

**2021 - 2022**

# **Business Advisory Services Agreement**

**For**

**Slate Rock and Gravel Company**

Presented to: Mr. Slate  
slate@slaterock.com  
719-387-9800

Prepared by: Amanda Rowles, EA  
amanda@wcginc.com  
719-302-8681

*WCG is pleased to offer the enclosed agreement for your business advisory services and consultation needs.*

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# What WCG Offers as Your Advisor

Founded by Tina and Jason Watson in 2007, WCG is not a group of tax preparers or number crunchers- we are tax consultants and business advisors, and our firm will take you through the cycles of your personal and business lives. Many accountants are only compliance oriented, and while IRS compliance is critical, being proactive is equally important. Tax planning is our middle name.

Not every business runs the same or has the same needs. We want to ask the appropriate questions, listen, and develop a game plan that works for you, today and tomorrow. We dive deep into-

- ▲ customized business structures for tax efficiency, flexibility and protection
- ▲ operating agreements, structuring deals with investors
- ▲ reasonable shareholder salary determinations and defense
- ▲ tax advocacy, strategies and planning (bad news in August, OK... surprises in April, bad)
- ▲ business advisory services to leverage more from your business for you and your family
- ▲ industry analysis, KPI analysis, benchmarking and peer to peer comparison
- ▲ executive and fringe benefits
- ▲ retirement and estate planning (SEP IRA, 401k, defined benefits and cash balance plans)
- ▲ business valuations, buy-sell support and succession / exit strategies

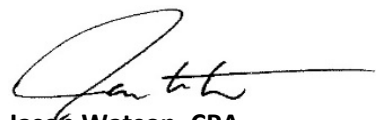
Square pegs don't go in round holes- we'll find the right solution for you and your business. We see far too many crazy schemes and half-baked ideas from attorneys and wealth managers. In some cases, they are good ideas. In most cases, all the entities, layering and mixed ownership is only the illusion of precision.

Moreover, our goal at WCG is to always prepare comprehensive and accurate financial reports, filings and tax returns, but equally important is your understanding of how this stuff "works". To the extent necessary, we want you to be comfortable with your tax and accounting world so together we can successfully plan for your future. We get to peek in for a handful of hours; you live it every day!

We are not salespeople; we are consultants. We are not putting lipstick on a pig expecting you to love it. Our job remains being professionally detached, giving you information including risk profiles and letting you decide.

If you ever find yourself not getting the service levels you expect or if you want to extend some gratitude to a member of our team, please do not hesitate to contact me directly at [jason@wcginc.com](mailto:jason@wcginc.com) or 719-428-3261. We will always make it right, right away!

Warm Regards,



**Jason Watson, CPA**  
**Founding Partner**

# Your Leadership Team

What a good-looking bunch!



Tina Watson, CPA, CFP  
Founding Partner



Jason Watson, CPA  
Founding Partner



Jason Schneider, CPA  
Managing Partner



Sally Rhoades, CPA, CFP  
Partner



Michelle Day, EA, CFE  
Tax Partner



Amanda Rowles, EA  
Director



Rachael Weber, CPA  
Sr. Tax Manager



Megan Oeltjenbruns, CPA  
Tax Manager



Terra Plamp, CPA  
Tax Manager

We have over 40 tax consultants and business advisors ready to assist you. To see the rest of your amazing team please visit-

**[wcginc.com/team](http://wcginc.com/team)**

How is an Enrolled Agent different than a Certified Public Accountant? Good question! Check out our blog post on it (spoiler alert: Not much!)-

**[wcginc.com/ea](http://wcginc.com/ea)**

# Ideal Client Relationships

Since our client interactions are about relationships, WCG has a short list of expectations from our clients. We do not believe in the adage that the customer is always right. Sorry. This might seem harsh, but we have several good clients who are paying us to keep bad clients out of the fortress so we may leverage our resources correctly.

## Sense of Urgency

We expect clients to have a sense of urgency. As Tina Watson, founder of WCG, says, “We hope you value your business as much as we value your business.” In other words, we need clients to carve out time for us so we may do the job you’ve hired us to do. It doesn’t make any sense to hire a housekeeper but not provide access to the house.

## Collaborative Perspective

Our relationship isn’t a drive-thru transaction. We want to work together on understanding your business, tax and financial worlds. Sure, we have several clients who provide beautiful financial statements and we produce equally beautiful tax returns. At the same time, we prefer to review the financial statements, poke around a bit, ask some questions and collaborate with you to ensure the best advice is being offered and the best tax return is being prepared.

## Open Communication

We want you to be open and honest with us. We don’t like playing hide the ball or some silly guessing game. Accountants unfortunately do not have the same client privileges as attorneys, doctors and clergy enjoy. However, we’d rather have you tell us the truth in plain language so there is no confusion.

## Human Compassion

We are not machines. We are human beings who from time to time make mistakes and have bad days. While one of our favorite phrases is “We are all actors on a stage. We do not have bad days.” we expect the same compassion from you that we offer to you. The Golden Rule comes to mind.

## Trust and Verify

A lot of clients want to understand how things work. This is great, and we love teaching the basics. We truly do. However, please understand that a newbie CPA spent 6-7 years just to become a CPA and it is difficult to reduce all that knowledge into a singular conversation. We hope that our clients can get to a point where they trust the professionals they hire, and they verify the work product.

## Fiscal Responsibility

Taxes are a way of life. We are not interested in doing business with clients who do not believe in paying taxes or who do not have the fiscal responsibility to pay taxes. Yes, we want to minimize taxes. No kidding. It is your duty as an American citizen to pay the least amount of taxes allowed by law, and we will help you do that. At the same time, Franklin D. Roosevelt said in 1936, “Taxes, after all, are the dues that we pay for the privileges of membership in an organized society.”

Of the G20 countries, only South Korea, India, Mexico, Turkey, Canada, Indonesia, Brazil and Russia have lower personal income tax rates. We live in a great country. Pay your dues. Just not a penny more.

# 2021 Onboarding Services

## Formation

Articles of Organization Formation Incorporation Certificate (\$425)  
State Filing Fee of \$50 for Colorado (included)  
Employer Identification Number (included)  
Single Member Operating Agreement (included)  
S Corp Election, Timely Election, Corporate Minutes for Adoption (included)  
Accountable Plan, Corporate Minutes for Adoption (included)

**Formation Fee (one-time)**

**\$475**

## OnBoarding

Payroll Accounts Transfer Setup for Q1 in **Colorado** (\$300)  
Unlimited HR Help Desk Access thru ADP (included)  
QuickBooks Desktop to QBO Conversion and Setup (\$450)  
Analyze Prior Year Tax Returns, Discuss During Initial Business Review (included)

**OnBoarding Fee (one-time)**

**\$750**

## Retroactive Services

None.

