



providing structure for creative people

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Dear Client,

We are providing you with this Business Checklist to help you gather tax information needed to prepare your 2009 corporate tax returns which are due March 15, 2010. The checklist asks about pertinent tax items necessary for preparing the most accurate tax return possible. Please answer all applicable questions and attach a statement when necessary for additional information.

To begin your tax preparation please take the following steps:

- 1) Complete the Business Checklist(s) and return it to us along with any documentation requested.
- 2) If your business uses QuickBooks, please provide an Accountant's copy of QuickBooks along with your tax documents.
- 3) Sign the enclosed Engagement Agreement and return it to us along with the Business Checklist.
- 4) Include a check for one-half of your prior year invoice (if you are a returning client) or one-half of your estimate (if you are a new client).

If you haven't already done so, record the end of year odometer reading and finalize your mileage log for any vehicles used in your business. The IRS requires you to answer the questions on the Business Checklist regarding mileage and to provide both business and commuting miles for the year.

Health insurance premiums paid by the business should be included on your W-2. If they are not, contact your payroll administrator. The IRS is requiring that premiums paid for shareholders of an S corporation be included in wages in order to be deductible as a business expense. However, these premiums are not subject to FICA or Medicare tax.

If you have loans to our S corporation please verify that the loans are properly recorded in your bookkeeping.

We appreciate the opportunity to work with you.

Very Truly Yours,

Affiliated Tax Pros, LLC

ENGAGEMENT AGREEMENT

Dear Client,

This letter is to confirm and specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2009 federal, state and local corporate tax returns from information which you will furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information. We are furnishing you with a checklist to guide you in gathering the necessary information. To the extent you provide us with a complete checklist, you will minimize your tax preparation fees and maximize your tax benefit; for your benefit please be thorough and complete.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, cancelled checks and other data that form the basis of these returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

It is possible that your returns could 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.

Our fee for these services will be based upon the amount of time, forms and worksheets required or beneficial to your tax filings at our standard billing rates. New clients will be provided with an estimate of tax preparation fees. Returning clients can expect fees to be similar to the prior year with adjustments for forms and worksheets necessary or beneficial to your tax filings. We require payment for one half the estimate (for new clients) or one half your prior year invoice (for returning clients) at the time you submit your completed checklist and documentation. Your final invoice will be based on the forms and worksheets required or beneficial for your tax filings plus time required for bookkeeping corrections or collection of information not provided with the organizer and may differ from the estimate and the prior year invoice. Please understand there are no implied additional services or warranties beyond what is exclusively listed on your invoice as services provided.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office.

Accepted By: _____ Date: _____

Very Truly Yours,
Affiliated Tax Pros, LLC

TAX PREPARATION CHECKLIST FOR BUSINESSES

Business Entity (circle one): S-Corp C-Corp P.C. Trust or Estate

Business Name _____ **Activity** _____

Business mailing address _____

New Clients: please include a copy of the IRS EIN confirmation letter, business formation documents, and your most recently filed tax Returns.

Accounting Method (circle one): Cash Accrual Other

Federal EIN _____ **City Business License No.** _____

Are all sales or services provided within Portland/Multnomah County **Yes or No**

If you provide Sales or Services in and outside of **Portland or Multnomah County**
please indicate Gross Revenue in Multnomah Co. \$ _____ City of Portland \$ _____

Other States _____ Total Gross Revenue _____

If your business uses **QuickBooks** provide an **Accountant's copy** with your tax documents. **If you don't use QuickBooks, or have computerized bookkeeping, please call our office.**

PLEASE PROVIDE THE FOLLOWING DOCUMENTS

1) 12/31/09 Statements for:

- a) Checking and Savings account(s)
- b) Other investment account(s)
- c) Credit Card(s) – (Circle one) business name or shareholder/partner's name?
- d) Notes, loans, mortgages, etc –
- e) Amount repaid during the year? \$ _____ Amount of interest paid for the year. \$ _____

2) Loans to or from Shareholder(s) or Partner(s): **Is there a formal note on record?** Please provide a copy.

3) Verify Accounts Receivable, and Accounts Payable at yearend

4) Payroll quarterly statements and yearend summary and W-3

5) Number of employees on payroll for the year. _____

6) Equity: Please list shareholder contributions and distributions for the year.

7) Do you provide employee benefits such as health insurance yes or no.

8) Please provide the amount of health insurance paid for shareholders/partners _____.

9) List other employee benefits

10) Inventory: date of physical inventory _____ Ending Inventory \$ _____

11) If there was a change in ownership during the year explain in detail, include names, SSNs and addresses of new partners or shareholders

12) Please provide a copy of your operating agreement (if not previously provided)

13) Provide a copy of your Annual Meeting minutes. These should include a summary of the companies performance over the past year, new goals set, organizational changes, changes to reimbursement policy, employee polices, benefits, etc.

14) Equipment Purchased (all items that have a useful life of more than one year)

Item description, Date Purchased, Cost

15) Did you sell or retire any equipment during the year? Please list

PAYMENTS: Estimated Tax Payments:

Federal (Ccorp): 1st Qtr _____ 2nd Qtr _____ 3rd Qtr _____ 4th Qtr _____
 State: 1st Qtr _____ 2nd Qtr _____ 3rd Qtr _____ 4th Qtr _____
 City/County: 1st Qtr _____ 2nd Qtr _____ 3rd Qtr _____ 4th Qtr _____

Business use of VEHICLE:

Unless the business owns the vehicle, the partnership or corporation should reimburse the partner or shareholder at the IRS mileage rate for the number of miles the partner or shareholder drove their vehicle for business purposes during 2009. I

Vehicle owned by (check one) individual _____ or business _____

Year, Make and Model _____ Date Purchased _____ Cost \$ _____

Local transportation expenses: parking, tolls, train, bus, ferry..... \$ _____

Interest paid on vehicle loan..... \$ _____

IRS Required Questions:	Yes	No
Was another vehicle available for use?		
Was the vehicle available for personal use during off duty hours?		
Do you have evidence to support the business use claimed?		
If yes, is the evidence written?		
Is the vehicle electric, hybrid or any other alternative power of fuel?		
If yes, please specify: _____ number of gallons _____		

Mileage:

total mileage on vehicle for the year	
total business mileage for the year	
total mileage commuting to/from office for the year	

Actual Expenses:

fuel, maintenance, repairs, insurance, registration	
year vehicle was first used for this business	
was this vehicle leased during the year?	YES NO
If yes, provide copy of lease document.	
If yes, what date did you begin leasing?	
Did you sell or dispose of this vehicle during the year?	YES NO
Did you trade-in this vehicle during the year?	YES NO
If yes, provide date _____ and sales price	