

SIELSCHOTT, WALSH, KEIFER & REGULA, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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January 2018

Dear Business Client,

As we prepare for tax season 2018, we have compiled a list of items needed to prepare your business tax returns for 2017. We continue to process the impact of the new tax act signed into law in December, and will do our best to advise you if a change to your business structure would benefit you.

Secure document portal: Last year we implemented a document portal to facilitate a secure paperless exchange of data. You may elect to receive your copy of your business tax return using the portal. If you have interest in obtaining credentials for portal use, please call the office or ask your accountant to send you a link.

Important! IRS has drastically increased its enforcement actions, matching programs, and penalties with regard to filing your 1099 forms. All 1099s must now be software-generated. Handwritten 1099s and W-2 forms will be subjected to IRS examination. If you would like our office to prepare your 1099s, the following fee schedule applies:

Up to 3 1099s	\$90
4-10 1099s	add \$8 per 1099
11-20 1099s	add \$6 per 1099
> 20 1099s	add \$5 per 1099

Filing Date Change: Partnership (LLC) returns (Form 1065) and S-Corp Returns (Form 1120S) will be due 3/15/18, which is a change from the traditional due date of April 15. Corporate returns (Form 1120) will be due 4/17/18, which is a change from the traditional due date of March 15.

Ohio Minimum Wage: Minimum wage in Ohio will be \$8.30 per hour for 2018. Ohio's minimum wage must be paid by all Ohio employers grossing more than \$305,000 per year. Otherwise, the federal minimum wage (\$7.25 per hour) applies.

Please assemble the requested data as quickly as possible as this will allow us sufficient time to prepare your business and personal tax returns prior to filing deadlines. **When dropping off your data or mailing data to us, please include a signed copy of the enclosed letter of engagement.**

We hope the attached checklist will assist you in gathering the necessary information. As always, if you have questions regarding your data, please feel free to call the office.

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

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2017 – BUSINESS TAX RETURN ENGAGEMENT LETTER

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

- We will prepare your returns based on the data you provide, you will 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 employer 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,
- 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 tax, use tax and Ohio CAT tax returns unless you separately engage our firm to prepare these returns. You are responsible to tell us all Ohio cities in which you did business during 2017.
- You are responsible for the preparation of federal information returns (1099s), unless you separately engage our firm to prepare these returns. We assume no responsibility for your improper classification of employees as independent contractors,
- Federal tax compliance requires that IRS Form 8300 be filed if your business receives individual receipts of cash payments of \$10,000 or more. You acknowledge it is your responsibility to provide us information about these large-scale income payments in cash,
- Regarding business-level debt, you affirm that all debt is recourse in nature unless you specify that the debt is not recourse, that you are not personally liable and at risk for the repayment of this debt,
- You have reported to us the existence of any foreign bank accounts, assets, trust, or corporate interests held outside the United States,
- 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.
- The law provides various penalties and interest that may be imposed when corporations underestimate 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,
- Our engagement will be complete upon the delivery of the completed returns to you. Thereafter, you will be solely responsible to file the returns 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 business entity tax return billing procedures,
- 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.

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

This letter correctly sets out the terms of the tax preparation engagement.

PRINT NAME

DATE

Email Verification for Tax Return Copy:

Email Address _____

Initials _____

CLIENT'S SIGNATURE

BUSINESS PHONE NUMBER

BUSINESS / COMPANY NAME

OWNER'S PHONE NUMBER

2017 BUSINESS TAX CHECKLIST

Just as a reminder, the following due dates are in effect for Tax-Year 2017:

<u>Type of Return</u>	<u>Due Date</u>
1099s mailed to subcontractors	January 31, 2018
Ohio CAT Tax Return	May 10, 2018
S-Corporate "1120S" Returns	March 15, 2018
Partnership Returns	March 15, 2018
Corporate "1120" Returns	April 17, 2018
Personal Tax Returns	April 17, 2018
All City Returns	April 15, 2018

In order to expedite the completion of your business tax returns, please provide the following information to our office at your earliest convenience;

- _____ 1. All year-end bank statements.
- _____ 2. All principal Loan Balances as of December 31st for loans being paid during 2017.
- _____ 3. All 1098s for Interest Paid to a Banking Facility or an Individual.
- _____ 4. List of any new equipment purchases or leases. Please include bill of sale for each item.
- _____ 5. Physical inventory count dated 12-31-2017 - total at cost.
- _____ 6. Balance of accounts receivable dated 12-31-2017.
- _____ 7. List of trade accounts payable dated 12-31-2017.
- _____ 8. Total miles and business miles driven for company operated vehicle, if not claiming actual expenses. As always, be sure you keep contemporaneous mileage logs in the event of an audit.
- _____ 9. List of all federal income tax deposits made for your business for 2017 with date paid noted.
- _____ 10. If you are dropping off QuickBooks data on a disk, include QuickBooks version (year), user name, and password.
- _____ 11. If you perform work inside various cities, provide gross revenues and gross payroll for each taxable city, so that we may prepare required city tax returns.
- _____ 12. If your business provides health insurance coverage for your employees, you may be eligible to claim a tax credit. To determine this, please provide the following data, per employee:
 - Total hours worked by all employees at your firm (not counting owners, their spouses, or family members).
 - Total gross payroll for all employees, not including owners, spouses, or family members.
 - Total health insurance paid
- _____ 13.. Please sign and return a copy of the enclosed letter of engagement to our office. You must sign the Engagement Letter in order for us to prepare and file your business tax returns.

****If you are a retainer client, disregard any of the above items which you normally provide to us for preparation of your monthly/quarterly financial statements.***