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## 2020 BUSINESS Tax Organizer

This Tax Organizer contains important information that can reduce your taxes. There are over 200 tax saving opportunities included here! Please take a little time to look it over to see if anything applies to you. To make it easier, just review the section headings.

### Getting to Our Office

Here's directions to our offices at 4800 College Blvd Suite 2, Overland Park, KS:

- Take College West from Roe, look on the North (right hand) side for the second building, it has a sign that says "4800" on the building. It is right next to the Great Southern Bank Building

### Preparing for your Tax Appointment

Here is how you can best prepare for your tax appointment:

- Bring the information shown on the lists in this organizer
- Review and sign the work agreement on last page
- Complete the organizer as best you can, because there are many tax saving opportunities enclosed.

Feel free to call if you have any questions, or if you need to change your appointment time or day.

*We especially appreciate it when you take the time to make a referral or recommend us.*

We are looking forward to helping you with your taxes,

*Keith Singleton*



## Tests of the Accounting Records

You can save tax prep fees and ensure a more accurate return by doing these “tests” on the financial statements:  
Warning: these steps are for the accounting-minded only. Don’t have concerns if you don’t feel up to doing these.

Y/N/X (X=need help)

- Did you reconcile the bank accounts at year end?
- Does the amount shown as cash on the balance sheet reconcile to the bank?
- Is the amount of petty cash or cash-in-drawer correct?
- Did you take a physical inventory of goods on hand at year end?
- Is the amount shown for inventory equal to the cost of your inventory on hand at year end?
- Do you have an accurate aging (detail) of accounts receivable at year end?
- Are there some receivable adjustments that need to be made? (uncollectible/negative balances, etc.)
- Is the amount shown as A/R on the balance sheet equal to the accounts receivable aging?
- Do you have a list of any other receivables shown on the balance sheet, and are they accurate?
- Are there any “prepaid” items at year end (expenditures which have a “benefit” which extends over a year beyond the year-end date?
- Do you have an analysis of all fixed assets (building, equipment, furniture, vehicles)?
- Is the amount shown for A/P correct?
- Is the amount shown for payroll taxes payable correct? (agrees to payments made after year-end)
- Is the amount shown for sales tax payable correct? (agrees to amounts due and paid after year-end)
- Are the amounts shown for Notes Payable or Loan Payables correct? (agreed to statements from the lenders, such as bank or finance company)
- Have entries been made to reflect amounts owed for 401(k), Pension Plan or other employee benefits?
- Is there an “opening balance equity” account on the balance sheet in the equity section? Do you have an analysis of this account?
- Are there any corrections needed to be made to correctly state any account balance at year end?
- Are you aware of whether you have good “internal controls” to prevent errors and losses?
- Have you asked us about any account that doesn’t make sense?
- Were all prior year accounting adjustments entered?

Please look at your income statement:

- Does the amount shown for sales appear to be correct? (agrees to cash register, sales records, etc.)
- Is the gross profit percentage appropriate?
- Do the expense accounts appear correct compared to last year?
- Does the amount of wages agree to the totals from the Federal form 941 forms?
- Is the amount of payroll tax expense equal to employer’s FICA, FUTA and state unemployment?
- Are personal (owners’) items segregated and identified, such as:
  - Medical insurance premiums paid       Draws or payments for personal items
  - Life Insurance                                       Disability insurance
  - Auto use
- If there is any charity expense on the income statement, has it been analyzed to see if amounts should be re-classified to advertising and promotion instead?
- Is the amount of interest expense on loans owed banks correct?
- Is the amount of interest expense on loans from owner shown?
- Is the amount of interest income from investments/savings properly shown?
- Is the amount of interest income from loans to owners shown?
- Has depreciation and amortization been recorded?
- Has gain or loss on disposal of Property, Plant & Equipment been recorded?
- Has gain or loss on sale or disposal of other assets (such as investments) been recorded?
- Has the current year pension plan expense been recorded?

