Monica R. Kellogg, CPA, LLC

104 West 6th
P.O. Box 1901
Pittsburg, KS 66762

Ph: (620) 235-0920
Fax: (620) 231-0725
Email: monicacpa@sbcglobal.net

Dear Client:

Enclosed is an organizer we provide to tax clients to assist in gathering the information necessary to prepare individual income tax returns.

The Internal Revenue Service matches information returns/forms with amounts reported on tax returns. A negligence penalty may be assessed when income is underreported or when deductions are overstated. Accordingly, all information returns reflecting amounts reported to the Internal Revenue Service are also mailed/delivered to the taxpayers in an envelope clearly marked "IMPORTANT TAX DOCUMENTS ENCLOSED" and should be submitted with this organizer. Forms such as:

- W-2 (Wages)
- 1099-R (Retirement)
- 1099-INT (Interest)
- 1099-DIV (Dividends)
- 1099-B (Brokerage Sales)
- 1099-MISC (Rents, etc)
- 1099 (any other)
- 1098-T (Education)
- Schedules K-1 (Forms 1065, 1120S, 1041)
- Annual Brokerage Statements
- 1098 – Mortgage Interest
- Other tax information stmts.
- 8886, Reportable transactions
- Form HUD-1 for Real Estate Sales/Purchases

To continue providing quality services on a timely basis, we urge you to collect your information as soon as possible. If information from "passthrough" entities such as partnerships, trusts, LLCs and S corporations is the only data you are missing, please send the data you have assembled and forward the missing information as soon as it is available.

We have also included our firm's "Engagement Letter" outlining the services we will be providing and the responsibility of all parties. This document must be signed and dated by the taxpayer and spouse, if applicable, and returned to us prior to the completion of your tax return(s).

The filing deadline for your income tax return is **April 17, 2012**. In order to meet this filing deadline your completed tax organizer needs to be received no later than March 31, 2012. Any information received after that date may require that an extension of time be filed for this return.

If an extension of time is required, any tax due must be paid with that extension. Any taxes not paid by the filing deadline may be subject to late payment penalties and interest.

We look forward to providing services to you. Should you have questions regarding any items, please do not hesitate to contact us.

Very truly yours,
Monica R. Kellogg, CPA, LLC

Tax Return Preparation Checklist

- [ ] **Demographic Information (See Attached Worksheet)**
- [ ] **Wage, Salary Income (Provide W-2s)**

Other Income:

- [ ] Interest (Provide 1099INT Forms)
- [ ] Dividends (Provide 1099DIV Forms)
- [ ] Capital Gains/Losses (Provide 1099B and 1099S Forms)
- [ ] Pension/IRA Distributions (Provide 1099R Forms)
- [ ] State Tax Refund (Provide 1099G Forms)
- [ ] Alimony Received (Do not include child support)
- [ ] Unemployment Received (Provide 1099G Forms)
- [ ] Social Security Received (Provide SSA-1099 Forms)
- [ ] Business Income & Expenses (See attached worksheet)
- [ ] Farm Income & Expenses
- [ ] Rental Income & Expenses (See attached worksheet)
- [ ] Partnership, LLC & S Corp Income (Provide Schedule K-1 Forms)
- [ ] Miscellaneous Income:
- [ ] Tips & Gratuities (not included on W-2)
- [ ] Bonuses & Prizes (Provide 1099MISC Form, if applicable)
- [ ] Jury Duty Pay
- [ ] Gambling/Lottery Winnings (Provide W-2G Forms)
- [ ] Other - Description____________________________________

Adjustments:

- [ ] Educator Expenses (maximum $250)
- [ ] Health Savings Account (HSA) contributions
- [ ] Moving Expenses (must be job-related)
- [ ] IRA, SEP, SIMPLE & Qualified Plan Contributions (not via an employer sponsored plan)
- [ ] Self-Employed Health Insurance Premiums
- [ ] Alimony Paid (Recipient's Social Security Number:________________________)
- [ ] Student Loan Interest Paid (Provide 1098-E Forms)

Itemized Deductions (Schedule A):

- [ ] Medical & Dental Expenses (do not include amounts paid via a "FLEX" plan)
- [ ] Real Estate Taxes Paid in 2010
- [ ] Personal Property Taxes Paid in 2010 (vehicles, boats, trailers, etc. - not business related)
- [ ] New Motor Vehicle Sales Taxes
- [ ] Home Mortgage Interest (Provide 1098 Form from lender)
- [ ] Charitable Contributions
- [ ] Casualty & Theft Losses
- [ ] Job Expenses/Unreimbursed Employee Expenses (travel, dues, education, etc.)
- [ ] Tax Preparation Fees
- [ ] Safe Deposit Box
- [ ] Investment & Advisory Fees

