



Larry K. Anderson, P.C.
Certified Public Accountant

Agreement for Preparing 2018 Individual Income Tax Returns

Thank you for the opportunity to assist you with the preparation of your individual income tax returns for 2018.

This letter will confirm the terms of our engagement with you and to clarify the nature and extent of the services we will provide regarding your income tax. The Internal Revenue Service imposes penalties upon taxpayers, and upon us as return preparers, for failure to observe due care in reporting for income tax returns. In order to ensure understanding of our mutual responsibilities, we ask all clients for whom we prepare tax returns to confirm the following arrangements.

We will prepare your 2018 federal and state income tax returns from information which you will furnish to us. We will make no audit or other verification of the data you submit, although we may need to ask you for clarification of some of the information. We will furnish you with questionnaires and/or worksheets to guide you in gathering the necessary information for us. Your use of such forms will assist us in keeping our fee to a minimum.

It is your responsibility to provide us with all the information required for the preparation of complete and accurate returns. You should retain 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 review them carefully before you sign 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. We will render such accounting and bookkeeping assistance as we find necessary for preparation of the income tax returns.

We will use our 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 wherever possible.

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The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or 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 government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Our fee for these services will be based upon the amount of time required at our standard billing rates, plus out-of-pocket expenses, subject to the attached minimum fee schedule. All invoices are due and payable upon presentation. A late charge of 1.5 % per month will be assessed on all past due amounts.

If the foregoing fairly sets forth your understanding, please sign this letter in the space indicated and return it to our office.

We want to express our appreciation for this opportunity to work with you.

Sincerely,

Larry K. Anderson, CPA

Accepted By:	Your Signature	_____
	Date:	_____
	Name (Print)	_____
	Address	_____
	City, St, Zip	_____



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Minimum Fee Schedule - 2019

Personal Returns

Long Form - Includes Sch A	\$ 425
Interest & Dividends	50
Business/Farm	125-200
Cap Gains/Losses	75
Stock Sales up to 6	75
Rental Property - 1st Prop	90
Additional Prop. (ea)	65
K-1 S Corp, Partnership, Estate or Trust (ea)	25
Other Sale	35

Adjustments to Income

Alimony Paid/Rec'd	15
Higher Education Expense	35
Teacher Deduction	5
Student Loan Interest	15

Tax Credits

Education Credits	75
Earned Income	10
Child Tax Credit	5
Child Care Credit	25
Foreign Tax	10
Other Tax Credits - Form 3800	45
Health Care Credit	75

Pension Items

IRA	25
SEP/Keogh	40
Premature Distrib.	30
Min. Distrib. Calc.	45
Non-Deduct. IRA Dist	45

Other Schedules

Business Income Deduction	\$ 50
Health Care Penalty	75
Home Office	75
Self-Employment Tax	10
Non-Cash Contributions	35
Extensions (Automatic)	15
Extensions balance due	150
Estimated Tax	175
Underpayment Penalty	35
Passive Loss	50
Net Operating Loss	75
Investment Interest	15
Depreciation	55
Alt. Minimum Tax	85
Casualty Loss	55
Installment Sale - First Year	100
Installment Sale - Prior Year	35
Like Kind Exch.	175
Discharge of Debt	65
Sec 179 Recapture	30
Add'l Medicare Tax	15
Net Invest Income Tax	15

Other Items

Out of State Return	125
Extra Copy of Return	10
Form W-4 Calculation	35
Re-run - Client Change	45
Trust Return	625
Corporation Return	725
Partnership Return	725
Audit Representation	180/hr

These are minimum fees assuming organized, neat, and complete information
There will be an additional charge for any schedule not listed and this will be discussed during your interview
Engagement letter agreements are required for all professional services



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**PLEASE INCLUDE THE FOLLOWING DOCUMENTS
WITH YOUR TAX INFORMATION**

- _____ 1. Your signed letter agreement.
- _____ 2. Your individual tax questionnaire.
- _____ 3. Your completed tax worksheet and itemized deduction checklist.
- _____ 4. All copies of W-2, 1099, and K-1 Forms.
- _____ 5. 1098 Forms reporting mortgage interest and property taxes paid.
- _____ 6. 1099 Forms reporting all stock and mutual fund sales for the year.
- _____ 7. Cost information for all stock and mutual funds sold.
- _____ 8. 1099 Forms reporting unemployment compensation, state tax refunds,
social security benefits, interest and dividends received.
- _____ 9. 1099 Forms for all IRAs or retirement funds transferred or distributed.
- _____ 10. List of retirement plan contributions by date and type (IRA, ROTH, SEP, Simple,
Keogh, etc.).
- _____ 11. Closing statements for all real estate purchases, sales, and refinancing.
- _____ 12. Social Security numbers of all dependents (if not previously supplied).
- _____ 13. Prior year tax returns (new clients only).
- _____ 14. Record of estimated tax payments made, including dates.
- _____ 15. Any other documents you feel may be needed.

