

TREESTONE ACCOUNTING GROUP, LLC

'Your Trusted Business Strategist'

17787 North Perimeter Drive A101

Scottsdale, AZ 85255

Voice: 480.905.8501 Email: [info@treestoneaccounting.com](mailto:info@treestoneaccounting.com) Fax: 480.905.8508

## 2009 Individual Tax Organizer

This 2009 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.

### YOUR APPOINTMENT

---

- Please call the office to set an appointment.
- If you are mailing your tax information, please make sure you send us copies of your filled out organizer and other documents being mailed.

Be sure to call at least 24 hours in advance if you are unable to keep your appointment.

### GETTING TO OUR OFFICE

---

Directions:

- \*Take the Pima/Princess Exit off the 101 Freeway
- \* Go West till you hit a light. The street is Perimeter.
- \*Go North on Perimeter- First Right After 'St John' Street. South Of 'Taser' Building
- \*We are located in the 'TurnStone Park' Complex
- \*You will see a bridge on the East side of Perimeter
- \*We are the first building on your left.
- \*A sign listing of tenants is in front of building

### PREPARING FOR YOUR TAX APPOINTMENT

---

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

- Bring the information/documents shown on the appearing on the next page
- Review and sign the work agreement on last page
- Complete the organizer as best you can, because there are many tax savings 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.

Looking forward to helping you with your taxes,



## **THE SHORT LIST**

Documents and items we need to see from you to complete your tax return

- All W-2 Forms
- All 1099 forms, including those from
- Banks-Credit Unions-Stock Brokerages-Social Security-Miscellaneous Income
- Any Correspondence from any tax authority
- Brokerage statements if there were any stocks sold
- Escrow statements (HUD-1) for any real estate purchase, sale or refinance
- All 1098 Forms
- Social Security card for any new dependents
- K1's from any/all entities that you have ownership interest in

## **FOR YOU TO DO**

To ensure minimum taxes

- Get all your paperwork in one place
- Review this organizer...do a once over to get a feeling for the things that could save taxes
- Review last year's return. What has changed?
- Look over your checkbook and credit card statements for deductions-summarize deductions on a pad of paper noting date, amount, source (checks or credit cards)
- Work through the organizer – complete as much of it as you can.

## **AN IMPORTANT NOTE ABOUT THE IRS**

The IRS has vastly expanded its audit programs as it has been directed by Congress to “close” the tax gap. As a result, more audits and spot checks are to be expected. **Protect yourself: keep good records, and keep them for at least 7 years.** Never ignore correspondence from tax authorities, but always be skeptical. The IRS has an annoying tendency to arbitrarily bill for taxes and penalties without first checking the facts.

## **IMPORTANT NEW TAX LAW CHANGES**

As the result of the implementation of the new law (IRS Sec 6694), tax preparers are now required to have a completed workpaper set, including a completed tax organizer, in order to prepare a tax return. You can save time and money by spending a little time working through the tax organizer. If a section does not apply to you, just cross it out.

## **RELAX**

It's true: now, more than ever, it is vital to have the assistance of a qualified tax professional. Rest assured that you have a dedicated, well-trained, seasoned tax team helping you! It is our mission and goal to minimize your taxes!

Your data security and confidentiality are a prime concern for our firm. We operate in a high security, highly confidential environment. All data is locked when not in use. We guard your confidentiality and privacy as if the data were our own.



**DEPENDENTS**

Please see guidelines below

Name as it appears on SS Card	Birthday	SS #	Relation	Months In Home	Daycare Costs	Full Time Student	Income Earned

- Are any of your dependents listed above permanently disabled? Y/N If yes, which dependent? \_\_\_\_\_
- Are any of your dependents listed above 19 or older during 2009 and not a full-time student for at least 5 months during 2009? Y/N If yes, which dependent? \_\_\_\_\_
- If yes to above, what is that individual's gross income for 2009? \_\_\_\_\_

