

**Engagement letter between All About Numbers
and the taxpayer(s) whose signature(s) appear below**

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, by initialing the provided spaces & signing below.

We will prepare your 2015 or _____ federal and state income 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. If you wish, we will render such accounting /bookkeeping assistance as determined to be necessary for preparation of the income tax returns. There is an additional fee for this service.

_____ It is your responsibility to provide all the information required for the preparation of complete and accurate returns. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or irregularities, should any exist. You should retain all the documents, cancelled checks and other data that form the basis of income and deductions. 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.

_____ The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please ask your preparer.

_____ Your returns may be selected for review/audit 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. Do not let this keep you from contacting us! If you receive any correspondence from IRS or CA, please let us know. We will review the document, determine what needs to be done to correct the situation, and explain what you need to do. We will then advise you of our estimated fee for completing the process on your behalf, if you choose not to handle the matter yourself.

_____ Our fee for services will be based upon the specific forms used to prepare your return, and the level of knowledge and expertise required to be able to complete these forms. *Payment is required before your return can be considered complete, and therefore, it will not be filed or released without payment.* Cash, check, credit/debit card are all acceptable payment methods. If your check bounces, you will be subject to a \$25 returned check charge. State law allows for a fee of \$100 or 3 times the amount of the check, whichever is greater. *Invoicing is discouraged and only available for a select few clients upon credit approval, including a positive payment history with us.*

_____ Electronic filing of all returns possible is now mandatory. Your return CANNOT be e-filed without properly signed 8879 forms being obtained by this office. Should you not want your return electronically filed, we are required to prepare additional documents for you. There is an additional \$25 fee for filing paper returns. The IRS is short staffed, and there will be significant delays in processing paper returns this year. There is also a 20% chance of keying errors at the IRS, historically, on paper filed returns. We strongly recommend e-filing when possible.

_____ You will be provided with one (1) copy of your tax return. Should you require any additional copies in the future, we will happily provide them for a fee of \$35.00 per return. (The IRS charges \$50 and the Franchise Tax Board Charges \$20 for a total of \$70.) If you need additional copies now, please tell the preparer during your tax appointment.

We also request the completion of our Due Diligence questions before completing your tax return. This is to protect both of us in the event of an audit, as well as to prepare the most accurate tax return possible.

If the foregoing fairly sets forth your understanding, please sign below in the space indicated. We want to express our appreciation for this opportunity to work with you.

Sincerely,

All About Numbers

Accepted By: _____
Signature

Print Name

Date: _____

Due Diligence Interview Questions to Protect You as well as Us!

Thank you for completing this detailed questionnaire.
This will help make sure nothing is left off your return.

Please check any lines that apply on both sides of the form.
If you are unsure of a question, circle it and your preparer will discuss it with you.

NAME _____ TAX YEAR 2015 or _____

Please Print

Personal Information

- Did your **marital status** or **address** change during the year?
- Can you be claimed as a dependent by another taxpayer?
- Did you change any bank accounts that were used for direct deposit/direct debit?
- Are you/your spouse U.S. citizens?

Dependent Information

- Were there any changes in dependents from the prior year?
- If your child is over 18, are they a full-time student? _____
- If your dependent child worked, what were his/her earnings? _____ (bring W2's)
- Did you pay for any daycare/dependent care (even with employer reimbursement)?
- Can someone else claim your child as a dependent? If so, are you the custodial parent? Y N
- If you are not the custodial parent, do you have a signed Form 8332 Release of Exemption? **CRITICAL!**

Medical Insurance Information -

- Did everyone in your household have medical insurance (including Medicare, Medi-Cal, VA) for all 12 months of the year?
- If not everyone had health insurance, do you have an exemption certificate?
- If you had insurance, did you buy it from Covered California or other Government Exchange?

