Sielschott, Walsh, Keifer & Regula, Inc.

Certified Public Accountants

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December 18th, 2017

Dear Personal Tax Client:

We hope this letter finds you well, and that it has been a healthy and happy 2017 for you and your family. Income tax filing season is just around the corner, and we ask that you carefully read the enclosed checklist and that it helps in organizing your 2017 income tax data.

For the 2018 individual tax filing season, we will make appointments available with one of our CPAs at nearly all times during the week. We are now accepting appointments for your personal income tax preparation, and we encourage you to schedule your appointment early, as appointment times fill quickly.

As of this writing, the ink is not yet dry on the tax overhaul that looks set for passage by Congress. This tax act is the most comprehensive change to the federal tax code since 1986, and contains massive changes to virtually all areas of individual and business income tax. Check our website as we will be preparing a listing of the changes which will impact most of our clients.

Drop-off tax return preparation: Your personal tax return information can be dropped off or mailed to our office for preparation. If you choose to use this service, please be sure we receive your tax data as soon as it is available. As always, you should provide information by March 31st, 2018, to ensure that you are able to file your 2017 1040 by the April 17th deadline. Also, take extra care to answer all questions on the enclosed tax checklist and leave your contact information, since we will not be sitting down with you in person.

If you mail your data to us, please take care to complete and return the enclosed engagement letter. Alternatively, you may go to our website (www.swkrcpa.com), select the "1040 engagement letter" link, print the engagement letter, sign it, and mail it with your tax data.

Our goal, as always, is to ensure that you are compliant with federal, state, and local filing requirements, and that you pay the minimum legal tax due. We can also assist you in planning strategies to minimize your taxes in future years, and look forward to answering your retirement and estate planning questions as well. Now more than ever, in a world of fluid law and changing tax rules, we encourage you to take advantage of our firm's experience in handling even the most complex tax matters.

You pay us the best compliment when you refer our firm to your friends and family members. We continue to be thankful to you for these referrals.

Sincerely,

Sielschott, Walsh, Keifer & Regula, CPAs, Inc.

711 Dean Avenue ♦ Lima, Ohio 45804
113 North Main Street ♦ Bluffton, Ohio 45817
Lima Office: 419-222-2001 ♦ Lima Fax: 419-222-1570 ♦ Bluffton Office 419-369-9001 ♦ Bluffton Fax: 419-369-1570
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2017 – 1040 TAX ENGAGEMENT LETTER

We are pleased to provide you with personal income tax preparation service for your 2017 personal income tax returns. This letter sets out the terms and conditions of this engagement:

- We will prepare your returns based on the data you provide. You confirm to us that the information you provide is to the best of your knowledge, true, correct & complete.
- We are authorized by you to rely on your data without further audit or verification procedures.
- The responsibility for the accuracy and completeness of your return remains with you, including compliance with provisions related to the individual mandate and penalty taxes under the Affordable Care Act.
- You confirm that you have kept adequate books and records, contemporaneous mileage logs, receipts, and other data that can confirm your deductions in the event of an IRS audit.
- If you are self-employed, or otherwise operate a business, you are responsible for records including your time involvement in those activities, as well as your basis in those activities.
- We will represent you, if desired, before the IRS in the event of an audit, and will bill you for those services at our normal rates under a separate engagement.
- You are responsible for Ohio sales, use and Ohio CAT tax returns unless you separately engage our firm to prepare these returns.
- We maintain no responsibility for the analysis of whether payments you make for services are independent contractor payments or employee payments, or prepare 1099s for contractors unless you separately engage our firm in this regard. You affirm that you have timely sent all required 1099s to third parties.
- You have reported to us the existence of any foreign bank accounts, assets, trust, or corporate interests held outside the United States.
- The law provides various penalties and interest that may be imposed when taxpayers underestimate or underreport their tax liability. You acknowledge that any such understated tax, and any imposed interest and penalties, are your responsibility, and that we have no responsibility in that regard.
- Indemnification: by engaging our firm, you agree to indemnify Sielschott, Walsh, Keifer & Regula CPAs, Inc. for expenses incurred by our firm, including our normal hourly rate of fees, if our firm or our work product is called into a legal dispute between you and a third party.
- Alternative resolution: by engaging our firm, you agree to arbitrate any dispute you have with Sielschott, Walsh, Keifer & Regula CPAs, Inc. created by the preparation of this income tax return.
- Limitation on damages: By engaging our firm in the preparation of your income tax returns, you agree that our errors and omissions liability will not exceed our fees collected for this engagement plus IRS penalties and interest.
- Our engagement will be complete upon the delivery of the completed returns to you. Thereafter, you will be solely responsible to follow filing instructions, and to file certain returns by mail with the appropriate taxing authorities.
- It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files.
- Our fees for this engagement will be calculated based on our normal 1040 billing procedures.
- Direct deposit certification: IRS now requires tax practitioners to verify the accuracy of bank account numbers and routing numbers for accounts receiving tax refunds. Please insert the correct numbers below, and signing this engagement letter serves as verification of banking information. If the below information is not complete, then your refund will be processed as a mailed check from IRS / State.
- If you are dropping off your tax return at our office for preparation, you understand that we will electronically file your tax return. Please indicate your understanding of this firm policy by initialing here___________.

