

PROFESSIONAL SERVICES AGREEMENT

RESEARCH & DEVELOPMENT TAX CREDIT STUDY

This Professional Services Agreement (the "Agreement") is entered into and made effective as of _____, 20____ (the "Effective Date"), by and between:

Provider: _____, with a principal place of business at _____

(hereinafter referred to as the "Provider"), and

Client: _____, with a principal place of business at _____

(hereinafter referred to as the "Client").

RECITALS

WHEREAS, Client desires to retain Provider to perform a Research and Development (R&D) Tax Credit Study to identify, document, and calculate qualifying research activities and expenses for federal and state R&D tax credits; and

WHEREAS, Provider possesses the specialized knowledge, expertise, and resources required to perform such services and agrees to provide them under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. SCOPE OF SERVICES

Provider shall perform a study of Client's operations to evaluate eligibility for federal and state Research and Development Tax Credits for the tax year(s) _____ (the "Study"). The specific services to be provided include:

- a. Conducting interviews with Client's technical, financial, and management personnel to identify qualified research activities.
- b. Reviewing and analyzing financial, payroll, general ledger, and project documentation to identify and quantify Qualified Research Expenses (QREs) for wages, supplies, and contracted research.
- c. Evaluating and documenting the qualifying nature of identified projects in accordance with Section 41 of the Internal Revenue Code (IRC) and applicable state regulations.
- d. Calculating the federal and, if applicable, state research and development tax credits.
- e. Delivering a final R&D Tax Credit Study report, including documentation supporting the qualified nature of the activities and financial computations of the credits.

2. CLIENT RESPONSIBILITIES

To enable Provider to perform the services, Client agrees to:

- a. Cooperate fully with Provider and provide timely, complete, and accurate access to financial records, general ledgers, payroll records, project documentation, technical reports, and key personnel.
- b. Review draft deliverables and provide feedback or approvals in a timely manner.
- c. Acknowledge that Provider is relying on the information provided by Client without independent verification, and Client is solely responsible for the accuracy and completeness of all data provided.

3. FEES AND PAYMENT TERMS

In consideration for the services rendered, Client shall pay Provider as follows:

- ☐ **Fixed Fee:** A flat fee of \$ _____, payable in installments of _____.
- ☐ **Contingent Fee:** A fee equal to _____ % of the total federal and state R&D tax credits identified, calculated, and documented by Provider. Payment terms: _____.
- ☐ **Other Fee Structure:**

All invoices are due and payable within _____ days of receipt by Client. Past due balances shall accrue interest at the rate of _____ % per month, or the maximum rate permitted by law, whichever is lower.

4. CONFIDENTIALITY

Each party agrees to hold in confidence all confidential and proprietary information disclosed by the other party. Confidential Information includes, but is not limited to, trade secrets, technical data, financial information, business plans, and software. Such information shall not be disclosed to any third party except as required by law, regulation, or court order, or as necessary for the preparation and filing of tax returns.

5. LIMITATION OF LIABILITY AND INDEMNIFICATION

- a. Provider's total liability for any and all claims, losses, or damages arising out of this Agreement, whether in contract, tort, or otherwise, shall be limited to the total fees paid by Client to Provider under this Agreement.
- b. In no event shall either party be liable for any indirect, incidental, special, exemplary, or consequential damages, including loss of profits, even if advised of the possibility of such damages.
- c. Client shall indemnify, defend, and hold harmless Provider from any liability, loss, cost, or expense (including reasonable attorney fees) arising out of third-party claims related to inaccurate or incomplete information provided by Client.

6. AUDIT SUPPORT

In the event that the R&D Tax Credit Study is audited or challenged by the Internal Revenue Service (IRS) or any state taxing authority, Provider agrees to:

- ☐ Provide up to _____ hours of audit defense support at no additional charge. Any hours exceeding this limit will be billed at an hourly rate of \$ _____.
- ☐ Provide audit defense support billed at Provider's standard hourly rates of \$ _____ per hour.

7. TERM AND TERMINATION

This Agreement shall commence on the Effective Date and shall remain in effect until the services are completed, unless terminated earlier. Either party may terminate this Agreement upon _____ days written notice to the other party. In the event of termination, Client shall pay Provider for all services rendered and expenses incurred up to the date of termination.

8. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of _____, without regard to its conflict of law principles. Any legal action arising under this Agreement shall be brought exclusively in the courts located in _____ County, _____.

9. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all prior agreements, understandings, or representations, whether written or oral. No amendment or modification to this Agreement shall be effective unless in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Professional Services Agreement as of the Effective Date written above.

PROVIDER:

CLIENT:

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date