Several retroactive services must be performed manually, and include abatement letters and correspondence with tax agencies on your behalf. This usually requires Power of Attorney (POA) forms to be completed by us and signed by you, so we may contact certain agencies on your behalf.

**Retroactive Services Fee (one-time)**

**\$0**

**Total One Time Fees**

**\$1,225**

# Business Advisory Services

## 2021-2022 Tax Planning and Preparation

Tax Planning, Tax Projection Worksheets, **One Household**  
 Small Business Tax Deductions Optimization  
 Section 199A QBI Tax and Salary Optimization  
 Estimated Tax Payments (done thru payroll)  
**2021, 2022** Business Tax Prep, **Multi-Entity Arrangement, One State**  
**2021, 2022** Individual Tax Prep, **One Owner**  
 Expat / Foreign Income Calcs (Form 2555, FBAR, Form 8938)  
 IRS Audit Defense  
 Situational Tax Law Research (up to 3 hours annually)

| Vail   | Telluride | Aspen  |
|--------|-----------|--------|
| ✓      | ✓         | ✓      |
| ✓      | ✓         | ✓      |
| ✓      | ✓         | ✓      |
| ✓      | ✓         | ✓      |
| ✓      | ✓         | ✓      |
| ✓      | ✓         | ✓      |
| Add-On | Add-On    | Add-On |
| ✓      | ✓         | ✓      |
|        |           | ✓      |

## 2021-2022 Payroll

Reasonable Shareholder Salary Calculation (RCReports)  
 Monthly Shareholder Payroll Processing (up to 3 shareholders)  
 Employee Payroll Processing (up to 25 EEs, bi-weekly, direct deposit)  
 Annual Payroll Processing (W2s, other filings, up to five 1099's)

|        |   |   |
|--------|---|---|
| ✓      | ✓ | ✓ |
| ✓      | ✓ | ✓ |
| Add-On | ✓ | ✓ |
| ✓      | ✓ | ✓ |

## Business Advisory Services

### Consulting

Business Consultation, Periodic Business Reviews (PBR)  
 Complimentary Quick Chats (CQC)  
 Interfacing with Lenders, Attorneys, Financial Planners

|           |           |           |
|-----------|-----------|-----------|
| Quarterly | Unlimited | Unlimited |
| Unlimited | Unlimited | Unlimited |
|           | Unlimited | Unlimited |

### Financial Analysis

QuickBooks, Xero Consulting  
 QBO Bookkeeping, Financial Statement Presentation  
 Fractional Controller  
 Financial Statements Analysis, Comparisons  
 Cash Flow Management and Analysis  
 First Research Industry Reports, Industry-Focused Consulting  
 National and Metro Economic Reports  
 KPI Analysis, Benchmarking, Hot Sheets, Trend Analysis  
 Budgeting, Forecasting, Goal Setting

|        |           |           |
|--------|-----------|-----------|
|        | ✓         | ✓         |
| Add-On | Add-On    | Add-On    |
| Add-On | Add-On    | Add-On    |
|        | Quarterly | Quarterly |
|        |           | ✓         |
|        |           | ✓         |
|        |           | ✓         |
|        |           | ✓         |
|        |           | ✓         |

### Strategy and Maintenance

C-Level Financial Advice and Strategic Planning (Fraction CFO)  
 Succession Planning, Ownership Changes Consultation  
 Annual Business Valuation  
 Annual Corporate Governance, Resolutions, Meetings

|  |   |   |
|--|---|---|
|  |   | ✓ |
|  |   | ✓ |
|  |   | ✓ |
|  | ✓ | ✓ |

**Annual Fee\***

**Monthly Fee\***

|                |                |                |
|----------------|----------------|----------------|
| <b>\$3,180</b> | <b>\$5,580</b> | <b>\$8,160</b> |
| <b>\$265</b>   | <b>\$465</b>   | <b>\$680</b>   |

**Selected**

Unlike the modern-day new car packages, our Business Advisory Service plans can be customized specifically for you. The array above is simply a starting point. If you need more from us, let's chat about it!

# Fees Summary

## Onboarding Fees (due now, one-time)

**\$1,225**

## 2020 Fees (invoiced separately)

2020 (due 2021) Business Tax Returns  
2020 (due 2021) Individual Tax Returns

**Typically \$1,500  
Complimentary**

## 2021 - 2022 Fee\*

Selected Business Advisory Services Plan (BAS)

Vail

BAS Plan Fee 2021

\$3,180

Add-On: Expat Tax Planning, FBAR and /or 8938 (up to 5 accounts)

Not Included

Add-On: Multi-Entity Arrangement (consolidated reporting, 2021 and 2022)

Not Included

2021 (due 2022) Business Tax Returns

**Included**

2021 (due 2022) Individual Tax Returns

**Included**

BAS Monthly Fee 2021 (base amount)

\$265

Monthly Add-On: Employee Payroll Processing

Not Included

Monthly Add-On: Bookkeeping

Not Included

Monthly Add-On: Fractional Controller

Not Included

Monthly Discount for self-processing payroll / tax returns (Form 1040)

\$0

## Monthly Fee for 2021 (starting Jan 1, 2021)

**\$265**

## Monthly Fee for 2022 (starting Jan 1, 2022)

**\$265**



# Consultation and Services Not Included Disclosure

Business consultation is based on providing consultation, advice and planning on common issues for business owners. However, there might be an occasional issue that we consider to be out of scope. For our **Vail Business Advisory Service plans**, out of scope consultation and services include but are not limited to-

- ▲ handling IRS or state notices for matters that WCG was not originally engaged to perform,
- ▲ payroll audits beyond simply providing an Excel file of the payroll details,
- ▲ verification letters for mortgage loans,
- ▲ postage and delivery beyond simple letters,
- ▲ financial planning or investment advice,
- ▲ QuickBooks or other accounting software setup or training,
- ▲ annual corporate governance such as filings, resolutions and meetings,
- ▲ reviewing legal documents such as Operating Agreements, Shareholder Agreements, contracts, etc.,
- ▲ extensive coordination with attorneys and financial advisors,
- ▲ scenario based tax planning such as selling rentals, business interests, installment sales, etc.,
- ▲ specific research on uncommon or irregular tax matters extending beyond one hour (unless Aspen plan), and
- ▲ new employee setups, terminations, employment verifications, mailing W-2s, correcting 1099s.