Additional Information _____

2018 TAX YEAR WORKSHEET

Your name _____ SSN _____ Occupation _____
 Spouse name _____ SSN _____ Occupation _____
 Home Address _____
 City _____ State _____ Zip _____ County _____

Contact Numbers: Contact Info (You) Contact Info (Spouse) Birth dates
 Home _____ Cell _____ Cell _____ (You) _____
 Office _____ Email _____ Email _____ (Spouse) _____

Dependents:	<u>Name</u>	<u>Birth date</u>	<u>SSN</u>	<u>Relationship</u>	<u>Mos. lived with you during year</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

ITEMIZED DEDUCTION CHECKLIST

Medical Expenses

Prescription drugs \$ _____
 Health ins premiums \$ _____
 Medicare premiums \$ _____
 Long term care \$ _____
 Doctors/Dentists \$ _____
 Hospital \$ _____
 Medical lodging \$ _____
 Medical mileage \$ _____
 Lab and x-ray \$ _____
 Glasses, hearing aids \$ _____
 Other \$ _____

Taxes Paid

Real estate tax \$ _____
 Other property tax \$ _____
 State/local income tax \$ _____
 Sales tax paid (Cars, boats, etc) \$ _____

Interest Paid

Home mortgage 1st* \$ _____
 Home mortgage 2nd* \$ _____
 Investment interest expense \$ _____
 *(If paid to an individual, provide
 name, address and SSN)

Contributions **

Churches/Other \$ _____
 Goods donated \$ _____
 Charity mileage _____

Day care expenses* \$ _____

*(Provide amount paid for each child,
 name, address, tax id for each payee)

Education

Student loan interest \$ _____
 Education expenses* \$ _____
 *(Provide student name, school,
 grade/level, date paid.)

Alimony payments \$ _____

IRA contributions* \$ _____
 *(Please indicate Roth or Traditional)

Est. taxes paid Fed* \$ _____

Est. taxes paid State* \$ _____
 *(List amounts and dates paid)

Additional Information _____

****Receipts or cancelled checks are for ALL contributions and written confirmations for contributions of \$250 or more must be in your possession when your return is filed.**



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INDIVIDUAL TAX QUESTIONNAIRE 2018

Please answer the following questions and provide details for any question answered "Yes":

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1. Has your marital status changed since your last return? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Will the address on your current returns be different from that shown on your prior year returns? If yes, provide the new address and date moved. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Were there any changes in dependents from the prior year? If yes, provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are you entitled to claim a dependent due to a divorce decree? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Did any of your dependents have unearned income of \$1,050 or more? (\$400 if self-employed) | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Did any dependent child 19-23 years of age attend school less than 5 months during the year? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are any dependent children married and filing a joint return with their spouse? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Were any members of your household <u>not</u> covered by Health Insurance for all months in 2017? Please provide Forms 1095 | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Did you purchase health insurance through a public exchange? If yes, provide Form 1095 | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Did you receive income from any legal proceedings, cancellation of student loans or other indebtedness during the year? If yes, furnish details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Did you receive proceeds on property, which was taken from you by destruction, theft, seizure or condemnation? | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Did you sell, purchase or refinance a principal residence or other real estate? If yes, provide settlement sheet (HUD-1) and Form 1099-S. | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Did you receive tip income not reported to your employer? | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Did you use any mortgage loan proceeds for any purpose other than to buy or improve your home? | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Did you surrender any U.S. savings bonds, or use EE bonds to pay for education expenses? | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. Did you receive any disability payments this year? | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Did you or do you wish to make an IRA or Roth IRA contribution? Provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Did you "convert" IRA funds into a Roth IRA? If yes, provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. Did you receive any distribution from an IRA or other qualified plan that was partially or totally rolled over into another IRA or qualified plan within 60 days of the distribution? | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. If you received an IRA distribution, which you did not rollover, provide details (Form 1099R). | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. If you are age 70 or older, did you fail to withdraw your required minimum distributions from IRAs and/or pensions? | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. If over 70 ½ did you make a contribution from your IRA directly to a charitable organization? | <input type="checkbox"/> | <input type="checkbox"/> |
| 23. Did you contribute to or receive distributions from a Health Savings Account? If yes, provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 24. Were you granted any restricted stock or stock options, or did you exercise any stock options? If yes, provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 25. Did you receive unemployment compensation? If yes, provide Form 1099. | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. Do you have any worthless securities or any loans that became uncollectible this year? | <input type="checkbox"/> | <input type="checkbox"/> |
| 27. Did you collect on any installment contracts? If yes, provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 28. Did you receive or pay any Alimony during the year? If yes, provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 29. Did you have foreign income or pay any foreign taxes? Did you have any interest in, or signature, or other authority over a bank, securities, or other financial account in a foreign country? Were you the grantor, transferor or beneficiary of a foreign trust? | <input type="checkbox"/> | <input type="checkbox"/> |
| 30. Did you use, receive, purchase, or sell cryptocurrency (Bitcoin)? | <input type="checkbox"/> | <input type="checkbox"/> |

