

**TAX SOLUTIONS, LLC**  
**S CORPORATION - MULTI SHAREHOLDER TAX ORGANIZER (1120S)**

Enclosed is an organizer that we provide to our tax clients to assist in gathering the information necessary to prepare the current year tax returns.

The Internal Revenue Service matches information returns with amounts reported on income tax returns. A negligence penalty may be assessed where income is unreported. Accordingly, all Forms 1099, Schedules K-1 and other information returns reflecting amounts reported to the Internal Revenue Service should be submitted with this organizer.

For your convenience, there is an engagement letter enclosed which explains the services that we will provide to the corporation. Please sign a copy of the engagement letter and return it with the organizer.

**Your corporate income tax returns are due on March 15th. In order to meet this filing deadline, your completed tax organizer needs to be received no later than February 22<sup>nd</sup>. Any information received after this date may require an extension of time be filed for this return.**

**If an extension of time is required, you must sign an engagement letter giving us authority to file the extension on your behalf and any tax that may be due must be paid with the extension. Any taxes not paid by the filing deadline may be subject to late payment penalties and interest when those taxes are actually paid.**

We look forward to providing services to you. Should you have any questions regarding any items, please do not hesitate to contact us.

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**ENGAGEMENT LETTER**

This letter is to confirm and specify the terms of our engagement with \_\_\_\_\_, a Subchapter S corporation, for the year ended \_\_\_\_\_ and to clarify the nature and extent of the services we will provide. Also, by signing this engagement letter we will have assumed that you are the person responsible for the tax matters of the corporation. If this is not a correct assumption, please furnish us with the name of the tax matters partner.

Our engagement will be designed to perform the following services:

1. Prepare the federal and GA income tax returns with supporting schedules.\*
2. Perform any bookkeeping necessary for preparation of the income tax returns.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and the supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us. Because an S corporation in an entity whose tax attributes generally flow through to its shareholders, the penalty for substantial understatement of tax relating to S corporation items may be imposed at either the corporate or shareholder level.

Management is responsible for the proper recording of transactions in the book of accounts, for the safeguarding of assets, and for the substantial accuracy of the financial records. **You have the final responsibility for the income tax returns; therefore, you should review them carefully before you sign and file them.**

**The filing deadline for your income tax return is March 15, 2016. In order to meet this filing deadline, all information needed to complete the return should be received in this office no later than February 22, 2016.**

**If an extension at this time is required, any tax that may be due with the return must be paid with the extension. Any amounts not paid by the filing deadline are subject to interest and late payment penalties.**

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

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ENGAGEMENT LETTER

Our fee for these services will be a minimum of \$1350 based upon the amount of time required at standard billing rates plus out of pocket expenses. Our fee further assumes that you will actively participate in an information exchange of your affairs to us, complete the tax organizer, and provide any missing information that we have requested within three business days of the request. If all pertinent information is not presented to us within the timeframe listed above, we reserve the right to assess file maintenance fees of \$195/hr. We are requesting an initial nonrefundable retainer of \$500, prior to the commencement of any work. That retainer is due within three business days of approval, with any balance due upon presentation of the invoice. All invoices are due and payable upon presentation. Interest accruals are assessed monthly at 1-1/2% on the outstanding balance. Should your account become delinquent and placed out for collection, usual, reasonable, and customary collection agency fees, attorney fees, court costs, and other costs involved in the collection of your debt will be the responsibility of the client.

Subject to applicable professional or other guidelines, we may withdraw from the engagement by sending written notice thereof to you by e-mail, fax, or US mail.

If the foregoing fairly sets with your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office. However, if there are any additional returns you expect us to prepare, please inform us by noting so just below your signature at the end of the returned copy of this letter.

We want to express our appreciation for this opportunity to work with you.

Sincerely,

Tax Solutions, LLC

Accepted By: X  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\* - Should client earn income in a different state, multi-state and local tax returns may be required by that jurisdiction. Client accepts responsibility for this tracking of income and expenses by state and promptly advising Tax Solutions. Fees for any additional filing requirements will be invoiced at standard bill rates.