We don't always charge for these services. For example, adding a new employee is a normal business activity and we usually do so at no charge. However, buying another business and adding 100 employees would incur an additional fee.

If we believe the requested service is outside of scope and not included in the business consultation and services, we will have that awkward conversation with you ahead of time so an agreement can be reached. We will never do work and then bill you without an estimate of time from us and approval from you. Please refer to current fee schedule here-

**wcginc.com/fee**

A retainer of 60% of the estimate might be required prior to work being started. **The following are out of scope services that we can perform if engagement separately-**

- ▲ property tax filings, sales and use tax filings, excise tax filings,
- ▲ bookkeeping / accounting, bank reconciliations, repairing or rebuilding accounting records.

We cannot perform audits or reviews for any purpose.

For referrals to trusted professionals who can provide these services please use this link-

**wcginc.com/9500**

By initialing, you acknowledge the **Services Not Included Disclosure** above

\_\_\_\_\_  
(initials)

# Tax Return Preparation Disclosures

To avoid confusion and awkward business relationships, we need to make some disclosures regarding tax preparation fees.

## Flat Fees

We attempt to provide a flat fee for tax return preparation, and we make every attempt to maintain the fees above. However, about 10% of our small business owners have tax returns that are outside the usual complexity and require significant additional tax preparation time. Examples include-

- |  |   |
|--|---|
| ▲ Multiple rental properties                   | ▲ Change in accounting method (Form 3115) |
| ▲ 1031 like-kind exchanges (Form 8824)         | ▲ Several K-1 entries and dispositions    |
| ▲ Brokerage accounts with several transactions | ▲ Property sales, dispositions            |
| ▲ Day trader status, mark to market election   | ▲ FBAR, FATCA (Form 8938) submittals      |
| ▲ Crypto currency mining, cost basis calcs     | ▲ Foreign ownership (Forms 5471 and 5472) |
| ▲ Multiple states, state income apportionment  | ▲ Foreign documents translation           |

If this situation exists, we will provide a separate additional fee for the completion of your tax returns (again, we'll be gentle). **We will advise you prior to tax return preparation so there are no surprises.** We encourage you to provide the previous year's tax returns for review and quotation if you believe you might be subject to additional fees.

## Bookkeeping

If you do not have a bookkeeping engagement with us, we expect to perform 2-3 hours of accounting / bookkeeping support within the tax preparation process such as re-working profit and loss statements, reconstructing balance sheets, reconciling payroll entries and preparing adjusting journal entries (if necessary and appropriate). This is already included in the fees above. If additional accounting / bookkeeping is necessary to adjust your books to an acceptable level of format and accuracy, a third-party bookkeeper might be required.

## Engagement Agreements

In addition to this Business Advisory Services agreement, we will require separate Engagement Agreements to be reviewed, signed and returned to us prior to tax return preparation. This complies with the IRS's and the American Institute of CPAs' professional requirements. Since our Business Advisory Services agreements are enduring and tax return engagement terms change annually, such as document and filing due dates, Tax Return Engagement Agreements will be requested annually.

By initialing, you acknowledge the **Tax Return Preparation Disclosures** above

\_\_\_\_\_  
(initials)

# Tax Notices Disclosures

From time to time you might receive a tax notice from the IRS, state or local taxing authority. These are never pleasant. Further, it is a common misconception that the government and their respective employees are never wrong. However, their systems are run by human beings, and while we like to believe that the best and brightest people are employed with our government, sadly they are like anyone else. To make matters worse, these notices might contain threatening language and are routinely delivered after business hours.

Here is what we kindly encourage you to do when a tax notice arrives-

- ▲ Briefly freak out.
- ▲ Understand that the government is fallible relying on humans to push buttons and pull levers.
- ▲ Send a copy (all pages, front and back) to our office via your client portal.
- ▲ Rest assured that the notice is being handled.

Here is what we will do-

- ▲ Let you know we received it.
- ▲ Advise you of the timeline for resolution. It is common for taxing authorities to take 8-10 weeks to resolve the matter. Meanwhile the computer system escalates the problem and churns out more threatening letters. Please send a copy of these “crossed in the mail” notices as well.
- ▲ If the notice is an income tax matter or some matter that is within our purview we might need a Power of Attorney to contact the taxing authority.
- ▲ If the notice is payroll related, we will forward to ADP, our payroll processor, and monitor their progress.
- ▲ If we send any correspondence on your behalf, we will always let you know and provide a copy in your client portal.
- ▲ We will never make decisions on your behalf without your approval.

**Critical-** please do not respond directly to the notice nor send payments without our explicit instructions. We cannot have two cooks in the kitchen.

Please understand that we will always make it right, right away. Penalties and interest will be our responsibility if our action or omission is the cause of the tax deficiency.

By initialing, you acknowledge the **Tax Notices Disclosures** above

\_\_\_\_\_  
(initials)

# 2021-2022 Schedule Disclosures

We want you to focus on operating your business and not spend as much time administering your business. At the same time, there are hard and soft deadlines. We are at the mercy of government agencies and we must march to the beat of their drum. In addition, we want to manage your expectations.

The following schedule shows payroll events (for shareholder only payroll) and tax preparation deadlines, plus our tax planning and periodic business reviews (PBRs). **Critical information and deadlines are shown in red.** Regardless of our scope of engagement, please review for pertinent information. We will also send out reminders throughout the year.

Please use this link to review the 2021-2022 schedule-

**wcginc.com/33**

By initialing, you acknowledge the **Schedule Disclosures** above

\_\_\_\_\_  
(initials)

## Payment, ACH Drafting

Payment for our services will be automatically be debited from your checking account or charged to a credit card. Please rest assured that if you have a question about our fee or need to cancel our engagement, you can do so at any time. No phone menus. No hold times. No strong-arming. We also understand that auto-drafts pose a security risk to your money. We have the same concerns as well which is why we only use PaySimple as our ACH and credit card processor. We've used them for nearly a decade, and their internal controls are excellent.

▲ Monthly Fee Starting January 2021      **\$265**

▲ Monthly Fee Starting January 2022      **\$265**

Please use the link below to safely and securely setup payment information-

**wcginc.com/pay**

An email will be sent 5 days prior to the automatic payment. If you need to make other payment arrangements, please let us know right away- we can always work with you on fluctuating cash crunches.

Should a payment be returned as NSF or not honored, you will receive an email from our payment processor alerting you. They will automatically attempt to re-process in 5 days. If you need to update your payment information, please use the link above.