**GUIDELINES FOR DEPENDENTS**

NOTE: New Law - divorced parents claiming non-custodial dependents MUST have form 8332 (Release Of Claim To Exemption)

To qualify as a dependent, that person must be:

1. Unmarried, or if married, does not file a joint return
2. A US Citizen, resident alien, or national, or a resident of Canada or Mexico
3. Either a qualifying child or a qualifying relative

(see chart below)

Qualifying Relative	Qualifying Child
<ul style="list-style-type: none"> <li>• Must not be the taxpayer or anyone else's qualifying child</li> <li>• Either have lived with the taxpayer all year OR be related to the taxpayer</li> <li>• Have gross income less than \$3,650</li> <li>• Provide less than half of own support</li> </ul>	<ul style="list-style-type: none"> <li>• Taxpayer's child, stepchild, eligible foster child, brother, sister, stepbrother, descendant</li> <li>• Either under 19, a full-time student under 24, or any age if totally disabled</li> <li>• Lived with the taxpayer more than half the year</li> <li>• They provide less than half their own support</li> <li>• Not be a claimed qualifying child of another taxpayer</li> </ul>

**DEPENDENT & CHILD CARE EXPENSES**

For dependents under age 14, or if dependent or spouse is physically or mentally incapable of caring for themselves.

Name of Provider	Address	Tax ID#	Amount Paid

\*Are you enrolled in your employer's Cafeteria Plan? Usually it's the best way to handle child care costs.

## QUESTIONS

---

Please review the following questions and check if YES (they ensure we don't miss something important)

- Change in marital status during the year? Explain:
- Did you/spouse change names last year (re:marriage or divorce)? Bring a copy of new social security card
- Did taxpayer and spouse live apart for the entire last 6 months of the year or longer?
- Legally blind or disabled? How about spouse?
- Either you or your spouse reach or will reach age 70 ½ this year or the next?
- Can anyone claim you as a dependent ?
- Any children under age 19 or college students under 24 with unearned income over \$1,900?
- Did you maintain a home for someone not claimed as a dependent?
- Did you start or dispose of a business during the year?
- Are there separate business returns that need to be completed?
- Any new K-1, new LLC, S Corp, investments, etc?
- Did you inherit assets in 2009?
- Any foreign income or did you pay any foreign taxes?
- Foreign bank account or trust? Signing rights on a foreign account? Ownership or beneficial interest in a foreign account?
- Damage award for personal injury, sickness, or discrimination?
- Unreimbursed casualty or theft greater than 10% of your income?
- Victim of an investment Ponzi scheme?
- Did you pay cobra insurance and receive a premium reduction?
- Did you work out of town during the year?
- Have you started or finalized an adoption or incurred adoption expenses?
- Gifts of more than \$13,000 to any individual?
- Any bartering transactions?
- Letters, audit or tax notices from the federal, state, or local authorities? Please provide.
- Discover an error in a prior return or find out a prior return needs to be amended? or filed?
- Did you pay a household employee in 2009?
- Do you expect significant changes in income, expenses, or dependents for 2010?
- Did you file bankruptcy in 2009 or are planning to soon?
- Did you have debt forgiven, a short sale, or foreclosure?
- Legal issues or a lawsuit going on?
- Are there other matters we need to be aware of? If yes, explain below.
- None of these applied to me, except those which I have checked.

# Income

## ECONOMIC RECOVERY REBATE FOR RETIREES

Did you receive a \$250 payment? Please list the total amount your household received \_\_\_\_\_

## WAGES & SALARIES

Please provide all W-2 forms, and your last paycheck stub.

