

**CLIENT ACKNOWLEDGMENT FORM & AGREEMENT:
2021 EMPLOYEE RETENTION TAX CREDIT (ERTC) PROGRAM**

Effective April 1, 2021

| | |
|---|--------------------------------|
| Client Name | Client Number |
| | |
| Client Authorized Signer Name (Printed) | Client Authorized Signer Title |
| | |
| Client E-mail | Client Phone Number |
| | |

BY CHECKING THE BOXES BELOW, YOU ACKNOWLEDGE THE FOLLOWING:

- ☐ The Client acknowledges they are a qualifying business entity entitled to claim the 2021 Employee Retention Tax Credit ("ERTC") in accordance with the qualifications specified under the Consolidated Appropriations Act, 2021 ("CAA21") as further amended by the American Rescue Plan Act of 2021 ("ARPA") to include:
- 1) Operations were fully or partially suspended due to a COVID-19 related "shut-down order," or
 - 2) Gross receipts in 2021 declined by more than 20%. To determine eligibility, see below quarters to compare:

| To Determine Eligibility for: | Compare Gross Receipts of: | Permitted Alternative |
|-------------------------------|----------------------------|-----------------------|
| Q1 2021 | Q1 2019 to Q1 2021 | Q4 2019 to Q4 2020 |
| Q2 2021 | Q2 2019 to Q2 2021 | Q1 2019 to Q1 2021 |
| Q3 2021 | Q3 2019 to Q3 2021 | Q2 2019 to Q2 2021 |
| Q4 2021 | Q4 2019 to Q4 2021 | Q3 2019 to Q3 2021 |

- ☐ The Client acknowledges that it is the Client's sole responsibility to calculate and determine eligibility for the credits based on the guidance set forth in CAA21 and ARPA. Eligibility must be determined on a quarter-by-quarter basis and Client must retain documentation of eligibility for five years after the quarter in which the claim for the ERTC is filed.
- ☐ Notification must be provided to Questco in writing at the time Client determines they are no longer eligible (to ensure that the credit is stopped). Failure to notify Questco could result in penalties or interests by the IRS which would be responsibility of the Client.
- ☐ The Client acknowledges that the credit is based on 70% of qualified wages paid up to a maximum credit of \$7,000 per employee per quarter from January 1, 2021 through December 31, 2021.
- ☐ The Client acknowledges that it is Questco's responsibility to determine an employee's qualified wages for purposes of calculating the ERTC.
- ☐ The Client acknowledges that it is Questco's responsibility to calculate the amount of the ERTC due each pay date based on qualified wages. Any retention credit invoiced back to the Client will be limited to the Client's quarter to date 941 liability which includes all federal employment taxes. In Q3 & Q4 2021, application of retention tax credits will be limited to Client's Medicare tax liabilities only.
- ☐ Any ERTC due to the Client will be reflected as a separate line item on the Client's invoice.
- ☐ Any unused earned ERTC due to insufficient quarter to date federal employment tax liabilities will be applied against future federal tax liabilities arising from Client payrolls processed by Questco.
- ☐ The Client acknowledges they **CANNOT** request an advance ERTC on Form IRS 7200 (Advance of Employer Credits Due to COVID-19). All tax credits earned by the Client under the ERTC program will be reported by Questco on behalf of the Client in conjunction with their responsibilities as the Client's PEO.
- ☐ If the Client terminates their Client Service Agreement (CSA) with Questco prior to the full application of all tax credits earned under the ERTC program, the Client will be able to use those credits against future federal

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tax liabilities incurred on or before December 31, 2021. Questco's responsibility will be to provide a report of any unused ERTC's at the time the CSA between the Client and Questco is terminated.

- ☐ The Client acknowledges that if they have received an SBA Loan under the PPP, or other allowable credit, such as the R&D or Work Opportunity Tax Credit, the Client's calculation cannot double count those wages when computing the ERTC qualified wages and it will be the Client's responsibility to notify Questco of the use of PPP loan funds or other tax credits during the period they wish to participate in the ERTC program.

SBA Paycheck Protection Plan "PPP" Loan Information Disclosure

| SBA Loan Funds Received Under the PPP | |
|---|--|
| PPP Loan Origination Date (Second Draw) | |
| PPP Loan Amount (Second Draw) | |
| PPP Loan Anticipated or Actual Loan End Date (Second Draw) | |
| <input type="checkbox"/> The business has applied for an SBA PPP Loan in 2021 and is waiting for approval | |
| <input type="checkbox"/> The business is not applying for an SBA PPP Loan in 2021 | |

- ☐ Client agrees to submit the addendums to this acknowledgement form and agreement for each applicable quarter. Addendums should be submitted as soon as possible and by the dates specified to allow Questco sufficient time to properly process applicable credits.

