

COST SEG AMERICA · CPA PARTNER PROGRAM

The CPA *Partner Guide*

Everything you need to refer with confidence — the partnership, the methodology, who qualifies, and how you are paid. One document. No hoops.

125+

IRS audits defended —
zero losses

\$0

Ever returned to the IRS on
any client's behalf

24+

Years in business — team
founded 2001

16,000+

Completed studies,
Approaches 1 & 2

A note from Jim Dougherty

Why this partnership matters

Welcome to the Cost Seg America CPA Partner Program. This guide is short by design — the program is built to be easy, and the paperwork should be too.

I have spent 14 years in cost segregation. In that time I have seen the studies that other firms deliver — the ones built on software models that apply industry averages to a building that was never individually analyzed. I have seen mechanical, electrical, and plumbing systems assigned category percentages instead of real engineering values. I have seen reports that look professional and miss **\$60,000 to \$150,000 per million dollars** of property in legitimate federal deductions the client was entitled to.

Most CPAs who refer to a cost segregation firm do so in good faith. They trust the presentation. They trust the relationship. And they never see the comparison — because no one shows it to them.

We will show you the comparison. And we will make referring as simple as a single introduction.

Your partnership with us is backed by the most defensible study in the industry — more than 125 IRS audits, zero losses, and zero dollars ever returned to the IRS on behalf of any client. That record was built component by component, over 24 years, by a 100% U.S.-based team that has never cut the corner a cheaper study requires.

Your referral carries your professional reputation. We take that seriously — and we treat every client you send as if your name is on the work, because it is.

Jim Dougherty

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How to use this guide. Pages 3–4 explain the partnership and how you are paid. Page 5 shows the methodology difference in plain language. Page 6 tells you which clients qualify and how the referral process works, start to finish. That is the whole program.

The partnership, and how you are paid

What Cost Seg America delivers on every referral

When you introduce a client, here is exactly what we deliver — with no work required from you beyond the introduction itself.

- ✓ **A fully engineered study** using IRS Approaches 1 and 2. Not software. Not averages. Every component individually identified and valued, including all MEP systems.
- ✓ **A complete, CPA-ready documentation package.** Fixed asset report, component unit detail and summary, cost reconciliation, and depreciation schedule — ready to load into your tax software.
- ✓ **A free proposal within 24 business hours.** Flat fee quoted upfront. For lookback studies, an accurate estimate of benefit is included before your client commits to anything.
- ✓ **Flat-fee pricing.** No contingency pricing, no percentage of deductions found, no surprises. Your client knows the cost before we start.
- ✓ **Study delivery in 45 to 60 days,** sent directly to your practice, organized for immediate use in return preparation.
- ✓ **Lifetime audit support.** No hour caps, no time limits, no additional fees. If the IRS opens the file years from now, we are there.

How you are paid — in one sentence

10%

of the study fee, as your referral fee. **You are paid twice — half when your client signs the engagement, half when the completed study is delivered.**

That is the whole structure. No waiting until the return is filed. No minimums. No invoicing gymnastics. Your client signs, you are paid half. The study is delivered, you are paid the rest.

On Form 3115 (lookback studies only): applying a lookback study to a return is done through a Form 3115. In most cases **your client's CPA files it — it is standard work they already do.** If a client's CPA would rather not handle the filing, we have a trusted partner CPA who can do it for a separate fee. Either way, the filing gets done, and the client knows what to expect up front.

The difference that matters

Fully engineered vs. software estimation — in plain language

Your client hired a cost seg firm to maximize their federal write-offs. A study that leaves \$60,000 to \$150,000 per million on the table did not do the job — it just looked like it did.

The IRS recognizes several cost segregation approaches. The firm a client uses applies one of them — whether or not anyone said which. The approach determines the deduction.

