

# Cost Segregation Services

## Recognizing Opportunities for Referrals

While Cost Segregation is a Federal Tax product, it requires engineering and construction expertise. By partnering with Scarpello Consulting ([www.scarpelloconsulting.com](http://www.scarpelloconsulting.com)), we can both help clients find the hidden cash that they may have in their property.

### The ideal organization.

It's easy to identify potential clients who can benefit from a Cost Segregation Study. If you have clients in one of the situations below, we can help:

- Constructed a new facility
- Acquired an existing facility
- Renovated or expanded a building or property or are currently in the process of doing so or have future plans to
- Built or purchased buildings or facilities and have not performed a Cost Segregation Study

Additionally it's important to remember that Cost Segregation applies to all properties constructed, purchased or renovated since 1987. To determine if a Cost Segregation Study is appropriate, the following circumstances would apply:

- The basis of your building or improvement at least \$750,000
- The property was purchased, constructed or renovated since 1987
- The owner plans to retain the property for the next few years
- The client has net income that is being taxed

### How we can work together.

It is not unreasonable for each CPA partner and manager to have at least one client that can benefit from a Cost Segregation study. And with an average fee of \$13 – \$15,000 per study, that's significant revenue to your firm's bottom-line.

### Develop a program that works with your firm's culture.

We work with you to customize and prepare a marketing program to include:

- **Web site copy.** Including Cost Segregation services on your website demonstrates your ability to provide a valuable service to clients, prospects and referral sources.
- **Product sheet.** This one-page, nontechnical overview about Cost Segregation is available to give to your clients or prospects. It's a tool to show them how they might benefit from a Cost Segregation study.

- **Business Developers Guide.** The Business Development Guide will help your professionals to identify opportunities and make referrals. It includes an “elevator pitch”, sample calculations, past successes, sample studies and information request checklists.
- **E-alert.** Sending an e-alert will help your clients and prospect to: (1) potentially self identify as a prospect(s); or (2) build awareness for the sales call. To continue to build trust and move clients and prospects through the sales process, we can also give you a whitepaper as an offer to them.

Tom Scarpello is available to meet with your professionals to explain Cost Segregation and help mentor them through the business development process.

During this meeting he will:

- Review the product sheet and business development guide.
- Walk them through the estimate process including how Scarpello Consulting reviews depreciation schedules.
- Help them to identify potential clients that might benefit from a Cost Segregation study.

### Tracking is the key to success.

Potential leads will be identified and tracked by Scarpello Consulting. This will help you to continue to move the projects forward. Additionally, at any time, we will provide you with an updated report for the program

### After the sale, projects move forward.

Once a potential client is identified, Scarpello Consulting will:

- **Assign an engineer** to perform an initial no cost estimate.
- Submit **estimated benefit analysis** with Scarpello Consulting fee and a suggested total fee range. Estimates will be prepared by Scarpello Consulting at no charge or obligation to the client or CPA
- Initiate **co-branded engagement letters**.
- Work with both the client and your firm’s representative to **collect any needed information to complete the project**.
- Perform all necessary **site tours** and collect available client information.
- Develop an **apportionment base** for all real and personal property.
- Perform all necessary **tax depreciation calculations**.
- Prepare **Form 3115** if needed.
- Submit **draft of project to the firm for review**. The report will include details of our findings and necessary case law support for all positions taken.
- Make any necessary changes and **submit final electronic workpapers** to be processed.
- Deliver a **final report for the client** including the written narrative

- Should a study be selected for audit, Scarpello Consulting includes **unlimited audit support time** for all engagements should the client come under review by the IRS. This is for Scarpello Consulting's time alone and does not take into consideration the CPA time. CPA may want a revised statement to reflect that Unlimited Audit Support at no charge only includes Scarpello Consulting time. It is not common for a CPA to include unlimited audit defense as most audits include more than just the Cost Segregation Study.

All materials (estimates and final reports) that will be presented to your clients may be co-branded or delivered under the Scarpello Consulting name alone. Scarpello Consulting will provide CPA with the electronic files and instructions on how to print the report out.