By initialing, you authorize WCG to automatically debit your business checking account or charge your credit card for our monthly fee (all other charges, if any, will always be approved by you on a case by case basis- this authorization is only for our monthly fee)

\_\_\_\_\_  
(initials)

# Agreement Review, Modification, Termination

This agreement is subject to periodic reviews every 90 days, and at that time fees might be adjusted to reflect a new scope of work. For example, if additional accounts have been added or remove such as a credit card account, that might warrant a fee adjustment. Also, from time to time we will update our terms and conditions, and send those to you separately.

You may cancel our service at any time. Any fees collected that were attributed to pre-paid tax preparation will be refunded at 75% (unless we prepare them post-termination). Mid-period cancellations still require payroll forms to be prepared and filed. We will work with you on the transition, and additional fees associated with payroll filings might be incurred. In addition, upon termination of payroll service you will be responsible for year-end processing, and annual payroll filings such as W-3s, 940s, etc.

We will always assist in the transfer of payroll service to another provider, preparing year-end and annual filings, and / or termination of payroll service).

## Client Communication and Access

Effective communication between WCG and the client is absolutely critical to everyone's success. Our agreement to provide tax, accounting, payroll and / or consultation services is predicated on efficient access to the client's financial records and documentation. We also rely on the client to be responsive to questions about the information provided.

Please call or email us anytime with your questions and concerns, or to schedule a consultation. Thank you in advance, and we look forward to working with you!

Presented by WCG:



Amanda Rowles, EA, Director of Business Development

Dated : **January 29, 2021**

Accepted by Mr. Slate for Slate Rock and Gravel Company:

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Client Signature

Dated : **January 29, 2021**

# Formation Supplement (if engaged)

WCG will prepare the necessary filings on your behalf for the creation of your business entity. We can represent this process in all fifty states plus the District of Columbia.

Typically, Articles of Organization or Incorporation (or Certificate of Formation) and an Employer Identification Number (EIN), and at certain times an Operating Agreement, are required to open a new business checking account. When choosing a business bank, please consider those that have accountant's logins which provides read-only access. This allows us (and others) to have safe and direct access should we need to retrieve data for tax preparation or planning purposes.

If you cannot act as your own registered agent because you do not live in the same state where your business is domiciled, then a third-party registered agent is typically required. We can refer you to registered agents in all states.

## Operating Agreements

We are not a law firm nor are we allowed to practice law to the extent of representing your rights beyond tax matters. All multi-member LLCs, partnerships, corporations and entities with multiple owners should have an agreement such as an Operating Agreement, a Partnership Agreement, a Shareholder Agreement, By-Laws and other legal documents protecting the rights of all interested parties. As such, we encourage you to seek legal advice if this situation applies to you or your entity. Here is a list of referrals-

[wcginc.com/9500](http://wcginc.com/9500)

## Bylaws

Operating Agreements are required for limited liability companies (LLCs). In contrast, Bylaws are required for corporations including professional corporations. This does not include LLCs taxed as an S corporation; in this case, the underlying entity remains an LLC and uses an Operating Agreement.

WCG is not a law firm, and we cannot draft Bylaws for a corporation. Several templates are available online, and we also provide one as well should you need it.

## S Corp Elections

An S Corp election on Form 2553 is typically required within 75 days of business formation or the start of the fiscal year (January 1 usually). However, there are provisions for a late S Corp election and we can easily handle this. For new businesses with uncertain revenue, our advice is to typically wait on the S Corp election until later in the year to ensure that it is necessary and instrumental to keeping more money in your pocket.

## Accountable Plans

An Accountable Plan is an IRS-approved process for reimbursing employees and employee-owners for costs they incur related to their business. For example, all mixed-use items such as home offices, cell phones, mileage, meals, etc. are paid personally and then reimbursed through an Accountable Plan. Conversely, all expenses that 100% business related are paid directly by the business. Please visit our webpage on Accountable Plans-

[wcginc.com/APlan](http://wcginc.com/APlan)

Education Assistance Programs, HRAs, self-administered FSAs including dependent care and other benefits might warrant more discussion.

# OnBoarding Supplement

## Payroll Setup, Transfer

We will setup all Federal withholding and unemployment accounts, and State withholding, unemployment and disability account numbers (if required). Any local taxes are also included. A Limited Power of Attorney (POA) will be required for us to apply and obtain the State account numbers (we make this easy).

We will also transfer any existing payroll accounts if applicable. Therefore, only one W-2 will be required per employee, and all payroll filings will be updated to reflect prior deposits and payments.

With our payroll service, you also get unlimited access to our HR help desk. Have a question on Affordable Care Act or overtime rules? Full-time equivalents? Payroll credits? The ADP HR helpdesk can assist.

## QuickStart

Several small business owners can easily manage their financial transactions with Excel, however, at times the use of QuickBooks is preferred. WCG only supports and will only accommodate QuickBooks Online (QBO) for our QuickStart program and for tax preparation including tax planning. In other words, we cannot accept or use desktop QuickBooks data files.

QuickStart includes-

- ▲ Set-up QBO
  - Chart of Accounts
  - Linking bank accounts
  - Company legal info in QuickBooks (Address, EIN, etc.)
- ▲ Training to show the basics of how to use QBO (typically 90 minutes)
  - How to create invoice
  - How to apply a payment
  - How to code bank feed transactions
  - How to match transactions
  - How to reconcile bank and credit card accounts
  - How to create adjusting journal entries for external payroll data, tax return data, etc.
  - How to change system configuration
  - Answer any questions during the session
- ▲ Three months of general support and answering “how to” questions regarding QBO

QuickStart does not include payroll setup within QuickBooks.

Additionally, should you no longer want to have bookkeeping as a chore, WCG’s bookkeeping services start at \$400 per month for two bank accounts and up to 250 monthly transactions.

## Prior Year Tax Returns Examinations

As part of the tax return preparation transition (if we are engaged to do so), we will inspect your prior tax returns for any obvious errors or omissions. A wonderful example is incorrect depreciation schedules on fixed assets such as real estate. Another example is the incorrect handling of self-employed health insurance premiums and HSAs. If the situation is a material problem, we will present the information to you along with a variety of possible action plans.

Prior year tax return examinations are primarily designed to ensure we are continuing good accounting practices since many tax returns are “linked” together year after year. These examinations are not audits or reviews as defined by the accounting profession; additionally, we cannot provide assurance that the tax returns were prepared correctly including income reporting and expense deductions. We can also re-create your tax returns as if we were preparing them, but additional fees will apply.