What the study does	Modeling-software study	Partial-engineering study	Cost Seg America — Approaches 1 & 2
Component analysis	✗ Property run through software with national averages	✗ Engineering involved, but stops short of component-level MEP	✓ Every component individually identified and valued
MEP systems	✗ Bundled into the 39-year category	✗ Partially captured, not fully detailed	✓ Mechanical, electrical, plumbing each individually analyzed
Where the work is done	✗ Often outsourced overseas to cut firm cost	✗ May be outsourced overseas	✓ 100% U.S.-based analyst team
Audit defensibility	✗ Thin documentation if the IRS looks	✗ Incomplete component support	✓ 125+ audits, zero losses, fully documented

This is not a criticism of the CPA who made the original referral — it is a difference most CPAs are simply never shown. A cheaper study is not a discount; it is a study that quietly leaves the client's money behind.

The plain-language version for your client: “A firm can use software and averages, or send an American team to engineer your study component by component. The second finds more — often \$60,000 to \$150,000 more per million dollars of property.”

If your firm already refers cost segregation

A long track record does not guarantee a fully engineered study. Some established firms — including ones that work exclusively with CPAs — still outsource the analysis overseas, or run lower-tier **Approach 4 (Residual) and Approach 5 (Modeling)** studies: faster and cheaper for the firm to produce, less precise, and a smaller deduction for your client. A fully engineered Cost Seg America study commonly identifies **\$60,000 to \$150,000 more in reclassified basis per \$1 million of property value** than a lower-tier study — even one from a well-established firm. **The benchmark standard:** Cost Seg America has performed fully engineered IRS Approach 1 and 2 studies since 2001. When the IRS Audit Technique Guidelines describe a properly engineered study, they describe the way we have always worked.

Which clients qualify

Three questions that qualify a client in 60 seconds

- ✓ **Property value of \$250,000 or more.** This is the minimum threshold for a study to make economic sense. Below it, the deduction potential typically does not justify the study cost.
- ✓ **Commercial, investment, or rental real estate.** Not a primary residence. If it produces income or is held as an investment, it likely qualifies.
- ✓ **Purchased, constructed, or renovated in the past 10 years.** A lookback study can capture missed depreciation from prior years and apply it to a single current-year return.

If a client answers yes to all three, they are worth an introduction. You do not need to assess anything further — the free proposal does that for you.

Property types that qualify

RESIDENTIAL

Residential rental (SFR)
 Duplex / quadplex
 Multi-family / apartment
 Residential condo (rental)
 Short-term rental
 Mobile home / RV park

COMMERCIAL

Office & office condo
 Medical office building
 Retail / strip center
 Restaurant / food service
 Hotel & hospitality
 Auto dealership / service

SPECIALTY & INDUSTRIAL

Warehouse & industrial
 Cold / refrigerated storage
 Manufacturing facility
 Assisted living / day care
 Gym / fitness center
 Mixed use

Not sure if a property qualifies? You do not have to decide. Send the introduction anyway — our free proposal will confirm whether a study makes sense, at no cost or obligation to your client.

The referral process, start to finish

From introduction to study delivery to your fee

- 1 You make the introduction · Day 1**

A phone call or email introduction is all it takes. We take it from there. You are copied on all communications throughout the engagement.
- 2 Free proposal delivered · Day 1–2**

We contact your client within 24 business hours. Flat fee quoted. For lookback studies, an accurate estimate of benefit is included. No commitment required at this stage.
- 3 Engagement approved · Day 3–5 · Your first 50% is issued**

The engagement agreement is sent to your client directly, by email or Adobe Sign, for signature. Once signed and the initial payment is made, document collection begins and your first 50% is issued.
- 4 Engineering analysis performed · Days 5–45**

Our U.S.-based analysts perform the full component-by-component analysis using IRS Approaches 1 and 2. Every MEP system individually analyzed and valued.
- 5 Study delivered · Days 45–60 · Your second 50% is issued**

The complete documentation package is sent directly to your practice — everything needed to file. The remaining half of your referral fee is issued. Lifetime audit support is active from this day forward.

QUICK REFERENCE

Minimum property value	\$250,000
Your referral fee	10% of the study fee
How the fee is paid	Half at signing, half at delivery
Proposal turnaround	24 business hours
Study delivery	45–60 days
Audit support	Lifetime, no extra fee

That is the entire program. One introduction from you, and Cost Seg America handles everything else — proposal, engineering, documentation, and audit support.

Ready to refer, or have a question? Call **1-888-365-5023** or email info@costsegamerica.com. Jim Dougherty and his team will walk you through anything you need.