Tax Return Preparation Checklist

☐ **Child & Other Dependent Care Expenses**

Name of Care Provider:____________________

Address of Care Provider:____________________

SSN or Fed. ID # of Care Provider:____________________

Amount Paid to Care Provider: ____________________

Name of Care Provider:____________________

Address of Care Provider:____________________

SSN or Fed. ID # of Care Provider:____________________

Amount Paid to Care Provider: ____________________

☐ **Tuition & Fees (Provide 1098-T Forms)**

Student Name:____________________

Student SSN:____________________

Qualified Education Expenses (not including room & board):____________________

Number of Years Student Has Attended College:____________________

Is Student Pursuing a Degree? (Y/N) __________

Student Name:____________________

Student SSN:____________________

Qualified Education Expenses (not including room & board):____________________

Number of Years Student Has Attended College:____________________

Is Student Pursuing a Degree? (Y/N) __________

☐ **Residential Energy Credits**

Qualified energy efficiency improvements (not including installation)

Insulation Material

Exterior windows & doors

Metal or asphalt roof

Certain electric heat pumps, water heaters, central air, heaters, etc.

Certain furnaces, air circulating fans and hot water boilers

☐ **First-time homebuyer credit**

Closing statement (Form HUD-1) signed by all parties or Certificate of Occupancy

Copy of sales contract

If qualifying as a long-time resident, provide 5 consective year statements of:

Forms 1098, Mortgage Interest Statements, OR

Property tax records, OR

Homeowner's insurance records

☐ **Direct Deposit/Electronic Payment Information**

Name of Bank:____________________

Bank Routing Number:____________________

Bank Account Number:____________________

Checking or Savings:____________________

For Payment Purposes:

Amount to be paid? FEDERAL $__________

STATE $__________

Date(s) payment(s) should be debited from your account? __________

Tax Organizer

Taxpayer Information

First Name: Initial: Last Name:

Date of Birth: SSN#: Occupation:

Address: City:

State: Zip:

Home Tel: Work Tel:

Email

Filing Status

Single: Married: Married filing separately: Head of household: Qualified widow(er):

Spouse Information

First Name: Initial: Last Name:

Date of Birth: SSN#: Occupation:

Dependents

Name:	DOB:	SSN#:	Relationship:	Months at home:

Estimated Tax Payments

Federal

Overpayment - Prior Year $

	Date		Amount
1st Quarter Date		$	
2nd Quarter Date		$	
3rd Quarter Date		$	
4th Quarter Date		$	

State

Overpayment - Prior Year $

	Date		Amount
1st Quarter Date		$	
2nd Quarter Date		$	
3rd Quarter Date		$	
4th Quarter Date		$	

Business Income

Cash basis: ☐ Accrual basis: ☐ First year: ☐ Tax payer: ☐ Spouse: ☐

Principal business / Profession ☐ Business name: ☐

Business Address: ☐

City: ☐ State: ☐ Zip: ☐

Other accounting method: ☐

Income

Gross receipts or sales $ ☐ Returns and allowances: $ ☐ Other income $ ☐

Cost of Goods Sold *(If Applicable)*

Inventory at beginning of year: $ ☐ Inventory at end of year: $ ☐

Purchases: $ ☐ Cost of items for personal use: $ ☐

Cost of labor: $ ☐ Materials and supplies: $ ☐

Other costs: $ ☐

Expenses

Advertising: $ ☐ *Car & truck expenses: $ ☐ Commissions: $ ☐

Employee benefit programs: $ ☐ Insurance other than health: $ ☐

*Health insurance premiums for self: $ ☐ Mortgage interest (paid to banks, etc): $ ☐

Other interest: $ ☐ Legal & professional: $ ☐ Office expense: $ ☐

Pension and profit sharing plans: $ ☐ Rent - vehicles machinery & equipment: $ ☐

Rent - other business property: $ ☐ Repairs: $ ☐ Supplies: $ ☐

Taxes - real estate: $ ☐ Taxes - other: $ ☐ Travel: $ ☐

*Other: $ ☐ Total meals & entertainment: $ ☐ Utilities: $ ☐

Wages: $ ☐

**Attach detailed schedule*

Check if you acquired or disposed of any business assets (including real estate) during the year. ☐
If yes, provide detailed schedule