## 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 the payer for another copy.

## CAPITAL GAINS

Capital gains come from sales or redemptions of stocks, mutual funds, bonds, real estate or personal property. We need any 1099 forms, brokerage statements, or mutual fund statements. Many times the brokerage statements will contain this information. We don't need information on transactions in your tax – deferred accounts, such as 401k, pension or IRA accounts. 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

**Information Needed:** Missing information you get you an IRS Notice

Description	Date Acquired	Cost or Basis	Date Sold	Sales Proceeds

- Employee stock options exercised -- bring statements
- Stocks or securities became worthless, or money due you became uncollectible
- Participated in puts, calls, or "short the box" stock transactions
- Tax Free Exchange (Sec 1031 Exchange) last year: bring closing statements

## OTHER INCOME

---

- State and local tax refunds received:
- Distributions from Pension(s) IRAs or annuities – Provide 1099-R or W2-P forms  
Note: If you change jobs and have 401(k) loans, that's considered a distribution— bring 1099R
- IRA or pension plans rolled over – bring any 1099-R forms received
- Social security received: bring SSA-1099 forms received
- Alimony received (do not include child support): \_\_\_\_\_
- Gambling winnings: \_\_\_\_\_ Gambling losses: \_\_\_\_\_ (be sure you have support ) Bring all W2G's
- Partnerships, Sub-S Corps, Joint Ventures, Estate and Trusts -- Provide forms K-1
  - Do you have a calculation of your "basis" in the entity? \_\_\_\_\_
  - Are you "at risk" for your investment?
- Self employment income: (self employed business or farm) – see worksheets enclosed
- Cashed in US savings bonds
- Prizes and awards (you/spouse) \_\_\_\_\_
- Jury duty (you/spouse) \_\_\_\_\_
- Scholarships / taxable fellowships (bring 1099 or W-2 forms) \_\_\_\_\_
- Unemployment compensation: bring 1099
- Other income: \_\_\_\_\_ You: \_\_\_\_\_ Spouse: \_\_\_\_\_
- 1099A or 1099C from Abandonment or Cancellation of Debt
  - Was there a controversy over the amount of the debt owed, or was any of the debt contested?
- Income received from a prior year installment sale
- Cash income for which you did not receive a 1099?

**ADJUSTMENTS TO INCOME (DEDUCTIONS)**

- Educator expenses (for teachers – supplies, etc.) \_\_\_\_\_
- Student loan interest paid \_\_\_\_\_ (Benefits disappear if income is over \$65,000 single or \$130,000 married)
- Alimony paid (NOT child support): \_\_\_\_\_ Paid to \_\_\_\_\_ SS# \_\_\_\_\_ \$ \_\_\_\_\_ Amount
- Penalty for early withdrawal of savings from savings accounts and C.D.s. \_\_\_\_\_

**DEDUCTIONS FOR MOVING EXPENSES**

If you moved at least 50 miles closer to work, you can deduct some of your moving expenses. If your employer reimbursed some or all of your expenses, we need to see the paperwork.

Miles from old home to new work place: \_\_\_\_\_  
 Miles from old home to old work place: \_\_\_\_\_  
 Miles driven in move: \_\_\_\_\_ Moving date: \_\_\_\_\_

Moving Van	_____
Packing Materials	_____
Transport	_____
Storage of Goods	_____
Lodging	_____

**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 to pay for qualified medical expenses tax free. Did you make a contribution to one? Bring details!

Type of Plan:  Family Plan  Individual Plan

Amount Paid by: Employer You

Amount you paid for High Deductible Insurance: \_\_\_\_\_

Contributions to HSA Savings Account: \_\_\_\_\_

Disbursed from HSA: Qualified Medical Expenses: \_\_\_\_\_ Other (non-qualified): \_\_\_\_\_

**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/health insurance premiums paid: \_\_\_\_\_  
*Includes long term care, dental, other health insurance*

**SALES TAX PAID ON NEW VEHICLES**

For sales tax paid on new vehicles bought between 2/17/09 and 12/31/09.

Includes new autos, trucks, motorcycles, and motor homes. For autos and trucks, gross vehicle weight must be no more than 8,500 lbs.

Make & Model	Date Purchased	Purchase Price	Sales Tax Paid

**REAL ESTATE TAXES PAID FOR THOSE TAKING THE STANDARD DEDUCTION**

Use this section only if you are NOT itemizing. Please do not list your real estate taxes paid in both places on the organizer.