**List of Possibly Important Items!** Check ( ✓ ) if any apply and supply details:

<input type="checkbox"/>	Letters received from IRS or state (please bring)	<input type="checkbox"/>	Overdue Payroll taxes or some returns not filed
<input type="checkbox"/>	Audit or Tax notice received (bring)	<input type="checkbox"/>	Overdue sales taxes, or some returns not filed
<input type="checkbox"/>	Prior year's returns need to be amended	<input type="checkbox"/>	Overdue property taxes, or returns not filed
<input type="checkbox"/>	Changed states in which company operates	<input type="checkbox"/>	Receivables factored or pledged
<input type="checkbox"/>	Theft loss occurred during the year	<input type="checkbox"/>	Forgot to issue 1099s to independent contractors
<input type="checkbox"/>	Casualty loss occurred during the year	<input type="checkbox"/>	New venture or business segment
<input type="checkbox"/>	Abandonment of business assets	<input type="checkbox"/>	Have foreign partners or shareholders in business
<input type="checkbox"/>	Foreclosure	<input type="checkbox"/>	Ownership or beneficial interest in foreign account
<input type="checkbox"/>	Bankruptcy now or pending	<input type="checkbox"/>	Paid taxes to a foreign government
<input type="checkbox"/>	Legal matters (lawsuit, etc) during year	<input type="checkbox"/>	Have shareholder life insurance owned by company
<input type="checkbox"/>	Compromise of loan or indebtedness	<input type="checkbox"/>	Discovery of accounting errors
<input type="checkbox"/>	Internal control lapse or weaknesses in systems	<input type="checkbox"/>	Change in accounting method
<input type="checkbox"/>	Business conducted in more than one state	<input type="checkbox"/>	This is a final year return
<input type="checkbox"/>	Other matters that we should be aware of:	<input type="checkbox"/>	<b>None of these applied this year</b>

**Warning: New penalties apply to returns filed late: up to \$195/month per K-1 (for a 5 K-1 return, this could be up to \$11,700)**

**Automobiles**

The IRS is very interested in personal use of company vehicles. If your business has company-owned vehicles, it is imperative that personal use/commuting use not be deducted as part of auto expense. Avoid problems by having personal use reimbursed by those using company owned vehicles.

Auto	1	2	3
Vehicle Description			
Cost			
Date put in service			
Date out of service			
Business miles driven in yr			
Commuting miles in yr			
Other Miles driven			
Total Miles driven in year			
<b>Expenses:</b>			

Suggestion: the best way to handle autos is to reimburse employees and owners for the business use of their personal autos based on the standard mileage rate.

**Important:** The IRS requires that adequate business records be kept to substantiate business use of vehicles such as automobiles.

- [ ] Adequate records are maintained, such as an appointment book showing the mileage total from each day. (It is not necessary to keep a record of the beginning and ending mileage for each day.)
- [ ] Records substantiating total mileage on the automobile are kept (such as a repair receipt from the beginning of the year and end of the year).
- [ ] A flat auto allowance paid to employees is taxable as income, including payroll taxes.

In general, the standard mileage method is better if mileage is high, or your vehicle is economical to operate. The actual expense method works better for cars weighing over 6,000 lbs, those that are expensive to operate, or if there aren't many business miles.

## Tax Saving Opportunities

Here are some areas in which you can save on taxes. Credits are direct offsets against tax, and thus are more valuable than deductions! If any of these seem to apply to you, check with us for details:

- 100% Bonus depreciation on fixed assets
- Credit for fuels used off-highway (such as airplanes, tractors, generators, etc.)
- Solar energy credit – 26% of the cost of solar energy property (solar cell power)
- Employer tip credit – for restaurants or any business in which workers receive and report tips
- Employer provided child care facilities – Credit of 25% of cost of facilities, or care provided
- Historical rehabilitation credit – for renovating old buildings – credit for up to 20% of the costs
- Pension start-up credit: 50% of the first \$1,000 spent to establish or administer a pension plan, in the year of starting the plan and for the two subsequent years. Maximum credit is \$500 per year.
- HSA plans
- Opportunity Zone (Designated by the State) Credit is allowed to investors that roll a capital gain into a qualified opportunity zone fund.
- Paid family and medical leave credit – Business tax credit for employers based on wages paid to qualifying employees
- Research and development credit for small businesses that develop a new component of the activity to improve an existing component's performance, functionality, reliability, or quality.
- Credit for Small Employer Health Insurance Premiums. This is a credit up to 50% of premiums paid for health insurance if purchased through healthcare.gov.

