



Sharon S Heinz
256-489-1478
3315 Memorial Parkway SW, Ste C
Huntsville, AL 35801
Sharon@ProfitWiseAccounting.biz
ProfitWiseAccounting.biz

It is tax time again! The enclosed packet has been prepared to assist you in gathering information for your 2017 tax return.

There were many, many changes this year. In fact, since 2000 there have been over 5000 changes to the tax code, almost one per day! In 2017, we spent over 100 hours in class and behind books making sure we know about, and understand these changes. We will use all the tools at our disposal to help you pay the lowest taxes possible, but please keep in mind that your income and deductions may be almost identical to last year, yet result in higher taxes due for 2017. The enclosed packet has been prepared to assist you in gathering information for your 2017 tax return. Please review the entire packet and answer any questions that apply.

This packet includes your consent form, privacy policy, engagement letter and organizer. We are required by law to provide you with the consent to use form; you may or may not choose to sign it. Keep in mind that if you opt out of signing the form, I **will not** be able to answer specific questions after tax season or send you information on current tax law changes that may affect your future taxes. You are required to sign the engagement letter. I ask that you bring the entire packet with you when you drop off your taxes or come in for your tax appointment.

The organizer is designed to assist you in gathering information for your 2017 tax return. Please review the entire organizer and answer all the questions applicable in the organizer. The answers to these questions will help determine eligibility for the hundreds of new tax deductions, credits, and potential penalties.

UPDATES

PATH Act

The PATH Act was signed into law on December 18, 2015 and brings about several important changes effecting business owners and individuals. Effective January 1, 2017, no tax refund will be issued before February 15. It also added new due diligence requirements for a variety of tax credits including earned income tax credit, child tax credit, and all education credits. If your will be claiming any of these credits you will be required to provide more information than you have in the past.

Payment

For NEW clients, we require a check for \$250 with submission of your documents and organizer. This deposit may or may not cover the entire fee to prepare your tax return. Please see our fee schedule for additional details. For ALL clients, the balance of your fee is due when the return is completed and before it is released or electronically filed.

Schedule

Please feel free to use our online calendar to schedule your appointment. You can find the calendar on the home page of our website – ProfitWiseAccounting.biz

Bring this packet and all supporting documents, including W-2 and 1099 statements, to your tax-preparation appointment. I appreciate your trust in our business. Please feel free to contact me at 256-489-1478 if you have any questions or need additional information

Sincerely,

Sharon S Heinz



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Thank you for choosing Profit Wise Accounting and Tax Services to assist you with your 2017 taxes. This engagement letter represents the entire agreement regarding the services described herein and supersedes all prior negotiations, proposals, representations or agreements, written or oral, regarding these services.

The Internal Revenue Service imposes penalties on taxpayers, and on us as tax return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangement.

We will prepare your 2017 federal and Alabama state income tax returns from information you furnish to us. We will depend on you to provide the information we need to prepare complete and accurate returns. We will not audit, review, compile or otherwise verify the data you submit although we may ask you to clarify some items.

If you have taxable activities in a state other than that specifically listed you are responsible for providing our firm with all information necessary to prepare any additional applicable states(s) or local income tax returns as well as informing us of the applicable states.

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts and estates) having a financial interest in, or a signature authority over, bank accounts, securities, or other financial accounts having a value exceeding \$10,000 in a foreign country, shall report such a relationship. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

Our fee does not include responding to inquiries or examinations by taxing authorities. However, we are available to help you and our fees for such services are at our standard hourly rates and would be covered under a separate engagement letter. You agree to immediately notify us upon receipt of any correspondence from any agency covered by this letter. Please do not respond to or click on any links from emails purportedly from the IRS: the IRS never initiates correspondence via e-mail and any such emails are attempts to steal your identity.

We will use our professional judgment in preparing your returns. We will adopt whatever position you request on your return so long as it is consistent with the codes, regulations, and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for any such additional penalties and assessments.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to

argue the communication is privileged. Your confidentiality privilege can be inadvertently waived if you discuss the contents of any communication with a third party, such as a lending institution, a friend, or a business associate.

We will return your original records to you at the end of this engagement. You should securely store these records, along with all supporting documents, canceled checks, mileage logs, etc., as these items may later be needed to prove accuracy and completeness of a return. We will retain copies of our work papers for your engagement for three years, after which these documents will be destroyed. These work papers are not a substitute for the originals and should not be relied upon as such.

The Patient Protection and Affordable Care Act of 2010 requires most people to have health insurance by 2014. Taxpayers who enrolled for health care through the marketplace may be eligible for the premium tax credit. Taxpayers that do not have the "minimum essential coverage" and do not meet an exemption will be required to make a shared responsibility payment with their 2017 federal income tax return. The IRS has created 5 new forms to address compliance with the Affordable Care Act. Your 2017 organizer will include a questionnaire to help us determine compliance and help determine if you are eligible for the premium tax credit or if you a subject to a shared responsibility payment.