Total Real Estate taxes paid \_\_\_\_\_

**ADJUSTMENTS TO INCOME**

Long term care insurance premiums paid for Taxpayer \_\_\_\_\_ for Spouse \_\_\_\_\_

**DEDUCTIONS FOR IRA, SEP, SIMPLE, KEOGH PLANS AND OTHER RETIREMENT PLANS**

If you or your spouse has a nondeductible IRA, be sure to provide statements showing the beginning and the ending value of all accounts. (Answer below Y/N)

	You	Spouse
Covered by a retirement plan?		
Contributions already made for:		
IRA-Deductible		
IRA-Non-Deductible		
Roth IRA		
SEP/Simple/Keogh		

- Did you convert a regular IRA to a Roth IRA during the year?
- Are you considering a 2010 Roth conversion?
- Did you withdraw money from any retirement plan, such as an IRA or Roth? Bring details!
- Did you have a roll-over from one plan to another during the year? We need the details! If you have a SEP, Keogh or other business retirement plan, you may have to file form 5500.
- Are you interested in contributing to an IRA, Roth IRA, or SEP (self employed plan) for the current tax year once your taxes are calculated? IRA and Roth IRA contributions must be deposited by 4/15, SEP contributions must be deposited by no later than 10/15 if valid extension is filed.

## EDUCATIONAL EXPENSES

Did you pay for or incur a loan for college or vocational (post secondary education) costs last year? There are several ways to deduct these costs, or get credits: (*American Opportunity Credit, Lifetime Learning Credit, Tuition and Fees Deduction*)

	Parents	Student 1	Student 2
Tuition/Fees			
Computer			
Internet Access			
Books & Supplies			
Expenses paid by parents? (Y/N)			

## TAX CREDITS

- New first-time homeowner's credit-purchased first home (Bring escrow closing statement.)
- Current homeowner credit for next primary residence (11/7/09 - 4/30/2010) NEW
- Mortgage Interest credit certificate – bring documentation
- Purchased a Hybrid auto-bring sales document
- Purchased an electric auto-bring sales document
- Disabled access credit
- Fuel tax credit (number of gallons of fuel used for off-road use, such as for boats) \_\_\_\_\_
- Historic preservation credit
- Adoption expenses
- Started new pension plan for your business
- AZ Public, Private School, Working Poor

## RESIDENTIAL ENERGY CREDIT + HIGH TECH RESIDENTIAL CREDIT

Description	Amount
Windows, exterior doors, skylights	
Storm doors/windows	
Air circulation fans	
Furnace and/or Air Conditioner	
Insulation	
Water heater	
Electric Heat Pump	
Metal roofs or Asphalt roofs with cooling granules	

Description	Amount
Geothermal Heat Pumps	
Wind Turbines	
Solar Panels	
Fuel Cell Property	

**SALE, REFINANCE OR PURCHASE OF RESIDENCE**

- Bring closing (settlement) statements for any house refinanced, sold or bought.
- If you sold your home during 2009, did you live there for at least 2 out of the 5 years? Y/N \_\_\_\_\_
- If no, please give reason for moving \_\_\_\_\_
- Did you purchase a home and qualify as a first-time homebuyer? Y/N \_\_\_\_\_
- Are you a homeowner who has lived in their home as a principal residence for 5 out of the last 8 years and purchased a different principal residence after November 6, 2009? Y/N \_\_\_\_\_
- If you refinanced your residence, how many years is the new loan? \_\_\_\_\_

**ESTIMATED TAXES PAID FOR 2009**

Please be careful: Incorrect data will likely result in notices and penalties from tax authorities.