Purchases, Sales and Debt Information

- Did you start a new business or acquire an interest in a partnership or corporation?
- Did you sell, exchange, or purchase any real estate during the year?
- Did you acquire or dispose of any stock during the year (not through your retirement accounts)?
- Did you refinance, modify, or take equity out of your home this year?
- Did you make any energy efficient improvements to your home (does not include appliances)?
- Did you sell an existing business, rental, or other property this year?
- Did you experience a foreclosure or short sale this year?
- Did you file bankruptcy this year?
- Did you otherwise experience any debt forgiveness this year? e.g., credit card debt?
- Did you buy or sell online this year for more than personal use?
- Did you engage in any transactions involving Bitcoin? (A new online currency)

Income Information

- Did you have any foreign income or pay any foreign taxes during the year?
- Did you receive any income from property sold prior to this year?
- Did you receive any lump-sum payments from a pension, profit sharing, or 401(k) plan?
- Did you make any withdrawals from or a retirement account, education savings/529 Plans, or receive social security?
- Did you make any contributions to a retirement plan this year?
- Did you receive any disability income during the year?
- Did any of your life insurance policies mature, or did you surrender any policies?
- Did you cash any Series EE or I U.S. Savings bonds issued after 1989?
- Did you receive any unemployment compensation this year?
- Did you engage in any bartering transactions?
- Did you contribute to or withdraw from an HSA (Health Savings Account in conjunction with a high

deductible plan) this year? (Not to be confused with a section 125 plan/cafeteria plan/FSA plan)

___ Did you pay or receive any alimony this year?

___ Did you pay or receive any child support this year?

___ Did you receive income from any other sources this year, other than wages, not otherwise indicated on this form? (This includes gambling winnings, gold sales, jury pay, collectibles etc)

___ If you own a business, rental property or a farm:

___ Did you make a de minimis safe harbor election (election to expense all items under an amount of up to \$2500)?

___ Make improvements or repairs to any property, equipment or other assets?

___ Pay anyone more than \$600 total for the year? Y N If you did, did you issue them 1099(s)? Y N

Itemized Deduction Information

___ Did you incur a casualty or theft loss during the year greater than 10% of your income NOT reimbursed by insurance?

___ Did you have significant medical costs paid with "after tax" dollars including insurance, prescriptions, dental, co-pays, hospital visits, medical travel, eyeglasses, hearing aids, etc? (Significant is more than 10% of your income)(Most medical insurance through work is already "pre tax" and does not provide an additional tax benefit)

___ Do you have evidence to substantiate charitable contributions of all cash?

___ Did you make any noncash charitable contributions (clothes, furniture, vehicles, etc.)?

___ Did you have an expense account or allowance during the year?

___ Did you use your car on the job, for other than commuting, for which your employer does not reimburse?

___ Did you work out of town (away from your normal workplace) for part of the year?

___ Did you have any educational expenses during the year?

___ Did you have any expenses related to seeking a new job during the year?

___ Did you make any major purchases during the year (cars, boats, etc.)?

___ Did you make any out-of-state purchases (by telephone, internet, mail, in person) upon which sales or use tax was not collected? If so, these taxes should be paid with your California tax return.

Miscellaneous Information

___ Did you make gifts of more than \$14,000 to any individual (including adding a name to title on a house)?

___ Did you incur moving costs because of a job change more than 50 miles away?

___ Were you a grantor or transferor for a foreign trust, have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country? (Very important to file additional forms if yes!)

___ Did you receive correspondence from the State or the Internal Revenue Service (other than refund notice)?

___ If you are an educator, do you have any unreimbursed expenses?

___ Did you or any of your dependents attend college this year (If so, we MUST have the 1098T)?

___ Did you make any student loan payments?

___ Did you receive the First Time Homebuyer credit for which you are making payments?

___ Did you make any estimated tax payments this year? Do you have verification of amounts?

___ Will you or someone in your household be attending college next year and need a FAFSA form?

___ Have you ever been denied EITC (Earned Income Tax Credit)?

___ Did you receive a PIN from the IRS due to identity theft protection? We cannot file your return without it if you did!

___ Did you employ any household workers who were not in the business of providing these services?

To the best of my knowledge, the above statements accurately reflect my transactions for the tax year. I have not withheld any information regarding income, nor will I hold All About Numbers responsible for anything I have not disclosed.

_____ and/or _____
Taxpayer Spouse

Would you like us to provide you with an electronic copy of your tax return in addition to your paper copy? Y N

What to bring to your tax appointment checklist:

- Names, social security and birthdates for all persons on tax return, other documents may be required if you qualify for the Earned Income Tax Credit
- If your kids worked, their W2's – they may or may not be your dependent!
- All sources of income
 - W2s (wages) W2G's (Gambling Income) 1099G Unemployment, Tax Refunds
 - 1099s (miscellaneous income, interest income, dividends)
 - 1099Rs (retirement income from IRA's and 401ks)
 - Alimony Received _____
 - Social Security/Railroad Retirement/Pension Income
- Stock sales –
 - date of purchase/date of sale
 - purchase \$/sales \$ **(have broker email realized gains/losses sheets!)**
 - If an work related stock option, please provide Form 3922
- Business Income/expenses Profit and Loss or Quickbooks **Data back up** or:
 - Provide a complete profit and loss and balance sheet for your business
 - OR detailed listings of all items of income and expenses, by category of expense
 - Additional Forms are available on our website
- Rental Income
 - Rents received _____ Security Deposits _____
 - Maintenance (keeping in good order) _____
 - Repairs (fixing but not replacing) _____
 - Insurance _____ Management fees _____
 - Mortgage interest _____ Property Taxes _____
 - Office Supplies _____ Utilities _____
 - Miles Driven/travel _____ HOA Dues _____
 - Legal and professional fees _____ Advertising _____

- Capital Improvements (replace or making better)_____

Itemized deductions

- Medical expenses paid (Prescriptions, copays, insurance, doctors/dentists etc.)_____
- Sales tax or state taxes paid (any big purchases this year?) _____
- DMV registration (VLF) _____
- Property Taxes _____
- Mortgage Interest _____(We need the 1098s)
- Refinance, purchase or sale papers of any real estate _____ (final settlement statement/HUD-1)
- Charitable deductions _____
 - Cash _____ (Provide statements from organizations)
 - Stuff (visit Goodwill site to value!)_____
 - Mileage _____ Out of pocket volunteer costs _____
- Unreimbursed Employee expenses
 - Uniforms _____ Job Supplies _____
 - Education _____ Union Dues _____
 - Insurances _____ Memberships/Subscriptions _____
 - Tools _____ Uniform Maintenance _____
 - Safety Equipment _____ Job Seeking Expense _____
- Tax Preparation Fees _____ Safety Deposit Box _____
- Gambling Expenses (if you have gambling winnings up to the gambling winnings)_____

Credit Information

- Name, tax Id, Address, Phone, \$ Paid to Daycare _____
- List of energy efficient home improvements (not appliances)_____
- Tuition and Fees paid for college/vocational school _____ (We will need the 1098T which is available at the school's website, as well as a FINANCIAL record of account for the year.) Amount spent on Books/Lab fees _____

- Student Loan Interest _____ Alimony paid _____

Direct Deposit Information

- Name of bank _____
- Account Number _____
- Routing Number _____

Estimated Tax Payments:

- Federal #1 Date _____ \$ _____ State \$ _____
- Federal #2 Date _____ \$ _____ State \$ _____
- Federal #3 Date _____ \$ _____ State \$ _____
- Federal #4 Date _____ \$ _____ State \$ _____

Health Insurance Documents – 1095A if you received insurance from Covered California or other Exchange, 1095B if you had medical insurance, 1095C if you worked for a large employer. You might have all three. OR Exemption obtained from Covered California/ HealthCare.gov stating you do not have to pay the share of responsibility payment (penalty) and the Exemption Certificate.

Identity Verification Information: Driver's License or State ID Number, Expiration Date, Date of Issuance and State of Issuance.

IP PIN Letter if you have received one from the IRS (if you have previously been a victim of ID theft/have filed a Form 14039 with the IRS.)

If new to All About Numbers, last 2 year's tax returns including any depreciation and carry over schedules

If you used your vehicle for work, business, rental or other deductible purpose, please provide odometer readings, miles driven for the year total, and miles driven for each deductible purpose.

Form 8332 Release of Exemption if you are claiming a child for whom you are NOT the custodial parent (The parent with whom the child spends more nights per year)

ANY OTHER documents related to your tax return – if you are not sure, bring it with you!

INCOME

Gross Receipts	
Subsidy payments (FRRC)	
Private/Direct Pay	
Stipends	
Mini Grants	
Food Program Income	

EXPENSES

Advertising	
Website	
Business Cards	
Yellow Pages	
Online (Yelp, Angie's List etc)	
Car/Truck	
Total Miles	
Business Miles	
Interest	
Registration - VLF	
Registration - total	
Tolls/Parking	
Commissions/Fees	
Bank fees	
Dues/Subscriptions	
Merchant Card Processing	
Fingerprinting/Livescan	
CPR/First Aid Training	
Training	
Meetings	
Activity Costs	
Conferences/events	
Contract Labor	
(Other Businesses)	
Insurance	
Daycare Insurance	
Liability	
Umbrella	
Worker's Compensation	
Interest	
Total Credit Card	
Business part of Credit Card	
Loan	
Legal and Professional	
Computer Tech	
Bookkeeping	
Taxes	
Payroll	
Legal	

