



Partnership / LLC Tax Return Organizer for 2019

January 2, 2020

Partnership / LLC Clients

The due date to file a Partnership / LLC Tax Return with a December 31st year-end is March 15, 2020. **We would like you to provide us with your tax information as soon after year-end as possible to enable us to complete your tax return by the due date.**

Enclosed is an engagement letter with the understanding of the tax services we are to provide to your company. Please read and sign the enclosed engagement letter and return to us with your information to prepare your tax returns. If you have any questions please call our office.

If you use QuickBooks® as your accounting system, we would like the accountants' copy if possible or a backup. This will enable us to obtain the necessary information for the tax return, and to make year-end adjusting entries for you. Please provide your Quickbooks® file on either a CD, thumb drive or upload your file through Quickbooks® to kspinelli@spinellipc.com. **Please provide us with your company name, the QuickBooks® version you are using, as well as any user name and password needed to access the file.**

In addition to the QuickBooks® file, we will need:

1. Details of any changes in your operating agreement, ownership or allocations of profit or loss.
2. Changes in any address, email and telephone numbers of the business and of the partners / members.
3. Who is the best person to contact with accounting related questions?
4. Bank statements of all bank accounts as of December 31, 2019.
5. Value (at cost) of ending inventory as of December 31, 2019.
6. List of all new assets purchased during the year, including date of purchase and how they were paid, cash, loan, leased, etc. (include leased vehicles).
7. List of all assets sold or traded during the year, including date of sale, selling price and/or trade-in value.
8. Balances as of December 31, 2019 for all loans outstanding including date of loan, original amount borrowed, interest rate, number of payments, amount of monthly payment, and bank or organization borrowed from.
9. Quarterly Payroll tax returns - Form 941, State unemployment, Federal unemployment, State withholding for the period January 1, 2019 through December 31, 2019.
10. If you use a vehicle or equipment for off-highway business use, we will need the number of gallons of gas or diesel fuel used in the year. There is a tax credit for federal taxes paid on fuel used in off-highway business use (if you paid the federal tax at the pump).
11. Sales and Meals Tax reports filed for the periods of January through December 31, 2019.
12. If your business performs services in multiple states we will need sales and wages broken down by each state.
13. Do you provide health insurance coverage to your employees? If yes, and you purchase it through the Federal Marketplace Exchange, then there may be a credit for health insurance premiums paid for your employees.

14. List of items any partner / member paid for the business, which was not reimbursed and not recorded in the books.
15. If you would like us to prepare the 2019 1099's for your company we will need the following information: recipients' name, address, social security number or FID number and the amount paid.
16. Did you start a 401K plan during the year for the business? If yes, please provide us the cost for the setup of the plan as there may be a tax credit for this on the tax return.
17. If you have a 401K plan please confirm that an annual 5500 report is filed every year. Please contact us if you need assistance.

If you are not using QuickBooks®, or not using all of the features of QuickBooks®, please be sure you provide us with the following, in addition to the above:

1. Trial balance, balance sheet and profit / loss statement for the year ended December 31, 2019.
2. Total sales for the year January 1, 2019 through December 31, 2019.
3. Total cash received for the year from all sources (i.e. sales, loans from banks, loans from partners / members, sales of equipment, etc). This should tie back to deposits made to the bank.
4. Total of all expenses paid for the year broken down by category (i.e. materials, supplies, taxes, wages, partner / member fringe benefits, partner / member distributions etc). We will also need a detailed breakdown of the taxes paid between sales tax, excise tax, property tax, payroll tax, federal corporate tax, state corporate tax and any other taxes paid. Meal expenses for the year should be separately stated.
5. Bank reconciliations and bank statements from January through December 31, 2019 for all business bank accounts.
6. List of all Accounts Receivable as of December 31, 2019 (i.e. money owed to you from sales that were not collected by December 31, 2019).
7. List of all Accounts Payable as of December 31, 2019 broken down by categories (i.e. bills for goods and services relating to the year ending December 31, 2019 that were not paid by December 31, 2019).

If you could provide the above information to our office as soon as possible, it would be greatly appreciated. We must complete the Partnership or LLC return before your personal return.

If we have not received all your information or if we are unable to complete your business return by March 1, 2020, we will apply for an extension of time to file your return. If you are a partnership or an LLC, your personal tax return will also require an extension if we are unable to complete your partnership tax return by April 15th. With the application for extensions, payments must be included to cover any tax liability. We are able to extend the time to file your return but not the time to pay the tax due. If we find it necessary to extend your tax returns, we will contact you. The extensions will be filed electronically for the Corporation. If you have any questions, please call me.