Quarter	Due Date	Federal		State of Residence: _____		Other State: _____	
		Date Paid	Amount	Date Paid	Amount	Date Paid	Amount
4th 2008	1/15/09	N/A	N/A				
'08 Extension	4/15/09	N/A	N/A				
With '08 return		N/A	N/A				
1st 2009	4/15/09						
2nd 2009	6/15/09						
3rd 2009	9/15/09						
4th 2009	1/15/10						
'09 Extension	4/15/10						

- Did you have any other payments to tax authorities during the year? Please provide details.
- My income and deductions will change materially for 2010.  
Details: \_\_\_\_\_
- Did you apply a refund from your '08 return to your '09 return  
\$ \_\_\_\_\_ Fed \$ \_\_\_\_\_ State

# Itemized Deductions

## MEDICAL EXPENSES

Hospital, health facility, nursing help		Sick room supplies, wheelchair, etc.	
Eye glasses, contacts, hearing aids		Prescription drugs	
Mileage to/from doctor, etc.		Home improvements for health	
Ambulance, parking, taxi/ bus		Health Insurance	
Other:		Long Term Care Insurance premiums	

Show the amounts NET of insurance reimbursements and amounts paid by a cafeteria/125 benefits plan

## TAXES PAID

Don't include withholding or estimated taxes here.

Real estate taxes - home(s)		Auto/boat personal property taxes	
Real estate taxes - land, etc		Personal property taxes paid	

## SALES TAX PAID ON USED VEHICLES, BOATS, RV'S

Bring purchase paperwork. See adjustments to income section if you purchased a NEW vehicle or RV in 2009.

## INTEREST EXPENSE

Mortgage Interest	Amount	Interest Expense	Amount
First Mortgage		Investment Interest paid	
Home Equity/2nd/other		Points paid-refinancing this year	
Other home interest		Interest paid on partnership buy-in loan	

- Bring 1098 forms and /or mortgage statements. Bring settlement statement if you refinanced. *Consumer interest (credit cards, cars, etc) is not deductible, unless used for business, farm, or rental.*
- Were the combined total loan balances of all your home loans over 1 million during the year?
- Were the combined total loan balances of your home equity loans ever over \$100,000 during the year?
- If Yes to either of the above, we will need detailed loan history on all loans or home from the lenders/banks.
- Was the Fair Market value of your house less than the total of debt owed ("underwater")?

## CHARITABLE CONTRIBUTIONS -- CASH AND CHECKS

The law now requires that you have a receipt or cancelled check for all contributions, and for any contribution over \$250, you must have a written statement from the charity. If \$250 or more, a cancelled check is not enough.

Charity	Amount	Charity	Amount
Church/Temple/House of Worship			
Payroll deductions (United Way, etc.)			

## NON-CASH CHARITY

(If total value is under \$500, the list below is not required) Value, if under \$500: \_\_\_\_\_

Name of Charity		Name of Charity	
Brief description of the items		Brief description of the items	
Date given		Date given	
Original cost: Value:		Original cost: Value:	

If you have more gifts, use separate sheet. Combine gifts to the same charity.  
Value at market value, not garage sale value!

Detailed list attached

Costs incurred in connection with charitable or volunteering:

Name of Charity	Description of costs	Miles Driven	Amount

## IMPAIRMENT (DISABILITY) WORK RELATED EXPENSES

Hearing aid batteries, reading glasses, crutches, and other expenses necessary to allow you to work: \_\_\_\_\_

## EMPLOYEE BUSINESS AUTO EXPENSES

If you used your car for your job, other than to commute to work, and you didn't get reimbursed you may claim your employee business auto expenses.  
Check the boxes that apply to you:

- No reimbursement received from employer
- Employer did not reimburse all expenses.
- Employer pays monthly flat "allowance" or set amount.
- If so, you need to claim employee mileage, since a flat allowance is included as taxable income in your W-2.

Insert Car Number		
Used by (You/Spouse)		
Year/Model of Car		
Date began using		
Date no longer using		
Business miles		
Commuting miles/ yr		
Other miles driven in yr		
Total miles driven in yr		

Reimbursement received, not on W-2: \_\_\_\_\_

# Miscellaneous Itemized Deductions

Ignore this page unless the total of all expenses is greater than 2% of your total income.

