our engagement letters of these services.

Business formation services and tax registrations are provided on a fixed fee basis. Our engagement letter delineates the service to be provided, the forms that will be completed, and the documents that will be provided as well as the fixed fee to complete the project.

The costs you will be charged include certain non-standard tax forms, facsimile charges, research costs, electronic filing transmission fees, overnight delivery, fees charged by other advisors or consultants we retain to assist us with your engagements, travel costs and other miscellaneous cost related to the service we provide for you.

If we are required to attend a deposition or court proceedings or tax authority inquiry, regarding the services we provided for you, you agree to pay us for our time at our Base Rate and reimburse us for our costs, including our costs to produce records. Our invoice will be reduced by any cost recoveries we receive from a third party.

All invoices are due in ten days from the invoice date, unless alternative terms have been agreed upon in writing. We may request an advance to perform certain services. We accept all major credit cards. Should an invoice be outstanding beyond the due date, an interest charge will be applied using an annual rate of 18% and any other projects and our responsibilities will terminate. Should an invoice be outstanding for thirty days beyond the due date, additional collection efforts may be implemented. You agree to pay us for these additional collection costs including any legal fees we incur and for time we spend attempting to collect the outstanding invoices. The time we spend attempting to collect the outstanding invoice(s) will be billed at our Base Rate.

Conferences and appointments are an integral component of our practice. We respect the value of your time and will promptly attend confirmed conferences and appointments. We understand that sometimes appointments must be re-scheduled. Accordingly, you agree to provide us at least twenty-four hours notice if you cannot keep your appointment. If you do not cancel your appointment within twenty-four hours, you agree to pay us for one-hour billed at our Base rate.

We believe that our fees for services are highly competitive with comparable firms and we are confident that you will be satisfied with the value you receive. We are committed to our *value based* services and to managing your expectations.