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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**ENGAGEMENT LETTER**

**Addendum**

It is our policy to invoice monthly, which can include progress billing on projects, such as tax returns. We will require payment upon delivery of the completed tax returns. Invoices are payable upon receipt, and will be charged to the credit card below, unless you have made other arrangements. It is the policy of Tax Solutions, LLC to suspend all services when invoices are not paid within 30 days. Any invoice not paid within 30 days will be subject to a minimum finance charge equal to 1.5 percent of the previous month's outstanding balance. All invoices not paid by the 61<sup>st</sup> day are deemed approved by you. By your completion of and your signature on this addendum, you give us express written approval to charge the services to your credit card on all invoices outstanding for more than 60 days. If you have any concerns with respect to an invoice, you will notify Tax Solutions, LLC prior to the 61<sup>st</sup> day, with any questions or concerns. The transaction will include one month's late fee that will be assessed after the 30<sup>th</sup> day and the credit card processing fee. Invoices not paid in full within 90 days will be subject to collection. **A 3% fee will apply for any credit card payment over \$1000.**

**Credit Card:**                       Visa                       Master Card                       American Express

**Credit Card #:** \_\_\_\_\_

**Expiration date:** \_\_\_\_\_

**Visa/MC Security Code:** \_\_\_ \_\_\_ \_\_\_                      **American Express Security Code:** \_\_\_ \_\_\_ \_\_\_

**Name (as it appears on card):** \_\_\_\_\_

**Billing address of credit card:**

\_\_\_\_\_ Address

\_\_\_\_\_ City    State    Zip Code

\_\_\_\_\_ X \_\_\_\_\_

*Signature*

*Date*

My signature above represents my approval for Tax Solutions, LLC to charge the above referenced credit card for all services that remain unpaid for more than 60 (sixty) days.

## S CORPORATION - MULTI SHAREHOLDER TAX ORGANIZER (1120S)

Check if new client and bring prior year tax return, depreciation schedules, any carry forward schedules and S election approval letter.

Corporation Name \_\_\_\_\_ Tax Period \_\_\_\_\_  
 Address \_\_\_\_\_ Federal ID# \_\_\_\_\_  
 \_\_\_\_\_ State ID# \_\_\_\_\_

**Provide a copy of Dec bank statement**, general ledger, trial balance, depreciation schedules, balance sheet, profit and loss statement by activity, otherwise complete attached worksheet. In addition, provide the following information:

	<u>DONE</u>	<u>N/A</u>
1. Copies of correspondence with tax authorities regarding changes to prior year(s) returns.	_____	_____
2. Details of changes in stock ownership.	_____	_____
3. For each shareholder, TIN, compensation, percentage of ownership and time devoted to business.	_____	_____
4. Schedule of all fringe benefits paid on behalf of more than 2% shareholders and indicate which benefits have been included in their Forms W-2.	_____	_____
5. Schedule of loans to/from shareholders, officers and related parties including interest rates and payment schedules.	_____	_____
6. Copies of all deferred compensation plans and agreements.	_____	_____
7. Copies of all federal and state payroll reports filed.	_____	_____
8. Did the corporation make any payments that would require it to file 1099s? Yes ____ No ____ If yes, did the corporation file the required 1099s?	_____	_____
9. Forms 1096/1099, 5500, 1042, 5471, 5472, 8865, 8858, and 8886 <b><u>filed by the corporation.</u></b>	_____	_____
10. Forms 1099, 5471, 5472, 8865, 8858, 8886, and Schedules K-1 <b><u>received by the corporation.</u></b>	_____	_____
11. Schedule of built-in gains.	_____	_____
12. List of all entries in prepaid, accrued, and income tax expense accounts, including dates and amounts of all federal, state and local income tax payments and refunds.	_____	_____
13. Schedule of all interest and dividend income not included on Forms 1099.	_____	_____
14. Schedule of assets acquired or sold during the year including date acquired, date sold sales or purchase price, including any trade-in allowance. Include Form HUD-1 for real estate transactions.	_____	_____
15. Copy of the inventory uniform capitalization computation.	_____	_____
16. Schedule of charitable contributions (cash and non-cash).	_____	_____
17. Detail of any lobbying expenses.	_____	_____
18. List of potential non-deductible expenses, such as penalties and life insurance premiums.	_____	_____
19. Schedule of any club dues paid.	_____	_____
20. Vehicle and mileage data for company-owned passenger vehicles.	_____	_____
21. Information to compute the domestic production activities deduction.	_____	_____
22. Detail of miscellaneous income/expense accounts.	_____	_____
23. Detail of meal and entertainment expenses.	_____	_____
24. List each type of trade, business, or rental activity and date started or acquired.	_____	_____
25. List of activities conducted in other states, including gross receipts inventory, real and personal property, payroll, and rents by state.	_____	_____
26. Can the Internal Revenue Service and state tax authority discuss questions about this return with the preparer? Yes ____ No ____	_____	_____
27. Determine if FinCEN FBAR form 114 (formerly TD F 90-22.1) is needed to report foreign bank and financial accounts (note that this is separate and distinct from any potential filing requirement at 25) below.	_____	_____
28. Determine if Form 8938 is needed to report specified foreign financial assets (note that this is separate and distinct from any potential filing requirement at 24) above.	_____	_____