Please indicate your acceptance of these terms by signing below; this letter correctly sets out the terms of the tax preparation engagement.

Drivers License #	Issue Date	Exp Date
Taxpayer __________	_______	_______
Spouse __________	_______	_______

PRINT NAME ____________________ **DATE** ____________________

CLIENT'S SIGNATURE ____________________ **PHONE NUMBER** ____________________

<u>Direct Deposit Verification</u>: Bank Info Same? _______

Bank Name: ______________________
Routing Number ______________________
Account Number ______________________
Email Address ___________________________

****AFFORDABLE CARE ACT****

Did you and all in household have minimum health coverage? ____ YES _____ NO

If no, do you qualify for an exemption? Explain ________
If no, list each member of your household and their income:

______________ ____________
______________ ____________
______________ ____________

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2017 INCOME TAX CHECKLIST

_____ 1. We will be electronically filing your tax returns for 2017. We strongly recommend you have your refund directly deposited to your bank account. Please provide your bank routing number and account number to our office. (A blank check shown to your preparer will yield this information). ***Please provide us with your email address so that your secure data portal can be set up***.

_____ 2. Please provide the following information for yourself and any dependent you plan to claim on your return; if we have prepared your return in the past, we already have this information on file.

- Full Name
- ***Important!*** Copy of taxpayer and spouse driver's license or driver's license number.
- Social Security Number for *ALL* Dependents being claimed. If they do not have one, apply right away, but do not delay your appointment to wait for the number to arrive.
- Date of Birth for *ALL* Dependents. Includes elderly parents you may be supporting.

Affordable Care Act Questions:

_____ 3. If you receive a 1095-B from your health insurance plan, provide a copy of form 1095-B. Let us know any month you or any member of your household ***did not*** have minimum essential health insurance coverage during 2017 (employer coverage, health insurance exchange coverage, or government coverage such as Medicare or Medicaid).

_____ 4. If you did not have insurance coverage, let us know if you think you qualify for an exemption from the ACA penalty (certain religious sects, Indian tribes, health care cost sharing ministry, hardship, or uninsured less than 3 consecutive months).

_____ 5. If you did not have coverage, let us know the income for each member of your household. Also, let us know if other members of your household did have their own insurance coverage

_____ 6. If you obtained coverage from the federal Marketplace, and / or received tax credits to offset the cost of the coverage, you must provide a copy of Form 1095-A.

_____ 7. All W-2s for Wages.

_____ 8. All 1099s for Interest & Dividend Income. Include tax exempt interest and dividends (it is important we see the 1099 to distinguish tax-qualified dividends.) Note of caution; financial companies now have until February 15^{th} to send you 1099s. Be sure you have the final 1099 so that an amended return is not needed later.

_____ 9. All 1099 R Forms for Pension, Annuity, Unemployment, Social Security, Lump Sum Distributions, and Other Miscellaneous Income.

_____ 10. All 1099 B Forms for Sale of Stock. Also include the date sold, the date acquired, the original cost, and the number of shares.

_____ 11. Summary of all Business Income & Expenses. All new equipment purchases should be listed with date acquired and cost. Sale or trade of old equipment should be noted.