Investment Costs:	You	Spouse
Subscriptions, publications		
Supplies, phone, office		
Seminars, education, etc		
Fees & costs		

Job Hunting Costs:	You	Spouse
Resume, stationary, postage		
Phone/ Fax		
Travel (airfare, lodging)		
Mileage (# of miles)	mi.	mi.
Parking		
Publications		
Internet		
Fees paid		

Other:	You	Spouse
Accounting / tax prep		
Legal		
Estate tax planning		
Safe deposit box		

Unreimbursed Expenses*	You	Spouse
Books / magazines		
Business gifts, cards		
Cell phone (work portion)		
Insurance E and O/Liability		
Computer used for work		
Dues, memberships - re: work		
Education cost related to work		
Work related Internet access		
Prof. dues / union dues		
Professional license renewal		
Safety equipment		
Software		
Supplies for work		
Tools, calculator, briefcase		
Uniforms, uniform cleaning		
Business entertainment / meals		
Business travel: airfare		
Cabs, tips, tolls, parking		
Lodging, rental car, gas		
Work required medical exam		

\* These are expenses of employees related to their W2 job. Don't include self-employment expenses, or expenses for which you were reimbursed.

## OFFICE IN HOME

For an employee, related to job:

Deductible only if required by employer, or necessary for health and safety of employee. Home office area must be used regularly and exclusively for business. Document your files with a picture and diagram, plus a letter from employer.

Total square footage of home	
Exclusive business use Sq. Ft.	
Home office is for You or Spouse	
Expenses: Rent /lease payments	
House /yard repairs, maintenance, cleaning, windows, carpets, etc	
Home insurance	
Utilities gas, electric, water/trash, Home phone, cable etc.	
Association dues	

See separate worksheet

Ask about depreciation on your home.

We will get mortgage interest and property taxes from itemized deductions

# Rental Income and Expense

Revenues/ Rentals Received	Prop #1	Prop #2
<b>Expenses:</b>		
Advertising		
Auto mileage to/from		
Cleaning/ maintenance		
Carpet cleaning		
Pest control		
Gardening/ yard		
Commissions		
Insurance		
Legal/eviction costs		
Licenses		
Management fees		
Mortgage interest		
<b>Repairs:</b>		
Plumbing		
Painting		
Roofing repairs		
Supplies		
Taxes - property		
Travel		
Utilities / trash / telephone		
Accounting		
Association Dues		
Dues, Publications		
Interest on credit cards used for rental expenses		
Office Expense		
Wages Paid		

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

- Rented:  all year
- Number of days rented: \_\_\_\_\_
- Personal use: \_\_\_\_\_ days
- If bought, sold or refinanced: bring escrow papers
- Improvements/capital expenditures:

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

- Rented:  all year
- Number of days rented: \_\_\_\_\_
- Personal use: \_\_\_\_\_ days
- If bought, sold or refinanced: bring escrow papers
- Improvements/capital expenditures:

## Important Rental Considerations

In general, rental losses are limited to \$25,000 per year. If your adjusted gross income is over \$125,000 (married filing joint), they are phased out entirely, except for real estate professionals. Note: losses can be limited if you are not "at risk" or if you spend less than 500 hrs per year (9.6 hr/week) on rental activities. There are some exceptions: check with us.

- I meet the "at risk" & "active participation" tests
- I am a real estate professional

## Royalty Income & Expense

Type of Royalty	#1	#2
Location or State Source		
Income		
<b>Expenses:</b>		
Auto and truck	mi	mi
Insurance		
Management fees		
Interest Expense		
Production Expense		
Taxes - severance		

## Active / Passive Activity

- Did you actively manage this activity?
- Hours per year \_\_\_\_\_
- Active participation in this activity
- This activity is passive

# Business Income and Expenses- Schedule C

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

Main Activity: \_\_\_\_\_

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

Business Belongs to:  You  Spouse

## 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, state returns, w2, w3
- 1099's must be issued to any non-corp paid  
\$600 or more last year. They are due 1/31