## Deductions You Don't Want to Miss

Accounting	Employee benefits	Maintenance	Security
Advertising	Management fees	Seminars	Shipping
Alarm system	Equipment	Meetings	Stationery
Answering service	Fees	Miscellaneous	Storage
Bank charges	Freight	Office Supplies	Subscriptions
Cash short	Gas & Oil	Outside Services	Supplies
Cleaning	Gifts	Parking	Taxes
Commissions	Insurance	Permits	Telephone
Consulting	Interest on loans	Postage	Tools
Conventions	Interest on credit cards	Printing	Travel
Data processing	used for business	Professional fees	Utilities
Delivery	Janitorial	Promotion	Wages
Depreciation	Laundry/uniforms	Publications	
Dues	Legal	Rent/lease	
Education	Licenses	Repairs	

The key words to remember for deducting expenses: Ordinary and Necessary for the production of income.

**The Entertainment expense deduction is totally eliminated as of 12/31/2017. This includes golf fees, sporting event tickets and tickets to the arts and theatre events, etc.**

## Accounting Records and Internal Controls

Accounting controls and good accounting records can prevent problems, identify opportunities and keep the tax people happy. We can provide you with an on-site “operational audit,” but here are a few things to consider:

- Do you have an “accountable plan” for reimbursement of expenses  
This works for S corp office in the home expenses.
- Are your personal and business activities kept separate?
- Is the petty cash fund kept on an “imprest” basis (regularly reimbursed to original balance)?
- Do you entrust the complete recordkeeping to one “trusted” employee? (bad, bad idea)
- Are the duties of receiving cash and checks, depositing them and recording them handled by different people?
- Do you have an inventory (listing) of your equipment and other physical assets?
- Are all physical assets tagged or marked as property of the business?
- Do you have a procedure to require documentation, such as invoices, receipts, etc., before signing a check?
- Do you have an amortization schedule for each loan and note payable?
- Do you take regular physical inventories of goods on hand?
- Are regular accounting reports prepared and compared to prior periods, with differences investigated?
- Do you have a business plan and budget (including a disaster plan and contingency plan)?
- Do you have a written employment agreement for each employee (including internet and phone use policy)?
- Does the company have an updated employee manual with rules and regulations?
- Do you require signed time reports before issuing paychecks?
- Are bank reconciliations prepared monthly, reviewed carefully by an owner, and all discrepancies resolved?
- Are accounts receivable and accounts payable listings (aging schedules) reviewed carefully on a regular basis?
- Do you have insurance to cover employee theft?
- Are blank checks and company credit cards safeguarded?
- Do you have a current back-up of all computer data files, tested, and kept off premises?
- Is there a backup of all computer programs kept off premises?
- Is the computer system protected from hackers by firewalls or an internet security device?
- Do all computers on premises have up-to-date virus and malware programs?
- Is there a regular procedure to update computer software, defrag hard disks, clean out junk files, etc?
- Are you familiar with the FTC regulations which affect your business (especially as it pertains to safeguarding confidential client/customer data)?

**Owners and Officers**

Name	Position	SS #	Percent owned	W-2 Salary	Draws Paid	Dividends Paid*

\* For corporations only

- If there was any change in ownership during the year, please provide details. For example, did a new owner invest, or was an existing owner bought out in whole or part? Were shares issues to employees?
- Were there any changes in the officers or directors during the year?  
Please provide details:
- Was there any change in the governing instruments (Bylaws, Charter, Operating Agreement) that would have an impact upon this tax return? If so, please provide copies.
- Does this business own any part of another business, corporation or partnership? If so, we need to know the details.
- If a corporation, please show the # of shares owned in the column entitled "percent owned" above.

**Shareholders' Loans from the Business**

The IRS is afraid owners or officers will take "disguised compensation" out of their businesses in the form of loans. If you borrow money from your business, you must have a written note, a repayment schedule and pay "reasonable interest" to avoid their wrath.