For **NEW** clients, we require a check for \$250 with submission of your documents and organizer. You agree this retainer is **FULLY EARNED** upon submission of the documents. For **ALL** clients, the balance of your fee is due when the return is completed and before it is released or electronically filed.

Our firm may utilize electronic communication (i.e., fax and email) during this engagement. You consent to our firm's use of electronic communications and recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent

You agree that you have reported all 2017 income you received including barter, cryptocurrency, consumer to- consumer activity, cash based revenues and all other income whether received in-person, in-kind, or electronically.

Our engagement to prepare your 2017 tax returns will conclude with the delivery of the completed returns to you (if paper filing) or your signing, and the subsequent submittal, of your tax return (if e-filing). If you have not selected to e-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

We appreciate your confidence in us and the opportunity to serve you. Please date and sign this letter to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. It is our policy to initiate services after we receive the executed engagement letter, associated paperwork, and retainer.

We appreciate your confidence in us. Please call 256-489-1478 if you have questions.

Sincerely,
Sharon S Heinz

Accepted By:

Taxpayer

Date



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Partnership Tax Organizer

Use a separate organizer for each partnership

Partnership General Information

Legal name of partnership	EIN#	-
Partnership address		
Tax Matters Individual	Title	Phone
Check one: <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability Partnership (LLP)		
Principal business activity	Date business started	
Principal product or service		
<input type="checkbox"/> Yes <input type="checkbox"/> No	Was the primary purpose of the partnership activity to realize a profit?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Has the partnership reported any losses in prior years?	
Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)		
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does the partnership file under a calendar year? (If no, what is the fiscal year?)	

Partnership Specific Questions

<input type="checkbox"/> Yes <input type="checkbox"/> No	Is there a written partnership agreement? (If this is the first year of the partnership's existence, please provide a copy of the written partnership agreement.)
<input type="checkbox"/> Yes <input type="checkbox"/> No	Are all partners actively participating in the business?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Is any partner in the partnership a disregarded entity, a partnership, a trust, an S corporation, or an estate?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Is the partnership a partner in another partnership?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did any foreign or domestic corporation, partnership, trust, tax-exempt organization, individual, or estate own directly or indirectly 50% or more of the profit, loss, or capital of the partnership?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership own directly 20% or more, or own directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce principal amount of debt?
<input type="checkbox"/> Yes <input type="checkbox"/> No	At any time during the year, did the partnership have an interest in, or signature authority over a financial account in a foreign country?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Was there a distribution of property or a transfer (by sale or death) of a partnership interest during the tax year?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Does the partnership satisfy the following conditions? <ul style="list-style-type: none"> The partnership's total receipts for the tax year were less than \$250,000. The partnership's total assets at the end of the tax year were less than \$1 million.
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the partnership pay \$600 or more to any individual? If yes, include a copy of Form 1099-MISC for each.

Principal Partners Ownership Information

Name	Tax ID number (SSN or EIN)	Address	Ownership percentage	General or limited partner*	U.S. citizen?

* **General partner.** A general partner is a partner who is personally liable for partnership debts.
Limited partner. A limited partner's personal liability for partnership debts is limited to the amount of money or other property contributed or required to contribute to the partnership.

Partners Other Transactions

Partner name	Guaranteed payments	Health insurance premiums paid	Capital contributions from partner	Distributions to partner	Partner loans to the partnership	Loans repaid by partnership to partner

All Clients – Additional information and documents required	New Clients – Additional information and documents required
<ul style="list-style-type: none"> • Provide the income/financial statements for the year (per books), balance sheet, depreciation schedule per books, and cash reconciliation of business bank accounts with ending cash balance. • If the partnership has employees or paid independent contractors, provide a copy of all Forms W-2, W-3, 940, 941, 1096, 1099-MISC, and any other forms issued to workers. • If any partners live in a different state or outside the U.S., provide details. The business may be subject to withholding requirements. 	Date partnership formed State partnership formed in <ul style="list-style-type: none"> • Provide copies of the partnership agreement and any other supporting organizational documents. • Provide copies of depreciation schedules for book, tax, and AMT. • Provide copies of tax returns for last two years, including state returns (if applicable).