**\*\*Partnerships, Corporations or LLC with more than 1 owner, please call for a separate organizer**

***Do not complete if you have computer print-outs for these figures***

Income (Receipts)		Amount
Total Income		
	Earned in AZ	
	Earned in	
	Earned in	

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

*\*Inventory should be listed at your cost to purchase*

Operating Expenses	
Advertising	
Commissions/Fees	
Contract Labor	
Employee benefits(health insurance)	
Insurance(not health)	
Interest Expense paid	
Legal/Professional	
Office Expense	
Pension/Benefit Plans	
Rent-Office	
Rent-other(ex. car lease)	
Repairs/Maintenance	
Supplies	
Taxes and Licenses	
Taxes-Payroll	
Travel	
Meals/Entertainment	

Utilities (separate business office)	
Wages paid-employees	
Wages paid to children	
Bank fees	
Business Gifts/Promos	
Cell phone	
Computer/Software	
Dues and Subscriptions	
Freight/Delivery/UPS	
Internet	
Outside Services	
Postage	
Seminars, Continuing Education	
Small Tools	
Telephone	
Other:	

# Business Income and Expenses - Schedule C

continued

- Business gift deductions are limited to \$25 per person per year.
- Auto and cell phone 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 either of these are used 90-100% for business. These are items the IRS is scrutinizing more closely.
- Meals and Entertainment must have a clear business purpose. The entertainment must precede or follow a substantial business discussion. You must have an expectation of receiving income or a specific business benefit from the meal or entertainment. You should document the names of the people you dined with or entertained and what the business discussion involved for all meals and entertainment. Country Club dues are NOT deductible as a business expense.
- Note regarding QuickBooks files:** If you provide us with computer files that you prepared, such as QuickBook files, due to time constraints, cost considerations and the limited scope of our engagement, we do not review the contents of these files in detail. While we will make a very limited, cursory examination of the contents of the files, we cannot be held responsible for the contents.
- It is your responsibility to ascertain that items of income and expense are properly recorded and that you have adequate documentary evidence to prove the expenditure and its business purpose. We will print out relevant analyses and statements, and then delete the files from our computer system.
- If you have questions about the deductibility of expenses or recordkeeping procedures, please ask us.

## PURCHASE OR SALE OF BUSINESS ASSETS DURING THE YEAR

Please provide the sales document from the dealer on any new vehicle purchases.

Date of Purchase	Description of Item	Purchase Cost	X if bought used	Date Sold	Amount Sold For

### Office-in-Home Deduction

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 rented or owned home. Note: we will get mortgage interest and property taxes from itemized deductions. Ask about depreciation of your home.

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

### Auto/Truck Expenses for Schedule C

Vehicle #		
Description of Vehicle		
Date put in service		
Date out of service		
Business miles in yr		
Commuting miles in yr		
Other Miles driven		
Total Miles driven in year		
<b>Auto Cost:</b>		
Expenses: Gas, oil		
Repairs, service		
Insurance		
Car wash/maint.		
Registration		
Lease Payments		
Interest paid		
Parking, tolls, auto club		

Keep receipts for all expenditures, plus proof of payment ( cancelled checks) for 7 years. Don't rely upon your bank account to furnish checks on line. Typically they are off loaded after 3 to 6 months.



# Our Work Agreement

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

- Individual Tax Preparation:  2009  \_\_\_\_\_  Federal  AZ  \_\_\_\_\_
- Business Tax Preparation: \_\_\_\_\_  Tax Planning  '10 Estimates
- Quick Books Help  Compiling Tax Data  Payroll Tax Compliance
- Compiled Financial Statements  Financial Planning  Consulting Services

## 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.** (E Filing Form)
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.
5. It is possible you may receive a notice for additional tax, or for clarification of items. You promise 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 gray 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.
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)
9. We will return all the original source documents provided to us. We routinely scan and keep copies of some supporting documents, but we are not the custodian of your records, and you cannot 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