## **Retroactive Services Supplement (if engaged)**

### **Late S Corp Election**

WCG can prepare and file a late S corporation election beyond the statutory 75 days. For example, after a discussion in September we determine that an S Corp election is beneficial. We can easily retroactively elect S Corp status back to January 1 or the inception of the entity.

Where this gets tricky is during tax preparation season. We can prepare and file a late S Corp election in March retroactively to the prior year January. However, an S corporation tax return on Form 1120S is due March 15. We cannot electronically file an extension since the IRS takes about 10-12 weeks to process S Corp elections. As such, about June or so, you receive approval from the IRS and we then file the S corporation tax return (but late).

About 8-10 weeks after tax return filing, the IRS will send a late filing penalty of \$200 per month per shareholder. We have been 100% successful for over a decade in getting these penalties abated. However, there might be a chance that your late filing penalty might not be successfully abated.

### **Late Payroll Event**

Please refer to the Late Payroll Event disclosure on page 12.

## **End of Year Officer Comp, 2021 Tax Planning (if engaged)**

When clients are onboarded late in the year such as November or December, several activities are required and typically occur simultaneously. Since each situation is unique, we will review the plan of action during the Initial Business Review / Kick-Off meeting.

## **Tax Planning and Preparation Supplement (if engaged)**

### **Tax Planning, Tax Projection Worksheets**

Tax planning and projections involve the careful review of your unique financial situation and all the pieces related to potential tax savings. In addition, our tax planning strategies attempt to maximize tax savings over a lifetime and not just a singular point in time. Do you buy a piece of equipment on December 31 or January 1? Do you defer income? Do you defer income taxes? Should I put my spouse on payroll? My kids? These are all common questions.

Tax planning is critical to long-term financial success. Business owners commonly sacrifice long-term success for short-term gains, and we'll explore that with you. Here is our end of year tax planning supplement-

[wcginc.com/EOY](http://wcginc.com/EOY)



Basic tax planning considerations can also be piqued with our Periodic Business Review agenda-

[wcginc.com/PBR](http://wcginc.com/PBR)

Tax projection worksheets (TPWs) are excellent since they compare the current year to the previous year in a side-by-side comparison including tax liabilities, withholdings and estimated tax payments. These TPWs allow us to put you in a tax neutral position using projected income and expenses, plus factoring in all the household income, deductions and credits. TPWs are essentially a mock tax return for both the IRS and your state(s).

TPWs for 2021 are a matter of course with the preparation of your 2020 tax returns. Our tax software will automatically generate these making assumptions based on 2020.

In July or August, we will tweak these “auto” TPWs after obtaining updated business income and expenses from you. If you don’t supply us with updated information including self-prepared tax returns and other income sources, then we cannot update your TPW. We will make one more correction in October or November if there is a greater than 10% change in net business income after expenses. **Please keep in mind that TPWs are estimates and do not require NASA precision.** For example, asking to add another \$500 in estimated charitable donations does not move the needle.

**Note:** TPWs are not completed or updated in December unless you are a new client late in the year and require Officer Compensation to be calculated including tax planning. Additionally, scenario-based tax planning such as selling rentals, business interests, installment sales, etc. are generally not included in tax planning. Our typical fee range for this enhanced tax planning is \$350 to \$600 depending on complexity.

### Small Business Tax Deductions Optimization

Business tax deductions must be carefully managed. Several tax deductions become simply unavailable because the business owner did not understand the rules and how to position his or her company to maximize a tax deduction’s utility.

Here is a reduced timeline of the considerations that we go through-

- ▲ Through use of our Periodic Business Review (PBR) agenda, we survey your activities and your unique situation to flush out missing tax deductions. Along the same lines, we explore money that is already being spent that might be considered a business-related activity and then tax deductible.
- ▲ We ensure you know all the tax deduction rules so you can position yourself correctly.
- ▲ Next, we examine the benefit of the tax deduction as compared to taxable income and marginal tax rates. For example, should you wait 24 hours to purchase a business vehicle on January 1 when next year’s income will be higher than the current year? In other words, we optimize by not just saving taxes today but rather save taxes over your lifetime.

Here is a link to our Periodic Business Review agenda-

[wcginc.com/PBR](http://wcginc.com/PBR)

## Section 199A QBI Tax and Salary Optimization

Wages are a secondary testing component for maximum Section 199A benefits, and we will ensure that salaries are correctly balanced with the reduction in payroll taxes objective as well as the increase in Section 199A benefits objective, which are inherently opposed.

## Estimated Tax Payments

We re-calculate your estimated tax payments throughout the year. Far too often, tax professionals will provide the estimates based on the previous tax return. This works only if your income and tax situations (marriage, children, sale of property, etc.) do not change. Life and business changes from year to year are common, and we stay on top of it throughout the year through our consultations, quick chats and PBRs.

It is disconcerting to have money in the bank and not know how much is yours, and what you can spend. Operational decisions and domestic decisions cannot be clearly made without proper tax planning and estimated tax payment calculations.

Two options exist after estimated tax payments are calculated. First, we will increase the withholdings on your pay checks to basically eliminate the need for separate payments. This includes state income tax as well. Another huge benefit of manually adjusting income tax withholdings is that there are not any underpayment penalties since income taxes withheld through payroll are considered to be evenly paid throughout the year.

At times, salaries are not large enough to accommodate all the estimated income tax that needs to be deducted (and paid). In these cases, separate estimated tax payments are made. Either we can handle this for you for an fee of \$300 (the Telluride and Aspen plans have this built-in at no additional charge), or we can provide instructions.

## Business Entity Tax Return

Our business entity (Partnerships, S Corporations, Corporations, Tax-Exempt) tax preparation includes a comprehensive tax return review with you in-person, by telephone, or videoconferencing. We believe a thorough review is important for two reasons- it ensures ultimate accuracy since the business owner is the most intimate with his or her world, and it allows WCG to educate and inform the client of the moving parts of a tax return (the fun part!).

We also prepare year-end adjusting journal entries to ensure accounting records match tax returns.

## Individual Tax Return

Our Business Advisory Services fee might also include individual tax return preparation for each partner or shareholder depending on our engagement. We believe the best results are achieved when WCG has all the pieces to the tax return preparation puzzle. This allows us to create tax models to ensure your tax consequence is accurate and optimized.