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<b>INCOME AND EXPENSES WORKSHEET</b>	
Description	Amount
<b>Part I –Income</b>	
Gross receipts or sales	
Returns and allowances	
Other income (List type and amount)	
<b>Part II - Cost of Goods Sold</b>	
Inventory at beginning of year	
Purchases less cost of items withdrawn for personal use	
Cost of labor (Do not include salary paid to yourself)	
Materials and supplies	
Other costs (List type and amount)	
Inventory at end of year	
<b>Part III – Expenses</b>	
Advertising	
Bad debts from sales or services	
Car and truck expenses (Complete Auto Expense Schedule on Page 9)	
Commissions and fees	
Contract Labor or Consultants	
Depreciation and section 179 expense deduction (provide depreciation schedules)	
Employee benefit programs (other than Pension and Profit Sharing plans shown below)	
Insurance (other than health)	
Interest:	
a. Mortgage (paid to banks, etc.)	
b. Other	
Professional services	
a. Accounting	
b. Legal	
c. Other	

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**INCOME AND EXPENSES WORKSHEET – CONTINUED**

Office expense	
Pension and profit-sharing plans (employee’s portion only)	
Rent or lease:	
a. Vehicles, machinery, and equipment	
b. Other business property	
Repairs and maintenance	
Supplies	
Taxes and licenses (Enclose copies of payroll tax returns). No state income tax.	
Travel (air fare, hotel lodging, ground transportation, etc.)	
Meals and entertainment	
Utilities	
Wages (enclose copies of W-3/W-2 forms).	
Other expenses (list type and amount)	
Dues & subscriptions	
Bank charges	
Business cell phone & pager	
Business internet & web hosting	
Required uniforms & cleaning	
Postage & delivery	
Printing & reproduction	

**List assets acquired and/or disposed/sold during the year**

Description	Date acquired or sold	Cost or sales price

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**OFFICE IN HOME**

To qualify for an office in home deduction, the area must be used exclusively for business purposes on a regular basis in connection with your employer's business and for your employer's convenience. If you are self-employed, it must be your principal place of business or you must be able to show that income is actually produced there. If business use of home relates to daycare, provide total hours of business operation for the year.

For 2015, you may have the option to elect a Safe Harbor method for claiming a home office deduction of \$5 per square foot, up to a maximum of \$1,500. <u>Do you prefer this method over looking for your actual expenses?</u> If so, please complete only the following table regarding the square footage of your home and the office space.	<b>Yes</b>	<b>No</b>
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Business or activity for which you have an office	Total area of the house (square feet)	Area of business portion (square feet)	Business percentage

**I. DEPRECIATION**

	Date Placed in Service	Cost/Basis	Method	Life	Prior Depreciation
House					
Land					
Total Purchase Price					
Improvements (Provide details)					

**II. EXPENSES TO BE PRORATED:**

Mortgage interest	_____
Real estate taxes	_____
Utilities (power, gas)	_____
Property insurance	_____
Other expenses - itemize	_____
	_____
	_____
	_____

**III. EXPENSES THAT APPLY DIRECTLY TO HOME OFFICE:**

Telephone	_____
Maintenance	_____
Other expenses - itemize	_____
	_____
	_____



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**AUTOMOBILE EXPENSES - Complete a separate schedule for each vehicle.**

Vehicle description	_____	Total business miles	_____
Date placed in service	_____	Total commuting miles	_____
Cost/Fair market value	_____	Total other personal miles	_____
Lease term, if applicable	_____	Total miles this year	_____
		Average daily round trip commuting distance	_____

Actual expenses

Gas, oil	_____	Taxes	_____
Repairs	_____	Tags & licenses	_____
Tires, supplies	_____	Interest	_____
Insurance	_____	Lease payments	_____
Parking	_____	Other	_____

Did you acquire, lease or dispose of a vehicle for business during this year? Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, enclose purchase and sales contract or lease agreement.

Did you use the above vehicle in this business less than 12 months? Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, enter the number of months \_\_\_\_\_.

Do you have another vehicle available for personal purposes? Yes \_\_\_\_\_ No \_\_\_\_\_

Do you have evidence to support your deduction? Yes \_\_\_\_\_ No \_\_\_\_\_

Is the evidence written? Yes \_\_\_\_\_ No \_\_\_\_\_