Borrower/Shareholder Name	----- Loan Balances -----				Interest	
	Beginning	Advances	Paid Back	Ending	Rate	Amount Paid

The company may have a problem with documentation of loans.

**Shareholders' Loans to the Business**

The IRS has issued new regulations on "open account debt", which is shareholder advances (and repayments), not evidenced by separate written notes. Repayment of these advances will not create problems as long as the amount of loan from shareholders outstanding is under \$25,000 per shareholder at the end of the year. If the outstanding loans to shareholder exceed \$25,000 at year-end, re-payment of these loans could be counted as income to the shareholder.

Lender/shareholder Name	----- Loan Balances -----				Interest	
	Beginning	Advances	Paid Back	Ending	Rate	Amount Paid

Document all loans, and set an interest rate greater than the Applicable Federal Rate (AFR).  
Loans greater than \$10,000 at any one time in the year require interest.

## Interest & Dividend Income Received

Please provide all 1099 forms received, including mutual fund year-end reports. Even though exempt from tax, the IRS requires that you report non-taxable interest, such as that earned on municipal bonds, etc. **Bring all 1099s** received. If you are missing a 1099 – call payer for another copy.

See list attached

## Capital Gains

Capital gains come from sales or redemptions of stocks, mutual funds, bonds, real estate or property. We need any 1099 forms, brokerage statements, or mutual fund statements. Many times the brokerage statements will contain this information. Please fill in the form below, bring your brokerage statements, or make a list. It is very important that we have the information shown in the column headings of the table below!

Brokerage statements attached     See list attached    Here's the information we need:

Description	Date Acquired	Cost or basis	Date Sold	Sales Proceeds

Stocks or securities became worthless, or securities became uncollectible

## Sale, Refinance or Purchase of Buildings or Land

Bring closing (settlement) statements for any real property refinanced, sold or bought.

## Employee Benefits

Here is a list of some employee benefits. Are you taking advantage of them?

- Day care services paid for care of dependents (paid for by the business)
- Achievement or safety awards
- On premises athletic facilities
- Employer paid tax preparation and financial planning services
- Accident and health insurance
- Cafeteria or Sec 125 plans, allowing benefits to be paid pre-tax (medical, dental, child-care)
- Health reimbursement plan (HRA) or Health Savings Account (HSA)
- Group term life insurance
- Meals and lodging provided for the convenience of the employer (not for owners)
- Employer paid transit passes or employer paid parking
- Employee Stock Ownership Plan (ESOP or ESOT)
- Educational reimbursement plan
- Adoption expense reimbursement plan
- 401(k) plan
- Profit sharing plan
- Pension plans including a defined contribution plan or defined benefit plan



## Deductions for SEP, 401(k), Keogh and Other Retirement Plans

	For Owners	For Employees
Employer contributions for:		
SEP/Profit sharing		
401(k)		
Roth IRA for employees		
Defined Benefit Plan		
Simple IRA		
Other plan		

Include only those contributions made by the business on behalf of employees. Don't include amounts that were withheld from employee's wages.

If you have a 401(K) or other \_\_\_\_\_ business retirement plan, you may have to file form 5500. Be sure to ask about these requirements!

Do you have a Simple IRA plan? Have you made the required 3% matching contribution? Y/N  
 What is the amount of the match? \_\_\_\_\_ Where have you listed it in your books? \_\_\_\_\_  
 Do you have a 401K plan and want to discuss a possible match before the taxes are done? Y/N  
 Would you like to discuss setting up and contributing to a SEP before your taxes are done? Y /N

## Health Savings Account (HSA & MSA)

These plans use a high deductible health insurance policy, coupled with an IRA-like savings account. They allow you to make tax deductible contributions to the savings account which can be used by employees to pay for qualified medical expenses tax free. There are no payroll taxes on the amounts contributed on behalf of employees. Did you make a contribution to one? Bring details!

For employees: For owners:

Contributions to HSA Savings Account: \_\_\_\_\_  
 Health insurance premiums paid: \_\_\_\_\_

## Self Employed Health Insurance

This applies to those who own their own business (sole proprietorship, S-Corp, LLC, etc, other than a C-Corp.)