## Expat / Foreign Income

Expats receive an amazing tax benefit where the first \$107,600 (for the 2020 tax year) is not taxable. Form 2555 is used to detail the foreign earned income exclusion during tax preparation, and there are several small complications that go into these computations. This also extends to tax planning and tax projection worksheets as well. As such, we have add-on fees for Vail, Telluride and Aspen Packages-

|                    |   |
|--------------------|---|
| Basic Expat Add-On | \$240 annually (added to monthly fee)                     |
| FBAR Add-On        | \$180 (added at tax return preparation, up to 5 accounts) |
| Form 8938 Add-On   | \$180 (added at tax return preparation, up to 5 accounts) |

FBAR and Form 8938 thresholds might not be met every year. Therefore, we charge separately for these filings at the time of tax return preparation.

For more information on expat tax preparation including FBAR and Form 8938 filing requirements, please visit-  
**wcginc.com/expat**

### **IRS Audit Defense**

IRS examinations of tax returns are a way of life, and defending them can be costly. With our audit defense we will defend your federal corporate and individual income tax returns, transfer the case to our local Colorado Springs IRS office, and schedule and attend all audit appointments. Your physical presence is not required.

There are limitations to our audit defense service. This service only applies to income tax returns that WCG prepared, and we cannot guarantee an outcome or a level of success. Most clients lose audits due to incomplete records or documentation. We will represent you in all levels of IRS audit except tax court up to 6 hours per year as long as you are a current Business Advisory Services client of WCG. Most audits can be completed in two 2 ½ - hour sessions.

### **Situational Tax Law Research**

At times additional research is required to determine if you are eligible for a particular tax deduction. For example, you develop software and you are wondering if the Research and Development Tax Credit applies to your situation. This type of situational tax law research is included in our Aspen Business Advisory Service plan only and is limited to 3 hours annually. Our hourly rate is \$250 should more than 3 hours be required, or if you are on the Vail or Telluride plans (which do not include situational tax law research as part of the base fee).

## **Payroll Supplement (if engaged)**

Payroll is straightforward until it isn't, you broke it or if you are sailing across the Atlantic and forgot to pay your staff. We will take payroll off your mind including streamlining different pay schedules (if applicable), provide paperless processing options, and keep you informed of state and federal payroll requirements. Let WCG perform your chores!

### **Reasonable Salary Calculations**

We use a variety of sources and techniques to synthesize a reasonable salary. One of those sources is RCReports, or Reasonable Compensation Reports, which is a consulting firm out of Denver, Colorado. They send out a survey to you which asks a bunch of questions about qualifications, time spent on various tasks, regional data, etc. From there, and in their words, "RCReports synthesizes a proprietary blend of IRS criteria, Court Rulings, geographic data and our EXCLUSIVE database of wages to accurately assess Reasonable Compensation for S Corp, Small & Closely Held Business Owners."

You can view a sample here-

**wcginc.com/8257**

This is included in all our Business Advisory Services plans.

### **Monthly Shareholder Payroll Processing**

WCG has partnered with ADP to provide the best possible service to you, and to ensure regulatory compliance. ADP is merely the computation and filing arm of the payroll process. Your first and last call is WCG.

ADP is a double-edged sword. They are excellent at what they do, they defend their payroll tax filings and they provide online access for you to directly view and retrieve payroll documents (which are also uploaded into your client portal). If our engagement is terminated, you can also easily transfer the historical payroll information to your personal account for future processing.

However, ADP is a huge company with rigid rules and deadlines. Please be aware that missing hard deadlines as outlined previously will incur additional fees for amendments.

### **Late S Corp Payroll**

If a scheduled monthly S Corp payroll event must be completed manually because of a client delay in returning information or approval to us, there will be additional fees for amending and / or manually preparing payroll filings. The fees from ADP can easily be \$250 per form per quarter totaling over \$1,000 for one "event."

**Your attention to payroll deadlines is critical.**

### **Shareholder Salaries**

Periodic consultation with shareholders is provided to determine proper tax withholdings through salaries and estimated tax payments. Our common strategy is to calculate monthly payroll for the first half of the year using the previous year as a proxy. Next, we re-calculate the data in July or August for changes in income. Should changes in income or data warrant, another re-calculation is done in November.

Your W-2 income tax withholdings will be grossed up to plan for your K-1 income and associated income taxes by using your previous tax returns coupled with your projected business income and tax projection worksheets (when appropriate). This typically replaces the need for estimated tax payments. This is always our goal-compartmentalize your business and help you budget for the income tax consequence throughout the year.

You will have two sources of pulling cash out of the business; first is your shareholder salary and the other is shareholder distributions. As previously stated, take home pay from shareholder salaries is commonly suppressed since income taxes withheld are increased to land on tax neutrality. As such, it is very typical to use shareholder distributions to augment your take home

If you want more or less income taxes withheld from your pay check, please let us know. If you have major life events such as new home, new baby, marriage, divorce, changes in income, etc., please let us know so we can accommodate. We will also need to know about other income sources such as spousal income or pension income to accurately project your tax liability throughout the year. Here is a link to the Tax Planning Financial Tune Up Agenda-

**[wcginc.com/taxplan](http://wcginc.com/taxplan)**

For more information on shareholder wage determination, increased withholdings, etc. contact us or visit our KB articles at-

**[wcginc.com/scorp](http://wcginc.com/scorp)**

### **Employee Payroll Processing**

We are your turnkey solution for employee payroll processing. Payroll never sleeps and having the comfort of it being handled while you are on vacation or away from the office is a huge benefit. Also, having someone outside your business verify the data might assist in reducing the possibility of fraud.

We perform all employee setups including direct deposit. From there, you can either-

- ▲ Enter the hours and pay amounts directly into ADP, or
- ▲ Submit the same information via email, fax or phone call to us.

In both situations, WCG verifies the information and then processes payroll.

All payroll information, timecards, hours, bonuses, etc. must be received by 11:00AM Mountain time two days prior to the check date. For example, for a Friday check date, all pertinent payroll information must be received by 11:00AM on Wednesday.

Payroll calculations and paystubs are created for all employees. We will provide cash requirements for payroll and payroll tax deposits **the day prior for your approval.**

All paychecks will be direct deposited when possible. Automatic deposits of all tax liabilities are made on your behalf, with WCG and ADP assuming full responsibility for accuracy and timeliness. We can also mix and match for those employees without checking accounts by direct depositing some and creating paper checks for others.

Employees can also be set up with direct access to ADP to review paystubs, review paid or sick leave, download W-2s, and other housekeeping items.

If a termination check is required, we can calculate the net-check amount so you can issue an immediate check (manually written) to the terminated employee. We will then incorporate this unscheduled payroll event in the payroll records. This can also be performed through direct deposit if necessary.