Thank you for choosing Spinelli CPA as your tax advisor. We value your business and are looking forward to working with you.

Sincerely,

Spinelli CPA, PC



PARTNERSHIP TAX RETURN ENGAGEMENT LETTER

January 1, 2020

Dear Client,

This letter is to confirm the understanding of the terms of our engagement for the year ended December 31, 2019 for income tax services and clarify the nature and extent of the income tax services we will provide.

Scope of Our Services

Our engagement is limited to performing the following services:

1. Prepare the federal and state partnership income tax returns.
2. Prepare any bookkeeping entries we find necessary in connection with preparation of the income tax returns.
3. Preparation of depreciation schedules.

The engagement letter does not cover the preparation of any financial statements, which, if we are to provide, will be covered by a separate engagement letter.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service and state tax authorities. Our work is not intended to benefit or influence any third party, either to obtain credit or for any other purpose.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the complete, full and accurate disclosure of all relevant facts affecting the return(s) to us. You are responsible for adopting sound accounting practices and devising a system of internal controls. You also have the final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it. You are responsible for the timely distribution of Schedule K-1 to the partners, if applicable.

You are responsible for assuming all management responsibilities, and for overseeing any services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover fraud, defalcations or other irregularities or material misstatements, should any exist. The returns will be prepared solely from information provided to us without verification by us, although we may ask for clarification of certain information. If, during our work, we discover information that affects prior-year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Greater than Accountants

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Members of AICPA and MSCP

It is our Company policy to file your tax return electronically to the IRS and the state whenever possible. We will provide you with a paper copy of your return to be reviewed and approved prior to filing. We will not transmit your return until we have a signed authorization from you.

Document Retention

It is our policy to keep records related to this engagement for 5 years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

By signing this engagement letter, you acknowledge and agree that upon expiration of the 5 year period, we are free to destroy our records related to this engagement.

Disclosure and Use of Taxpayer Information

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expense incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

By your signature, you authorize us to transmit, update, and store information electronically and to transmit your information over the internet and agree that we shall have no liability of loss or damage to any person or entity resulting from any such transmissions, updates, or storage, including damages such as loss of revenue or anticipated profits, or disclosure or communication of confidential or proprietary information. If the Partnership has unique security needs, a discussion should be held with us before the engagement.

Fees and Billing

Our fees for tax services will be based in part upon the amount of time required at our standard billing rates for the personnel working on the engagement, plus out-of-pocket expenses. Hourly rates vary from \$75 to \$275 depending on the staff member providing the services. All invoices are due and payable upon presentation. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of 1.5% per month (18% per year). If the account is turned over to an attorney or collection, an additional charge will be added to cover collection costs.

Termination and Dispute Resolution

We have the right to withdraw from this engagement, in our discretion, if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

Limitation of Liability

The Partnership agrees that Spinelli CPA, PC and its personnel shall not be liable to the Partnership for any actions, claims, liabilities, costs, expenses, or losses alleged to arise from or actually arising or resulting

from or relating to the services performed in this engagement for an aggregate amount in excess of the fees paid by the Partnership to Spinelli CPA, PC for this engagement. In no event shall Spinelli CPA, PC or its personnel be liable for consequential, special, indirect, incidental, punitive, or exemplary damages, costs, attorneys' fees and costs, and/or other expenses or losses (including, without limitation, lost profits and opportunity costs) alleged to arise from or actually arising or resulting from or relating to the services performed in this engagement.

The Partnership further agrees to indemnify and hold harmless Spinelli CPA, PC and its personnel from all actions, claims, liabilities, costs, expenses, or losses asserted or alleged by any person(s) and/or entity(ies) not a party to this agreement and further alleged to arise from or actually arising or resulting from or relating to the services performed in this engagement. These limitations on liability and indemnification provisions shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence), or otherwise.

Agreement

Thank you for choosing Spinelli CPA, PC. If the foregoing correctly sets forth your understanding of our tax engagement, please sign this letter in the space below and return it to our office. If you disagree with any of these terms, please notify us immediately. We value your business and are looking forward to working with you.

Sincerely,

Spinelli CPA, PC

Accepted By:

Partnership Name: _____ Member Name: _____

Title: _____ Date: _____