- Self employed: medical and health insurance premiums paid: \_\_\_\_\_  
 Includes long term care, dental, and other health insurance  
 This amount is included in ( ) draws ( ) health insurance expense

## C-Corp Business Estimated Taxes Paid

Calendar Yr Business		Federal		Home State: _____		Other State: _____	
Quarter	Due Date	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount
4 <sup>th</sup> 2019	1/15/20	N/A	N/A				
'19 Extension	7/15/20	N/A	N/A				
With '19 return		N/A	N/A				
1 <sup>st</sup> 2020	7/15/20						
2 <sup>nd</sup> 2020	6/15/20						
3 <sup>rd</sup> 2020	9/15/20						
4 <sup>th</sup> 2020	1/15/21						
'20 Extension	4/15/21						

- Did the business pay estimated taxes on behalf of the owners?  
 Did the business pay prior years taxes on behalf of the owners?

If either of the above apply, we need to know how these were recorded on the books (which account), a list of the amounts, to whom paid, dates and the name of the owner to whom they apply

## Office-in-Home Deduction

The treatment of office in home deductions depends upon the form of business. It is very difficult to deduct an office in home deduction on an S-Corp or C-Corp. However, an accountable plan will allow the the corporation to reimburse the owner for the home office expenses. A home office deduction is allowable as a deduction on an LLC taxed as a partnership, although it may be better to take the deduction on the individual 1040 tax return.

**It is essential that we discuss home office deductions before finalizing the return.**

	Home 1	Home 2
Total square footage		
Office use Sq. Ft.		
Expenses:		
House rent/lease payments		
Home mortgage interest		
Home property taxes		
House/yard maintenance, cleaning, windows, etc		
Repairs		
Home Insurance		
Utilities - Gas/water/electric, trash, phone, cable		
Association dues		

Requirements: an office in home must be used regularly and exclusively for business tasks not performed at another office. Keep a diagram and a picture as support in your files. Allowable for a rented or owned home.

## Purchase of Business Machinery and Equipment:

Date Purchased	Description of Item	Cost of Item	X if not new

## Sale/Disposal of Business Machinery and Equipment:

Date Sold	Description of Item	Sales Price

[ ] Business gift deductions are limited to \$25 per person per year.

[ ] Auto use should be pro-rated based on percentage of use that is personal and percentage that is business use. In most cases, it isn't reasonable to expect that an auto is used 100% for business. This is an item the IRS is scrutinizing more closely.

[ ] Meals must have a clear business purpose. You must have an expectation of receiving income or a specific business benefit from the meal. You should document the names of the people you dined with and what the business discussion involved for all meals. Country Club dues are NOT deductible as a business expense.

**Entertainment is no longer deductible** in 2020 due to the Tax Cuts and Jobs Act.

## Rental Income and Expense

Location and description: \_\_\_\_\_ [ ] Attach separate sheets

**Property 1:** \_\_\_\_\_

Rented [ ] all year - Number of days rented: \_\_\_\_\_

[ ] Personal use: \_\_\_\_\_ days

[ ] If bought, sold or refinanced: bring closing papers

[ ] Additions/improvements last year (description + costs): \_\_\_\_\_

**Property 2:** \_\_\_\_\_

Rented [ ] all year - Number of days rented: \_\_\_\_\_

[ ] Personal use: \_\_\_\_\_ days

[ ] If bought, sold or refinanced, bring escrow papers

[ ] Additions/improvements last year (description + costs): \_\_\_\_\_

	Prop # 1	Prop #2
Revenues/ Rentals received		
Expenses:		
Advertising		
Association dues		
Accounting		
Auto mileage to/from		
Cleaning/ maintenance		
Carpet cleaning		
Pest control		
Gardening/ yard		
Commissions		
Dues, Publications		
Insurance		
Interest on credit cards used for Rental expenses		
Legal / Eviction costs		
Management fees		
Mortgage interest		
Office expense		
Repairs		
Plumbing		
Painting		
Roofing repairs		
Supplies		
Taxes – property & licenses		
Travel		
Utilities / trash / telephone		
Wages paid		

For non-C-corp ownership of rentals, there may be limitations on deductions. There are “at risk” and “active participation” rules. Owning rental property in a C-corp is usually a very bad idea. Check with us!

