

SUBSTANTIATION REQUIREMENTS

Dear Client:

We wish to bring to your attention the Substantiation Requirements per Internal Revenue Code Section 274(d) which states no deduction shall be allowed for:

1. any traveling expense (including meals and lodging while away from home);
2. entertainment, amusement or recreation expense;
3. any expense for gifts; or
4. any expense with respect to listed property (automobiles, light duty trucks, computers, etc.

Unless the taxpayer substantiates by adequate records:

- a. the amount of such expenses;
- b. the time, place, date and description of such expenses;
- c. the business purpose of such expense; and
- d. the business relationship.

A simple way to collect this information is to keep a daily log book or record the information in your appointment book.

We do not review or examine the records that Internal Revenue Code Section 274(d) requires you to keep to substantiate the above expenses. However, we would like you to acknowledge to us that you are maintaining the required documentation by signing and dating the bottom of this letter and returning the letter to our office.

Remember, the responsibility for meeting the Substantiation Requirements and, therefore, your tax deduction is your responsibility.

To: BEERS, HAMERMAN, COHEN & BURGER, P.C.

I/we understand that the preparation of my/our income tax return(s) does not include an examination of the records that Internal Revenue Code Section 274(d) requires me/us to maintain. I/we realize that without this documentation no deduction for these items will be allowed on my/our income tax return(s).

I/we have read the above and confirm that I/we have the required substantiation for the above stated items.

Signature

Taxpayer

Title

Type of Return

Date

Period