Addendums for Declaring Applicable 2021 Employee Retention Tax Credits

1. Addendum – Employee Retention Tax Credit – Q1 2021 Eligibility Declaration
2. Addendum – Employee Retention Tax Credit – Q2 2021 Eligibility Declaration
3. Addendum – Employee Retention Tax Credit – Q3 2021 Eligibility Declaration
4. Addendum – Employee Retention Tax Credit – Q4 2021 Eligibility Declaration

I certify that by signing this agreement, I am duly authorized as a representative of the Client named above to sign this agreement. All the facts are true and correct to the best of my knowledge. I have reviewed the guidance provided by the IRS for the above Employee Retention Credit under CAA21 as amended by ARPA.

Authorized Representative Signature

Date

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**Addendum:
Employee Retention Tax Credit – Q1 2021 Eligibility Declaration**

Client must declare eligibility each quarter and notify Questco by completing this form as follows:

Q1 2021 - Employee Retention Tax Credit Request – Declare and submit to Questco by 4/9/2021

- ☐ Client certifies they are eligible for the ERTC during this quarter.
- ☐ Client certifies that SBA PPP loan funds were ____ or were not ____ utilized for payroll during this quarter.
- If PPP loan ended during the quarter, provide the covered period end date _____

Declaring After Quarter End:

- ➔ If form received by **4/9/2021**: Questco will calculate credit retroactively and apply prospectively beginning with next payroll invoice.
- ➔ If form received between **4/10/2021 – 5/15/2021**: Questco will file Form 941-X and earned retention credits will be issued to client upon receipt by Questco from the IRS.

I certify that by signing this agreement, I am duly authorized as a representative of the Client named above to sign this agreement. All the facts are true and correct to the best of my knowledge. I have reviewed the guidance provided by the IRS for the above Employee Retention Credit under CAA21 as amended by ARPA.

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**Addendum:
Employee Retention Tax Credit – Q2 2021 Eligibility Declaration**

Client must declare eligibility each quarter and notify Questco by completing this form as follows:

Q2 2021 - Employee Retention Tax Credit Request – Declare and submit to Questco by 7/9/2021

- ☐ Client certifies they are eligible for the ERTC during this quarter.
- ☐ Client certifies that SBA PPP loan funds were ____ or were not ____ utilized for payroll during this quarter.
- If PPP loan ended during the quarter, provide the covered period end date _____

Declaring After Quarter End:

- ➔ If form received by **7/9/2021**: Questco will calculate credit retroactively and apply prospectively beginning with next payroll invoice.
- ➔ If form received **7/10/2021 – 8/15/2021**: Questco will file Form 941-X and earned retention credits will be issued to client upon receipt by Questco from the IRS.

I certify that by signing this agreement, I am duly authorized as a representative of the Client named above to sign this agreement. All the facts are true and correct to the best of my knowledge. I have reviewed the guidance provided by the IRS for the above Employee Retention Credit under CAA21 as amended by ARPA.

Authorized Representative Signature

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**Addendum:
Employee Retention Tax Credit – Q3 2021 Eligibility Declaration**

Client must declare eligibility each quarter and notify Questco by completing this form as follows:

Q3 2021 - Employee Retention Tax Credit Request – Declare and submit to Questco by 10/8/2021

- ☐ Client certifies they are eligible for the ERTC during this quarter.
- ☐ Client certifies that SBA PPP loan funds were ____ or were not ____ utilized for payroll during this quarter.
- If PPP loan ended during the quarter, provide the covered period end date _____

Declaring After Quarter End:

- ➔ If form received by **10/9/2021**: Questco will calculate credit retroactively and apply prospectively beginning with next payroll invoice.
- ➔ If form received **10/10/2021 – 11/12/2021**: Questco will file Form 941-X and earned retention credits will be issued to client upon receipt by Questco from the IRS.

I certify that by signing this agreement, I am duly authorized as a representative of the Client named above to sign this agreement. All the facts are true and correct to the best of my knowledge. I have reviewed the guidance provided by the IRS for the above Employee Retention Credit under CAA21 as amended by ARPA.

Authorized Representative Signature

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**Addendum:
Employee Retention Tax Credit – Q4 2021 Eligibility Declaration**

Client must declare eligibility each quarter and notify Questco by completing this form as follows:

Q4 2021 - Employee Retention Tax Credit Request – Declare and submit to Questco by 01/7/2022

- ☐ Client certifies they are eligible for the ERTC during this quarter.
- ☐ Client certifies that SBA PPP loan funds were ____ or were not ____ utilized for payroll during this quarter.
- If PPP loan ended during the quarter, provide the covered period end date _____

Declaring After Quarter End:

- ➔ If form received by **1/7/2022**: Questco will calculate credit retroactively and apply prospectively beginning with next payroll invoice.
- ➔ If form received **1/8/2022 – 2/11/2022**: Questco will file Form 941-X and earned retention credits will be issued to client upon receipt by Questco from the IRS.

I certify that by signing this agreement, I am duly authorized as a representative of the Client named above to sign this agreement. All the facts are true and correct to the best of my knowledge. I have reviewed the guidance provided by the IRS for the above Employee Retention Credit under CAA21 as amended by ARPA.

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Date

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