Check if you had a home office during the year. ☐

Rent: $ ☐ Utilities: $ ☐ Insurance: $ ☐

Janitorial: $ ☐ Miscellaneous: $ ☐ % of exclusive business use: $ ☐

Vehicle used for business

Business miles driven: ☐ Actual expenses: $ ☐

Rental Income

Check if any property was purchased/converted to rental last year: ☐

Property Address *(include city and state)*	Percentage ownership
1.	%
2.	%
3.	%

Property		1.	2.	3.
Income	Rents received:	$	$	$
Expenses	Advertising:	$	$	$
	Association dues:	$	$	$
	Auto and travel:	$	$	$
	Cleaning/Maintenance:	$	$	$
	Commissions:	$	$	$
	Gardening:	$	$	$
	Insurance:	$	$	$
	Labor:	$	$	$
	Professional fees:	$	$	$
	Miscellaneous:	$	$	$
	Mortgage interest:	$	$	$
	Other Interest:	$	$	$
	Repairs and Maintenance:	$	$	$
	Supplies:	$	$	$
	Taxes:	$	$	$
	Telephone:	$	$	$
	Utilities:	$	$	$
	Improvements:	$	$	$
	Other:	$	$	$

Monica R. Kellogg, CPA, LLC

ENGAGEMENT LETTER

Dear Client:

We appreciate the opportunity to work with you and advise you regarding your income taxes. 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 2011 and/or ____________ individual and/or business federal and requested state income tax returns, including 2012 estimated tax payments from information that you will provide to us. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification of some of the information. We will provide you with questionnaires and/or worksheets to guide you in gathering the necessary information. Your use of such forms will assist in keeping pertinent information from being overlooked.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain (for a minimum of four (4) years) all the documents, canceled 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 carefully review them before you sign and file them.**

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. However, should we find any irregularities or unusual items we will bring them to your attention. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns. If we discover any errors or omissions on a prior year return we will bring that to your attention.

We will use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

The filing deadline for the tax return is **April 18, 2012**. In order to meet this filing deadline, the information needed to complete the return should be received in this office **no later than March 31, 2012**.
If an extension of the time is required, any tax due with this return must be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties.

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 contact us.

Your returns may 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 governmental tax examination, we will be available, upon request, to represent you under a separate engagement letter for that representation.

Our fee for these services is calculated on a per form basis. However, if necessary, we will also charge an additional amount, at our standard billing rate of $65/hour plus out-of-pocket expenses, for time spent organizing or reconciling your tax records. All invoices are due and payable upon presentation. On all outstanding balances we will charge interest of up to 22% per annum. In the event the fees are not paid in a timely manner, you will be responsible for the expenses incurred in collecting the amount due including collection fees and court costs. Currently, collection costs approximate 50% of the balance due on the account

If the foregoing fairly sets forth your understanding, please sign below in the space indicated and submit it to our office. A copy of the signed agreement will be provided to you. However, if there are other tax returns you expect us to prepare, such as gift and/or property, please inform us by noting so just below your signature at the end of the returned copy of this letter.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship. We sincerely appreciate this opportunity to work with you.

Very truly yours,

Monica R Kellogg CPA LLC

Monica R. Kellogg, CPA, LLC

I/we give my/our permission to prepare my/our 2011 and/or ______________ tax return(s) and I/we have read, understood and agree to the terms of this engagement.

I/we also agree to remain obligated to pay indebtedness even though I/we has such obligation discharged in bankruptcy or otherwise discharged by law.

____ ____________________

Taxpayer Signature & Printed Name **Date**

____ ____________________

Spouse Signature & Printed Name **Date**

NOTE: BOTH MUST SIGN THIS DOCUMENT, IF MARRIED (Exception: Surviving Spouse)

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If requesting the preparation of a business tax return (S Corp, C Corp or LLC) please indicate the name of your business:

Name of Business:

I give permission for the preparation of the 2011 and/or _______ federal business and, all relevant, state income tax returns and state annual reports (if applicable) for the business listed above. I have read, understood and agree to the terms of this engagement.

Furthermore, I, acting on behalf of the business listed above, agree to be held personally liable for and guarantee the payment of all services rendered by Monica R. Kellogg, CPA, LLC.

I also agree to remain obligated to pay indebtedness even though I, or the business I claim to represent, has such obligation discharged in bankruptcy or otherwise discharged by law.

____ ____________________

Signature **Date**

____

Printed Name & Title