_____ 12. Summary of all Farm Income & Expenses. All new equipment purchases should be listed with date acquired and cost.

_____ 13. Summary of all Rental Income & Expenses. All new equipment or property purchases should be listed with date acquired and cost. If a new rental, bring the closing statement.

_____ 14. Sales price and date of sale of any business, farm, or rental property and equipment. If a real estate sale, bring the closing statement.

_____ 15. Record of alimony received or paid. If paid, name and Social Security number of ex-spouse who received the alimony must be included.

_____ 16. If your personal residence was sold this year and a profit over $250,000 was realized, contact the office for additional information. If you sold your personal residence and lived there for fewer than 2 years, be sure to let your CPA know the details of the sale.

_____ 17. Any K-1s received from Partnerships, Trusts & Estates, S-Corporations, and LLCs.

_____ 18. All IRA contributions for tax year 2017. List contribution amount for spouse if applicable. Include year-end balance on *ALL* IRA accounts. Include information regarding withdrawals you've made or non-deductible contributions in the past.

_____ 19. List of all unreimbursed employee business expenses; i.e. business entertainment, business travel, mileage driven, or other employee costs.

_____ 20. If you have driven your car for business purposes, a record of business miles as well as total miles driven in 2017 is necessary, or actual auto expense receipts.

_____ 21. Amount of estimated tax paid to Federal, State, School, or Local Government for 2017 and the date each quarter's estimate was paid.

_____ 22. Amount of childcare costs. Include the name, address, and Social Security number or Federal Identification Number of the provider of your childcare.

_____ 23. List of medical costs for doctors, hospitals, dentists, drugs, prescriptions, medical insurance, eye glasses, dentures, and other medical costs. Include total mileage driven for medical purposes.

_____ 24. Amount of real estate taxes paid on personal residence and other properties.

_____ 25. List of mortgage interest paid to financial institutions; include Form 1098 from the lending institution.

_____ 26. List of mortgage interest paid to an individual, including name, address, and Social Security Number.

_____ 27. List of all charitable contributions made. All contributions must now be documented, regardless of amount, so you must keep a receipt in your records to substantiate the amount given.

_____ 28. List mileage for work done as a volunteer for charitable purposes.

_____ 29. List all non-cash contributions, i.e. Goodwill / Salvation Army. If amount exceeds $500, itemize articles given, and bring receipt or letter to your tax appointment.

_____ 30. List of moving expenses, if job related, including miles driven with your vehicle.

_____ 31. List of other miscellaneous deductions, such as union dues, tax preparation fee, safety shoes, uniforms, professional publications, job related education, and IRA custodial fees.

_____ 32. If in college, the tuition paid during the year and what year of school you or your dependent is in (i.e. freshman, sophomore, etc.). You must provide form 1098-T from the college. If you contribute to the Ohio Section 529 Plan for a child or grandchild, let us know the amount for 2016.

_____ 33. Amount of student loan interest paid in 2017, and how long you have been paying on the student loan.

_____ 34. If you converted a Traditional IRA to a Roth IRA, the amount converted. Bring 1099-R for the transaction

_____ 35. Do you have any household employees? If so, provide names, addresses, Social Security Numbers, and amount paid to each employee.

_____ 36. If you are self-employed, and do work in various taxable cities, provide the gross revenues from each city

_____ 37. If you gave a gift of cash or property valued over $14,000 in 2017, please contact the office for additional information. While it is unlikely that gift tax is due, you may be responsible for filing a gift tax return.

_____ 38. If you installed a Geothermal HVAC system during 2017, please provide the receipt from your contractor. If you made other energy improvements to your home during 2016, let us know the cost and describe the improvement.

_____ 39. If you claimed the federal first-time homebuyer credit in 2008, you are subject to repayment. Likewise, if you claimed the credit in 08, 09, or 10 and the home ceased to be your main home, you are subject to repayment. Please discuss this situation with your CPA.

_____ 40. Ohio has become very aggressive in pursuing its "Use Tax", which applies to internet purchases where now sales tax was paid. Be sure to provide your CPA with total purchases where no sales tax was paid.

_____ 41. If you own or control and foreign bank accounts, we must complete information reporting on these accounts. Discuss this situation with your CPA, because serious penalties apply for failure to report.