[ ] I meet the “at risk” & “active participation” tests

## Farm Income and Expense

Location of farm: \_\_\_\_\_

Crops \_\_\_\_\_

Income:	
Sales of Livestock / crops	
CCC Loans	
CRP payments	
Other program payments	
Cost of goods sold	
Other Costs:	
Auto and truck	
Chemicals	
Custom hire	
Feed	
Fertilizer	
Insurance	
Interest	
Labor	
Management fees	
Seeds and plants	
Supplies	
Taxes	
Utilities	

[ ] Did you manage the farm?

## Royalty Income and Expense

Type of Royalty: \_\_\_\_\_

Location \_\_\_\_\_

	# 1	# 2
Income		
Expenses:		
Auto and truck		
Insurance		
Interest		
Management fees		
Production Expense		
Taxes – severance		

## Business Balance Sheet

Balance Sheet Date (The company's year end) \_\_\_\_\_

*This is not an "official" balance sheet, but it is simple!*

Tip: Use your accounting software to print out a balance sheet

### **Assets**

Business checking year end balance	
Business Savings year end balance	
Year End Inventory at Cost	
Accounts Receivable	
Other Investments _____	

\*Fixed assets-if you bought or disposed of Machinery and Equipment during the year, there is a separate section for that.

### **Liabilities and Owner's Equity**

#### **\*Current Liabilities:**

Payroll taxes payable	
Sales Tax payable	
Credit Cards Payable	
Bank line of Credit Payable	
Other _____	

#### **\*Long Term Liabilities:**

Auto Loan Payable	
Bank loan 1 _____	
Bank loan 2 _____	
Ending loan from owners	
Other _____	

#### **Owner's Equity**

Capital Stock	
Beginning Retained Earnings	
Capital Contributions +	
Distributions/Draws -	
Current year Income +	
Ending Retained Earnings	

\*Please make sure you have listed the interest expense paid during the year for loans and credit cards under interest expense in the income statement.

## Business Income and Expenses

Business Name: \_\_\_\_\_

Business address, if not your home:  
\_\_\_\_\_

**Specific description of business:**  
(in order to establish business activity code)

\_\_\_\_\_

### Other things we'll need:

- P&L (income statement) from computer
- Balance sheet print out from computer
- Copies of payroll tax returns  
4 quarterly 941, SUTA, 940, W3-W-2's
- 1099's

1099's must be issued to any non-corp  
paid over \$599 last year. They are due 1/31

Income (Receipts):

Total Income	
Earned in KS	
Earned in MO	
Earned in _____	
Earned in KC, MO	

Cost of Goods Sold

*Beginning Inventory	
Purchases +	
Production Labor +	
Supplies/freight/other +	
*Ending Inventory --	
Cost of Goods Sold =	

## Operating Expenses

Advertising	
Bank Fees	
Business Gifts/Promos	
Cell Phone	
Commissions/Fees	
Computer/Software	
Contract Labor	
Dues and Subscriptions	
Employee Benefits (health insurance)	
Freight/Delivery/UPS	
Insurance (not health)	
Interest Expense paid	
Internet	
Legal/Professional	
Meals for business	
Office Expense	
Outside Services	
Postage	

Pension/Benefit Plans (2020 year only)	
Rent-Office	
Rent-other (ex. car lease)	
Repairs/Maintenance	
Supplies	
Small Tools	
Taxes and Licenses	
Taxes-payroll	
Telephone	
Travel	
Utilities(separate business offc)	
Wages paid-employees	
Wages paid to children	
Other:	

## ACA – Obamacare for Businesses

For businesses, there is a possible credit, and a penalty for certain reimbursement plans. There is also a penalty for not offering health insurance to your employees. This only applies to certain businesses (see below).

**For Businesses** (Including a Schedule C “self-employed” business, corporations, and partnerships)

Did your business purchase health insurance through the “SHOP” marketplace, and pay at least 50% of the premiums for your employees’ coverage? ( ) Yes

If yes, you may be entitled to a credit.

