

STATEMENT OF WORK: AUDIT ADVOCATE PROGRAM

MBE CPAs, LLP (Firm, we, our or us) and Client (Client, you, your) hereby agree to the terms of this Statement of Work, prepared in conjunction with the Master Service Agreement for Tax Services ("MSA") between Firm and Client. Defined terms in this Statement of Work ("SOW") shall have the same meaning as those terms in the MSA.

PERSONS / ENTITIES

Client is engaging Firm's services described in this Statement of Work for the persons and/or entities shown below.

ENGAGEMENT SCOPE / DELIVERABLES

Overview

The AuditReady Advocate Program provides proactive, flat-fee audit defense and representation for IRS and state examinations arising from returns prepared and filed by MBE CPAs for the covered tax year(s). Representation is limited to matters relating to the tax returns prepared by Firm; returns prepared by other firms or self-prepared returns are excluded.

Included Services

- Full audit representation for IRS or state examinations related to covered returns, including initial audit communications, Information Document Requests, correspondence examinations, and in-person/virtual interviews.
- Diagnosis of all IRS and state correspondence related to the covered tax year.
- CP2000 underreporter notices will be treated as correspondence audits and are included when they relate to a return prepared by Firm.
- Appeals representation is available and billed at fifty percent (50%) of Firm's typical rates.
- Individual (Form 1040) coverage includes: Schedule A; Schedule C; Schedule E (Page 1—rental income); EIN/SE tax items; typical credits (e.g., Child Tax Credit, AOTC, EIC); energy credits; asset reviews (first 50 assets included).
- Business return coverage (Forms 1120-S, 1120, 1065) includes: income tax return audit representation; first 50 assets included; additional states may be added to coverage as described below.
- Notice resolution coverage includes review, diagnosis, and basic responses to routine balance-due and information notices (including CP14, CP161, CP501–CP504 collection notices, interest and penalty reminders, and payment application errors) when the underlying return was prepared by Firm. Notices requiring substantive tax position analysis, amended returns, or legal argumentation will be billed separately unless they escalate into an audit.

State Coverage

- The taxpayer's primary state of residency or primary filing requirement is included in the base program.
- Clients with multi-state filing requirements may elect Multi-State Coverage for an additional fee, which covers up to five (5) state returns per tax year.
- Coverage applies only to state returns prepared and filed by Firm. For filing requirements in more than five states, Firm will advise whether coverage can be extended for an additional fee or whether those states are excluded.

Coverage Period

- Coverage applies to the current tax year only, unless prior-year coverage is elected and eligibility criteria are met.
- Prior-year coverage eligibility: Existing clients (2+ consecutive years with Firm) may elect coverage for up to two prior years, subject to eligibility and applicable discounts.
- Coverage remains in effect until the federal statutory period closes for the covered return, even if Client later terminates the relationship or ceases using Firm for tax preparation.
- Enrollment fees are non-refundable. If Firm disengages from services for any reason—including nonresponsiveness, nonpayment, or breakdown in cooperation—the program is voided without refund.

LIMITATIONS / EXCLUSIONS

The following matters are excluded from the AuditReady Advocate Program:

- Fraud or identity theft matters;
- Returns prepared by other firms, self-prepared returns, or amended returns prepared outside Firm;
- FBAR, FATCA, or foreign income matters;
- Cryptocurrency reporting issues;
- Multi-state residency allocation disputes;
- Employee Retention Credit (ERC) audits;
- Employment tax (Forms 941/940), sales tax, excise tax, or franchise tax audits;
- Tax Court petitions, litigation support, or any matter requiring licensed legal counsel.

This program does not cover IRS routine balance-due notices or CP2000 mismatch notices unless they escalate into an audit.

FIRM STANDARD OF CARE; NATURE OF SERVICES

Audit defense and representation services do not constitute accounting, auditing, assurance, or legal services. Firm will rely on information and documentation provided by Client as complete and accurate and will not audit or otherwise verify such data, although Firm may request clarification or additional information. Our services cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. Firm will use professional judgment consistent with applicable CPA professional standards and Treasury Circular 230 in performing services.

CLIENT RESPONSIBILITIES

Client represents, warrants, and agrees to:

- Provide all IRS/state notices to Firm within ten (10) calendar days of receipt;
- Maintain accurate, complete documentation to support all items reported on the tax return;
- Notify Firm of all states in which Client lived, worked, owned property, or received income; failure to disclose may void coverage for that state;
- Provide all requested documentation within the timelines communicated by Firm during an audit or examination; adhere to due dates based on audit deadlines and Firm workflow requirements;
- Execute and return IRS Form 2848 and applicable state authorizations; failure to timely execute authorizations may delay representation or void coverage;
- Ensure all information provided to Firm is true, correct, and complete to the best of Client's knowledge;
- Understand that failure to provide documentation or respond timely may result in voiding coverage without refund.

FEES & BILLING

- Individual Plan: \$295 annually.
- Business Plan: \$875 annually.
- Bundle pricing is available for clients who enroll in both business and individual coverage.

- Multi-State Coverage: +\$150 annually (covers up to five (5) state returns per tax year).
- Appeals work is billed at fifty percent (50%) of Firm's standard rates.
- Enrollment fees are due upon signing and are non-refundable. Additional services outside scope will be quoted and billed separately at Firm's standard rates unless otherwise agreed in writing.

ENROLLMENT & ELIGIBILITY

- Clients must complete enrollment within sixty (60) days of Firm completing tax return preparation and delivering the return for signature; eligibility is unaffected by e-filing status.
- Clients delaying signature or payment beyond sixty (60) days are not eligible for enrollment for that tax year.
- To enroll, Client must complete Firm's online sign-up, sign the MSA and this SOW, pay the related invoice, not be under an existing audit or have a notice dated within ninety (90) days prior to enrollment, and execute IRS Form 2848 and state authorizations as applicable.

DISENGAGEMENT; TERMINATION

Firm reserves the right to disengage for nonpayment, nonresponsiveness, or a breakdown in cooperation. Upon disengagement, AuditReady Advocate coverage is void without refund. Firm may exclude from coverage matters that, in Firm's professional judgment, fall outside the original scope of the program or require specialized legal, forensic, or non-income-tax representation.

OTHER MATTERS

This Statement of Work, in conjunction with the Master Service Agreement, summarizes our agreement. You will be deemed to have accepted this Statement of Work unless you notify us in writing of any objections within fifteen (15) days following your receipt of this Statement of Work.

By taking any of the following actions, you affirm to MBE CPAs, LLP your understanding of, and agreement to, the terms and conditions of this Statement of Work in conjunction with the Master Service Agreement: enrolling in the AuditReady Advocate Program; providing IRS/state notices to us for representation; or payment of program fees.

Sincerely,

MBE CPAs, LLP

Client Signature: _____

Date: _____

Print Name: _____