For our S Corp clients who are running monthly payroll for shareholders, please understand that payroll is typically a year-long commitment. There are quarterly filings and annual filings. If a single quarterly filing is prepared and submitted, that automatically triggers a requirement for annual (year-end) filings to be prepared and submitted. See Termination above for transitional considerations.

### **Annual Payroll Reports, Year-End**

Payroll reports and journal entries (if necessary) are provided to you in PDF through the Client Portal. All W-2s are mailed directly to you for dissemination to you and your employees. They are also made available to you in PDF for review and re-delivery (if necessary).

WCG will perform these annual processing functions-

- ▲ Annual W2 Filings, Mailed and PDF
- ▲ Annual 1099s, 1-5, Mailed and PDF (\$15 each for quantities above 5)
- ▲ Annual Workers' Comp Audit Assistance

1099s are required to be issued to any vendor who is not a corporation and who exceeds \$600 in payments. A W-9 is typically required by our office to ensure proper reporting, but we can work with you on those compliance issues. When we prepare 1099s for your vendors, we perform the electronic transmittal to the IRS and mail the forms directly to the vendor. Up to five 1099s are included in all Business Advisory Service plans.

Use this link to submit data to us for 1099 issuance-

**wcginc.com/1099**

### **Consultation Only Engagement for Payroll**

If we have not engaged to process your payroll directly through ADP, our payroll consultation to you is limited. WCG will assist you in processing payroll, making payroll deposits and filing payroll tax returns in a general manner.

We cannot prepare or review payroll filings including accuracy related questions. We cannot contact revenue and employment agencies on your behalf. Our scope is limited to providing general advice in the area of payroll. However, we can provide additional payroll services if necessary.

## **Consultation Supplement**

Many clients want or need periodic consultation beyond the transactional relationship. Our monthly fee structure allows for consultation throughout the year.

### **Periodic Business Review (PBR)**

Since many business owners are busy, we are pro-active and schedule Periodic Business Reviews at a mutually convenient time. These sessions are designed to explore various business questions and concerns through our comprehensive fact finder questionnaire.

Our goal is for you to leverage more out of your business by understanding entity structures, business expense deductions and other considerations such as automobiles, home offices, children on payroll, etc. It also includes extensive income modeling, and annual retirement and financial planning review. Here is our agenda-

**wcginc.com/PBR**

### **Quarterly and Unlimited Consultation**

As things change or decisions come up, we want to provide you access to excellent consultation and planning resources. Many seemingly innocent ideas and decisions can have negative tax and accounting consequences, or adversely impact the operation of your business.

The Vail Business Advisory Services plan allows for Quarterly Consultation. However, we offer unlimited Complimentary Quick Chats (please see below). Moreover, the Telluride and Aspen Business Advisory Services plans allow for Unlimited Consultation.

Consultation is always scheduled for at least 40 minutes, and is more structured with pre-meeting tasks and usually post-meeting homework. In contrast, the complimentary quick chat (CQC) is more ad hoc and is similar to a question/answer dialogue (see below).

**Please refer to the Services Not Included Disclosure earlier in the agreement for limitations on the business consultation and services component.**

### **Complimentary Quick Chats (CQC)**

All Business Advisory Service plans allow for unlimited Complimentary Quick Chats. We want to encourage open and frequent communication with our clients. Not sure about a certain tax deduction? Wondering if you lease or finance a car? Unclear about a recent tax change? We want you to email us or call us with these “quickies” without hesitation. CQCs take on a variety of forms-

- ▲ You call our office unscheduled.
- ▲ You email your tax manager or point of contact with a question.
- ▲ You use a mobile app to push a message to us.
- ▲ You schedule a phone call with your tax manager or point of contact (20 minutes). We use an online scheduler for your convenience.

### Interfacing with Lenders, Attorneys and Financial Planners

The services provided by lenders, attorneys and financial planners are woven into tax preparation and business decision-making. **We encourage open and complete communication between all service providers.** Typically, quick questions are answered complimentary similar to our CQC above. For example, a financial planner needs to know the maximum SEP IRA contribution amount; that is considered quick and routine, and is answered accordingly.

Conversely, if you want us to review your Operating Agreement (for example) for tax, distributions and valuation related issues, that is beyond the complimentary quick chat threshold. Our fee for interfacing with these service providers is \$250 per hour for those on the Vail Business Advisory Service plan. Otherwise, the Telluride and Aspen plans automatically include this interfacing service.

## Financial Analysis Supplement (if engaged)

Business owners commonly try to use financial reports as a tool to manage his or her business. While this can be useful, there might be other data presentations that are timelier and more accurate from an operational perspective. We can help develop systems where data and information are presented in ways that are meaningful and value adding to operational decisions.

### QuickBooks, Xero Consulting

We can provide accounting consulting where we answer questions about setup, transaction coding, journal entries and financial statement preparation. However, we are not performing any bookkeeping tasks directly nor can we prepare financial statements directly. We can also offer the QuickStart option.

To better assist you, we recommend adding **accounting@watsoncpagroup.com** as your accountant (or user). This allows us to see what you see. In addition, a lot of benefits come from screensharing and videoconferencing; a “show, don’t tell” approach. This is included with our Telluride and Aspen Business Advisory Service plans. Otherwise, our fee is \$250 per hour.

We no longer support desktop versions of QuickBooks (sorry) in favor of online accounting platforms such as QuickBooks Online (QBO), Xero, Waveapps, Bench.co, etc.

### QBO Bookkeeping Services and Financial Statement Presentation

Having a CPA firm provide bookkeeping services can be a huge advantage since we understand the importance of accurate financial data for tax planning, tax return preparation and decision-making. WCG will provide the following bookkeeping services-

- ▲ Monthly bank reconciliation.
- ▲ Recording payroll journal entries and other recurring entries (such as depreciation or loan interest for accurate tax planning).



- ▲ Detailed list of outstanding reconciliation items for your review and clarification.
- ▲ Financial statement presentation delivered by the 25<sup>th</sup> of the following month for management / internal use only.
- ▲ One on one analysis of financial statements with you.

Our bookkeeping services are limited. We do not provide invoicing, accounts receivable monitoring and collection, paying invoices or accounts payable accruals. Bookkeeping will generally be done on a cash-basis (if accrual-basis bookkeeping is required then more discussion is necessary).

Our bookkeeping services cannot be relied on to disclose errors, irregularities, or illegal acts, including fraud or embezzlements, that may exist. However, we will inform the appropriate level of management specifically designated by you, of any material errors that come to our attention and any irregularities or illegal acts that come to our attention, unless they are clearly inconsequential.