Do you buy insurance for yourself (the owner) and family that is an individual health insurance policy? ( ) Yes

Did your business employ more than 50 full-time equivalent employees during 2020? (You will need to add up all employees in any of your related businesses also to calculate total employees). ( ) Yes

If you answered yes above, did you offer health insurance to your employees? ( ) Yes

Do you expect to pay more than 50 full-time equivalent employees in all your related businesses in 2021? ( ) Yes

Do you offer health insurance to your employees? ( ) Yes

## Our Work Agreement

Thank you for engaging us to assist you. We will provide you with the following kinds of services: (as checked/circled)

( ) Federal and State Individual Income Tax Preparation: 2020 or other year \_\_\_\_\_

(X) Federal and State Business Tax Preparation: 2020 or other year

(X ) Consulting Services (fees range from \$135 to \$235 per hour)

Here are the terms of our professional relationship.

1. We will prepare our work product based only on information which you give us. You represent that you will provide us with information which is complete, true and correct, disclosing all relevant facts. We will restrict our services to those which are shown above with no continuing obligation to update or provide other services. We don't file extensions unless asked to do so.
2. You've reviewed our tax organizer and completed it as best you can. (We will review the tax organizer, and in some cases, we may assist in completing it by documenting things you tell us. This is to be construed as if you prepared it in your own handwriting.) The IRS says it is your responsibility that all items of income and expense are properly included and presented on your tax return. You promise to review the returns carefully before signing and /or submitting form 8879.
3. We will, if possible, e-file your returns upon receipt of a signed form 8879. It is possible your e-filing may be rejected, in which case we will prepare returns for paper filing. There will be an additional charge for re-compiling the returns for paper filing.
4. You're aware of IRS record keeping and documentation requirements and you represent that you have the necessary documentation. You understand we won't audit or verify your information. This engagement cannot be relied upon to detect fraud or illegal acts.
5. It is possible you may receive a notice for additional tax, or for clarification of items. You will contact us if you receive any communication from any taxing authority. Additional work required including responding to any inquiries from tax authorities, tax planning, amended returns or audit work will be billed at our regular hourly rates.
6. There may be elections and decisions in your return which could be challenged by tax authorities. If we believe we see a grey area, we will discuss it with you. We are required by law to disclose any position on a return for which there is a reasonable probability of challenge. Tax law is ever-changing. It is possible that you may be assessed additional tax, interest, or penalties. While we try our best, we are human, and occasionally make mistakes. It's an imperfect world.
7. Penalties on underpayment, late filing or failure to file on time are interest on unpaid tax and are your responsibility. If you receive a penalty imposed as the result of our error, we will reimburse you for the penalty or credit your account at our option.
8. You understand what was involved in the preparation of your return, and acknowledge that the return was prepared with your informed consent. You agree to the reasonableness of our bill and terms of payment. (upon presentation) You understand that you will be charged an hourly rate for our services.
9. We will return all the original source documents to you. We routinely scan and keep copies of some supporting documents, but we are not the custodian of your records, and so don't rely upon us to maintain support for your tax return: that is your responsibility. By accepting the return, you acknowledge the return of all original source documents.
10. Should there be any disagreement of any sort between us, you agree to mediation. If mediation is unsuccessful, you agree to binding arbitration under the rules of the American Arbitration Association. The limit of time for making a claim arising from our services is one year after the services are rendered.
11. We can provide unlimited liability damage coverage for 175% of the fee that we bill you. If you elect to decline the full risk coverage and save by paying the lower fee, you agree to limit our liability to not exceed the fees we have received for our services.
12. Advice, suggestions and opinions which are given informally, orally or via email, do not have the same force and effect of a formal written opinion, and should not be relied upon to the same degree. The IRS says that any advice which you receive from us, either in writing or orally cannot be used as a defense against the assessment of a penalty.
13. In the case of work product covering more than one party, the undersigned enters into this agreement on behalf of all affected parties. (i.e., husband signing for both spouses)
14. If any provision herein is inoperative, the remainder of this agreement shall remain in full force and effect. This agreement is intended as the complete agreement, and can only be modified in writing signed by both of us.

Read, understood and agreed to on \_\_\_/\_\_\_/\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Spouse's signature