

Memo

To: Business Clients
From: Krista Piwonka, CPA
Date: December 20, 2016
Re: Year-End Request List

It is the end of the year and besides calculating your 2015 mileage (separate attachment), here are a few other items needed in order to prepare your 2015 financial statements and tax returns. (Please note: **Some of the items listed may not apply to your business** and therefore disregard that request as N/A. Also, if you are a sole proprietor, some of the information may be duplicated in the Organizer.):

- **Cash On Hand:** How much cash was in your register/drawer on 12/31/2015?

- **Undeposited Checks:** What was the total of the checks waiting to be deposited on 12/31/2015?

- **Checking Account:** Review the outstanding checks after the December bank reconciliation.
 - Should any of these outstanding checks be written off/voided?
 - Please provide a copy of the December bank reconciliation
- **Accounts Receivable:** Are all the accounts current and collectible? If not, should they be written off? (Ignore if you are on the Cash Basis.)
- **Inventory:** Please do a physical inventory count after the last business day of 2015 and prior to opening for business in 2015. The count should include:
 - description of the item
 - total in stock
 - purchase price of each item (**not** how much you sell it for)
- **Fixed Assets:** Review your list of assets (separate e-mail)
 - Were any fixed assets disposed of or thrown out during 2015?
 - If so, please identify
 - If any were sold, please provide a copy of the bill of sale, if I don't have it already.
 - Did you purchase any new assets? (Please send the receipt if I don't have it already.)
- **Accounts Payable:** Are you current with all of your bills? Did you protest a bill and get it resolved and it should now be removed from your system? (Ignore if you are on the Cash Basis.)
- **Payroll:**
 - Do any adjustments need to be made to an employee's payroll taxes prior to preparing the W-2's and quarterly returns (Returns & W-2's due by 1/31/2016)

- Make sure you have a current 2016 W-4 for every employee. (Employee situations change and sometimes they forget to notify you of those changes.)
- Let me know if you want me to prepare the W-2's – I'll need the information no later than 1/15/2016
- Please provide copies of the 4th quarter payroll returns, if you prepared them yourself
- **Sales Taxes:** Have you correctly filed all your sales tax returns during the year?
 - Please provide a copy of the December sales tax return.
 - If you need me to prepare your sales tax return due on 1/20/2016, please have your information in my office by 1/8/2016.
- **Gift Certificates:** What is the value of the outstanding gift certificates on 12/31/2015? _____
- **Loans/Leases:** Do you have any new loans/leases in 2015? If so, please provide copies of the documents for my records, if you have not done so already.
- **Income/Expenses:**
 - Have you correctly recorded all income & expenses from 2015? If so, please forward your year-end records
 - Partnership/S-Corp/LLC (ignore 1040 Schedule C filers)
 - If you use a home office, did you calculate the expenses of the office and reimburse yourself through the business? Including utilities, real estate taxes, repairs & maintenance, mortgage interest, etc.
 - If you drive a personal vehicle for business purposes (see attached memo), did you submit an expense report to the business and reimburse yourself for business mileage using the standard mileage rate (2015 = \$0.575 per mile)?
- **1099-MISC:** Due to recipients by 1/31/2016 – Let me know if you need me to prepare these on your behalf. (see attached memo)
 - Make sure you issue 1099-MISC forms to any non-incorporated individual (i.e.: repairmen, publishers, internet designers, drivers, landlords, temporary workers who were not employees, etc.) whom you paid over \$600 total for their services to your business in 2015.
 - Make sure you issue a 1099-MISC form to any lawyer your business paid in 2015. (The \$600 rule does not apply to lawyers - any dollar amount paid to them generates a 1099-MISC.)
 - Make sure you have a W-9 as back up for any 1099-MISC issued.
 - If someone does not want to provide you with a W-9, you are required to withhold 28% Federal Income tax on all future payments until one is provide to the business.
- **1099-INT:** Due to recipients by 1/31/2016 – Let me know if you need me to prepare these on your behalf:
 - Issued to non-incorporated individuals who you paid interest to, or should have, during 2015 that exceeded \$11.00 (these are individuals who loaned the business money)
 - Shareholders/Owners/Partners/Members, if you personally loaned the business money and the amount outstanding exceeds \$10,000, per the IRS, you are required to be paid or calculate an interest payment based on an annual interest rate equaling or exceeding the Applicable Federal Rate (AFR) and therefore, receive a 1099-INT. This is whether or not you “actually” received the money.
 - Example: You loaned the business \$11,000 on 1/1/2015 and the amount is still the same on 12/31/14. You should receive a 1099-INT of at least \$301.40. If

you don't receive this interest amount in cash then your loan on 1/1/2016 will be \$11,301.40.

- Make sure you have W-9 as back up for any 1099-INT issued.
- **Organization:** Did you make any partner/shareholder/member changes in 2015? If so, please provide the new agreement.
- **IRS/State Government:** Do you have any outstanding tax notices that need to be taken care of from 2015 or earlier? If so, please forward a copy of the notice.
- **Home Office Deduction:** Please provide the following, if applicable:
 - If this is the first year or a change in your home from prior years & you want to claim the home office deduction, please provide the following:
 - Total Square Footage of your Home _____
 - Total Square Footage of your Office (make sure you don't include any "personal" furniture – just the business portion of the room) _____
 - Purchase price of the home, excluding the land _____
 - Purchase price of the land _____
 - Date you first started using the home office _____
 - Date & total cost of any significant additions and improvements to the home
 - _____
 - _____
 - _____
 - Total Home Expenses:
 - Real Estate Taxes _____
 - Mortgage Interest _____
 - Mortgage Insurance _____
 - Home Insurance _____
 - Utilities:
 - Gas _____
 - Water _____
 - Electric _____
 - Disposal/Garbage _____
 - Office Room Specific Expenses (unless already recorded on the business books & records):
 - Internet _____
 - Personal Use = _____%
 - Business Use = _____%
 - Second phone line specifically for business purposes _____
 - Cell phone _____
 - Personal Use = _____%
 - Business Use = _____%
 - Repairs & Maintenance _____
 - If you need to allocate the home office use between multiple businesses:
 - _____% for Business _____
 - _____% for Business _____
 - Or you may opt to use the Simplified Home Office Deduction of \$5 per square foot (max is 300 square feet) and disregard everything above. Note: This is a new option allowed by the IRS.
- Did you do anything "unusual" in 2015 that may affect your tax return?
- Did anything "unusual" happen to your business in 2015 that may affect your tax return?

- Do you anticipate anything “unusual” in 2016 that we should plan for while preparing your 2015 business return? (i.e. purchasing an additional business location, going out of business, etc.)