Office Expenses	
Paper	
Ink/toner	
Business Phone (NOT main land line)	
Cell Phone	
Postage/delivery	
Software	
Pens, pencils etc	
Calculators	
Rent/Lease	
Car Lease	
Equipment Lease (bounce house)	
Repairs and Maintenance 100% Daycare	
Supplies	
Arts and Crafts	
Baby supplies (diapers etc)	
Safety supplies	
Toys	
Curriculum	
100% daycare cleaning	
100% daycare household	
100% daycare yard	
gifts	
party supplies	
organizational supplies	
books	
batteries	
videos	
Meals	
Meals with clients	
Meals away overnight	
Meals for workers	
Food Cost for kids	
Taxes and Licenses	
Daycare license	
Payroll taxes - State	
Payroll taxes - Federal	
Payroll taxes - FUTA	
Business License	
Wages (Gross)	
Other	

TIME/SPACE WORKSHEET INFORMATION FOR DAYCARES

Hours With Children

Hours Doing Prep Work

Hours on the phone with Parents

Hours doing clean up

Hours doing administrative work

Total Daycare Hours

Total House Square Feet
(Living area)

Total Square Feet EXCLUSIVE to DC
(NO Personal use)

Total Square Feet mixed use
(include laundry, office, storage areas)

Total Garage Square Feet
(ONLY if used for Daycare)

Total Garage Square Feet
Used for Daycare

Do you have pictures to support your
claims?

Do you have a diagram of your house
to support your claims?

Purchase price of Home

Purchase date of Home

Please list any improvements made
this year:

Business Use of Home Checklist

Year _____

Gas and Electric	<input type="text"/>
Water/Trash/Sewer	<input type="text"/>
Alarm Monitoring	<input type="text"/>
Mortgage Interest (owned)	<input type="text"/>
Rent (not owned)	<input type="text"/>
Property Taxes	<input type="text"/>
Cable /Satellite (Daycare only)	<input type="text"/>
Cleaning Supplies used for WHOLE house	<input type="text"/>
Cleaning Services for WHOLE house	<input type="text"/>
Repairs	<input type="text"/>
Maintenance	<input type="text"/>
Toilet Paper, other Paper Products	<input type="text"/>
Pest Control	<input type="text"/>
Home Owners/ Renters Insurance	<input type="text"/>
Home Owners Association	<input type="text"/>
Gardener - DAYCARE ONLY	<input type="text"/>
Internet	<input type="text"/>
Other _____	<input type="text"/>
Other _____	<input type="text"/>
Total living area home square feet (Daycare - use Time Space worksheet instead)	<input type="text"/>
Total Living Area Used Regularly and Exclusively for business	<input type="text"/>
Do you have a diagram and pictures to support the home office exclusivity?	<input type="text"/>

Business Auto Usage Expense Worksheet

Description of the vehicle you used in business or for your travel expenses

Make: _____ Model: _____ Year: _____

What date did you start using this vehicle for business purposes: _____

Odometer reading at the end of the year (as of December 31st of last year): _____

Odometer reading at the beginning of the year (as of January 1st of this year): _____

Total Miles Driven All Year: _____

How many miles did you drive strictly for business: _____

Total commuting miles: _____

Average daily miles from home to work: _____

Personal miles: _____

(Please Check One)

Did you...	Own the Vehicle: _____	Lease the Vehicle:
If you own...	Did you use the Standard Mileage Rate last year: _____	Did you use the Expense/Depreciation Method: _____
Purchase/Lease...	Date: _____	Cost: \$ _____
If you lease...	Monthly Lease Payment: \$ _____	

If you used the expense method last year/have a leased vehicle, you must provide the following:

Fuel/Oil/Service Costs: \$ _____ Insurance & Registration: \$ _____

Repairs/Replacements (Tires/Batteries): \$ _____ Care & Maintenance: \$ _____

Other Expenses: \$ _____

Do you have a log? Yes: _____ No: _____

Do you have receipts? Yes: _____ No: _____

Were you reimbursed by your employer? Yes: _____ No: _____

Did you pay parking? Yes: _____ No: _____

Is another vehicle available for personal use? Yes: _____ No: _____

During non-working hours? Yes: _____ No: _____