In addition, we are not providing what our industry considers compilations, reviews or audits. These are terms of art and they have very specific meaning. Our bookkeeping engagement is not providing assurance services.

WCG's bookkeeping services start at \$400 per month for two bank accounts and up to 250 monthly transactions. We only support QuickBooks Online and our fee includes the QBO subscription fee. The huge benefit of QBO is that you can see your data in real time (ready only access) from your computer or mobile device. However, you will only be allowed read-only access since we need to maintain 100% custody of the financial data if we have a bookkeeping engagement; in other words, you cannot directly help.

A separate engagement letter for bookkeeping services will be provided.

### **Fractional Controller**

If you are not using WCG for your bookkeeping services, we will interface with your bookkeeper in a Fractional Controller role with our primary duties being-

- ▲ Monitoring your bookkeeper's progress on the preparing and delivery of financial statements.
- ▲ Assist your bookkeeper in obtaining missing information and clarification from you.
- ▲ Inspecting the financial statements for obvious errors and omissions.
- ▲ Analyzing the data for tax savings and operational opportunities.

Our fee for this is \$200 per month. As an economic alternative, we also suggest Bench for bookkeeping services. We offer the following fee arrangement which includes Bench's fee based on their plan.

| <b>Plan</b> | <b>Monthly Spend</b> | <b>Vail Add-On</b> | <b>Telluride Add-On</b> | <b>Aspen Add-On</b> |
|-------------|----------------------|--------------------|-------------------------|---------------------|
| Starter     | 0 to 1,000           | 300                | 280                     | 260                 |
| Micro       | 1,000 to 7,500       | 340                | 310                     | 290                 |
| Boutique    | 7,500 to 25,000      | 470                | 420                     | 380                 |
| Venture     | 25,000 to 50,000     | 650                | 600                     | 560                 |
| Corporate   | over 50,000          |                    | quote                   |                     |



From Bench.co “Plans include monthly bookkeeping for up to 15 financial accounts (e.g. bank accounts, credit cards, loans, merchant processors). If your business requires additional accounts or custom services, you may be custom priced.”

### **Financial Statements Analysis**

Accounting is more than memorializing transactions for a small business. It is the business consultation based on the information that allows owners to manage his or her business. WCG will analyze financial statements to look for obvious misstatements and errors. This includes-

- ▲ Common-size (vertical) analysis where categories are compared to revenue.
- ▲ Year over year, or period over period (horizontal) analysis where categories are compared to themselves over time.
- ▲ Depreciation, amortization and interest are properly recorded.
- ▲ Adjusting journal entries including payroll entries as recommended by us are properly recorded.

We cannot Audit, Review or Examine financial statements as those terms are defined by the AICPA as attestation services. We cannot review or rebuild QuickBooks data files. Our scope is limited to providing general advice in the area of financial statement analysis. However, we can provide additional accounting services (if necessary) through our third-party accounting / bookkeeping providers.

### **Cash Flow Management**

Financial statement analysis is only one piece of the puzzle for small business owners who need data for decision-making. Cash flow management is the process of tracking how much money is coming into and going out of your business.

A common question is, “How much cash can you safely part with for <fill in the blank>?” Should you keep 90 days-worth of expenditures of working capital? 60 days? What are the tax consequences of building working capital? Or paring down debt? We can answer all these questions.

We build out cash flow projections assuming revenue, expenditures, debt paring, working capital increases, capital expenditures, tax consequences, among other issues. This is commonly performed in December for the following year, and then re-built in July or August.

Cash planning is just as important as tax planning! Cash planning also helps you make operational decisions.

### **Industry Research**

Our consultation also includes industry research through First Research. How do you compare to your peers? What is the forecasted growth for your industry? We can provide this information to you as well. For a sample please visit-

**wcgurl.com/12**

### **Economic Reports**

National and metro economic reports analyze changes that have occurred in all economic sectors during the past year, and looks at the opportunities and challenges that will shape population, employment, and the overall economy in the future. This information adds context to financial statement analysis, cash flow management and what you, as a business owner, are experiencing.

### **KPI Analysis, Benchmarking, Hot Sheets, Trend Analysis**

Business owners commonly try to use financial reports as a tool to manage his or her business. While this can be useful, there might be other data presentations that are timelier and more accurate from an operational perspective. We can help develop systems where data and information are presented in ways that are meaningful and value adding to operational decisions.

Key performance indicators (KPIs) are hyper-sensitive metrics that a business owner has identified as crucial for daily or weekly decision-making. Financial statements are typically used to memorialize transactions for tax and creditworthiness purposes; they don't provide actionable items in real-time.

For example, a restaurant owner is very concerned with food and labor costs. Was there a blizzard one night where the manager should have sent employees home because the restaurant was not busy enough? KPI analysis or hot sheet generation would alert you quickly. A hot sheet is typically a customized deliverable from a point of sale system or some other real-time data collector.

### **Budgeting, Forecasting, Goal Setting**

In conjunction with financial statement analysis, cash flow management and KPI / benchmarking, we will develop budgets to hold identifiable metrics accountable. In addition, financial statements can be projected to assist in strategic long-term planning and creditworthiness. A business owner can either react or be pro-active with employee hiring, workspace requirements and other limiting factors to sustained growth.

## **Strategy and Maintenance (if engaged)**

Business owners are excellent at selling widgets and leveraging their time to increase sales. Long-term operational considerations and strategic planning are required "housekeeping" activities that most business owners unintentionally neglect. WCG provides this as your outsourced executive team.

### **C Level Financial Advice, Strategic Planning, Fractional CFO**

Using the components that make up financial analysis, we will offer strategic advice and planning similar to a Chief Financial Officer. CEOs routinely rely on the entire cadre of Chief Officers including Financial (CFO) Information (CIO), Operations (COO), to name a few.

### **Succession Planning, Ownership Changes Consultation**

Succession planning and exit strategies are commonly overlooked. In addition, they are considered only in "crisis mode" and not in "planning mode." We work with you and your estate attorney to determine the best path at a point in time, and then re-evaluate annually. Does the plan involve family members? Does it involve expanding ownership to key employees? Does an earn-out to a junior partner make sense? We will work through these scenarios.

### **Annual Business Valuation**

We will prepare a calculation of value for your business entity on an annual basis using the asset, market and income approaches.

### **Annual Corporate Governance, Resolutions, Meetings**

For Telluride and Aspen Business Advisory Plans, we will maintain your book of record including annual meetings and resolutions. This also includes your annual filings with the Secretary of State (filing fees are not included and will be collected separately prior to preparation of the annual filings).