Partnership Income (include all Forms 1099-K received)

Gross receipts or sales	\$	Dividends income (include all 1099-DIV Forms)	\$
Returns and allowances	\$ ()	Capital gain/loss (include all 1099-B Forms)	\$
Interest income (include all 1099-INT Forms)	\$	Other income (loss) (include a statement)	\$

Partnership Cost of Goods Sold (for manufacturers, wholesalers, and businesses that make, buy, or sell goods)

Inventory at beginning of the year	\$	Materials and supplies	\$
Purchases	\$	Inventory at the end of the year	\$
Cost of labor	\$		

Partnership Expenses

Advertising	\$	Management fees	\$
Bad debts	\$	Office supplies	\$
Bank charges	\$	Organization costs	\$
Business licenses	\$	Pension and profit sharing plans	\$
Commissions and fees	\$	Rent or lease – car, machinery, equipment	\$
Contract labor	\$	Rent or lease – other business property	\$
Employee benefit programs	\$	Repairs and maintenance	\$
Employee health care plans	\$	Taxes – payroll	\$
Entertainment and business meals	\$	Taxes – property	\$
Gifts	\$	Taxes – sales	\$
Guaranteed payments to partners	\$	Taxes – state	\$
Insurance (other than health insurance)	\$	Telephone	\$
Interest – mortgage	\$	Utilities	\$
Interest – other	\$	Wages	\$
Internet service	\$	Other expense	\$
Legal and professional services	\$	Other expense	\$

Car Expenses (use a separate form for each vehicle)

Make/Model		Date car placed in service	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Car available for personal use during off-duty hours?		
<input type="checkbox"/> Yes <input type="checkbox"/> No	Do you (or your spouse) have any other cars for personal use?	Did you trade in your car this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Yes <input type="checkbox"/> No	Do you have evidence?	Cost of trade-in	Trade-in value
<input type="checkbox"/> Yes <input type="checkbox"/> No	Is your evidence written?	\$	\$

<i>Mileage</i>		<i>Actual Expenses</i>	
Beginning of year odometer		Gas/oil	\$
End of year odometer		Insurance	\$
Business mileage		Parking fees/tolls	\$
Commuting mileage		Registration/fees	\$
Other mileage		Repairs	\$

Generally, you can use either the standard mileage rate or actual expenses to figure the deductible costs of operating your car for business purposes. However, to use the standard mileage rate, it must be used in the first year the car is available for business. In later years, you can then choose between either the standard mileage rate method or actual expenses.

Equipment Purchases – Enter the following information for depreciable assets purchased that have a useful life greater than one year

Asset	Date purchased	Cost	Date placed in service	New or used?
		\$		

		\$		

Equipment Sold or Disposed of During Year				
Asset	Date out of service	Date sold	Selling price/FMV	Trade-in?
			\$	
			\$	

Partnership Business Credits (if answered Yes for any of the below, please provide a statement with details)	
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the business pay expenses to make it accessible by individuals with disabilities?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the business pay any FICA on employee wages for tips above minimum wage?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the business own any residential rental buildings providing qualified low-income housing?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the business incur any research and experimental expenditures during the tax year?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the business have employer pension plan start-up costs?
<input type="checkbox"/> Yes <input type="checkbox"/> No	Did the business pay health insurance premiums for employees?
	Total number of employees
	Total number of employees

Tax Return Preparation

We will prepare your tax return based on information you provide. In the event your return is audited, you will be responsible for verifying the items reported. It is important that you review the return carefully before signing to make sure the information is correct. Unless otherwise stated, the services for preparation of your return do not include auditing, review, or any other verification or assurance.

Taxpayer Responsibilities

- You agree to provide us all income and deductible expense information. If you receive additional information after we begin working on your return, you will contact us immediately to ensure your completed tax returns contain all relevant information.
- You affirm that all expenses or other deduction amounts are accurate and that you have all required supporting written records. In some cases, we will ask to review your documentation.
- You must be able to provide written records of all items included on your return if audited by either the IRS or state tax authority. We can provide guidance concerning what evidence is acceptable.
- You must review the return carefully before signing to make sure the information is correct.
- Fees must be paid before your tax return is delivered to you or filed for you. If you terminate this engagement before completion, you agree to pay a fee for work completed. A retainer is required for preparation of late returns.
- You should keep a copy of your tax return and any related tax documents. You may be assessed a fee if you request a copy in the future.

Signatures. By signing below, you acknowledge that you have read, understand, and accept your obligations and responsibilities.

Tax Matters Individual

Date

Privacy Policy

The nature of our work requires us to collect certain nonpublic information. We collect financial and personal information from applications, worksheets, reporting statements, and other forms, as well as interviews and conversations with our clients and affiliates. We may also review banking and credit card information about our clients in the performance of receipt of payment. Under our policy, all information we obtain about you will be provided by you or obtained with your permission.

Our firm has procedures and policies in place to protect your confidential information. We restrict access to your confidential information to those within our firm who need to know in order to provide you with services. We will not disclose your personal information to a third party without your permission, except where required by law. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations that protect your personal information from unauthorized access.