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INDIVIDUAL TAX QUESTIONNAIRE 2018

Please answer the following questions and provide details for any question answered "Yes":

- | | YES | NO |
|--|--------------------------|--------------------------|
| 31. Did you make any energy efficient improvements to your home? If yes, provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 32. Did you incur expenses as an elementary or secondary educator? If yes, provide details. | <input type="checkbox"/> | <input type="checkbox"/> |
| 33. If you or your spouse has self-employment income, do you want to make a retirement plan contribution? | <input type="checkbox"/> | <input type="checkbox"/> |
| 34. If you or your spouse has self-employment income, did you pay any health insurance premiums or long term care premiums?
If yes, were you or your spouse eligible to participate in an employer's health insurance plan? | <input type="checkbox"/> | <input type="checkbox"/> |
| 35. Did you pay any household employee over age 18 wages of \$2,000 or more? If yes, please provide W2s. | <input type="checkbox"/> | <input type="checkbox"/> |
| 36. Did you make any gifts during the year directly or in trust exceeding \$15,000 per person? | <input type="checkbox"/> | <input type="checkbox"/> |
| 37. Did you start a business? | <input type="checkbox"/> | <input type="checkbox"/> |
| 38. Did you purchase rental property? | <input type="checkbox"/> | <input type="checkbox"/> |
| 39. Did you acquire or dispose of any interests in partnerships, LLCs or S corporations this year? Provide K-1. | <input type="checkbox"/> | <input type="checkbox"/> |
| 40. Do you have records to support business travel and meal expenses? The documentation should include amount, time and place, date, business purpose, description of gift(s) (if any), and business relationship of recipient(s). | <input type="checkbox"/> | <input type="checkbox"/> |
| 41. Were you a resident of, or did you earn income in, more than one state during the year? | <input type="checkbox"/> | <input type="checkbox"/> |
| 42. Do you owe sales/use tax from out of state purchases? | <input type="checkbox"/> | <input type="checkbox"/> |
| 43. Do you expect a large fluctuation in your income, deductions or withholding next year? | <input type="checkbox"/> | <input type="checkbox"/> |
| 44. Do you or your spouse have any outstanding child or spousal support payments or federal debt? | <input type="checkbox"/> | <input type="checkbox"/> |
| 45. Are you aware of any changes to your income, deductions and credits reported on a prior year's returns? | <input type="checkbox"/> | <input type="checkbox"/> |
| 46. Has the IRS, or any state or local taxing agency, notified you of changes to a prior year's tax return? If yes, provide copies of all notices/correspondence received. | <input type="checkbox"/> | <input type="checkbox"/> |
| 47. If you owe federal tax upon completion of your return, are you able to pay the balance due? | <input type="checkbox"/> | <input type="checkbox"/> |
| 48. Do you want any overpayment of taxes applied to next year's estimated taxes? | <input type="checkbox"/> | <input type="checkbox"/> |
| 49. Do you want any remaining federal refund deposited directly to your bank account? If yes, enclose a voided check. | <input type="checkbox"/> | <input type="checkbox"/> |
| 50. Do you want any balance due directly withdrawn from this same bank account on the due date? | <input type="checkbox"/> | <input type="checkbox"/> |
| 51. Do you want next years estimated tax payments withdrawn from this same bank account on the due date? | <input type="checkbox"/> | <input type="checkbox"/> |
| 52. Do you wish to have \$3 (or \$6 on joint return) of your taxes applied to the Presidential Campaign Fund? | <input type="checkbox"/> | <input type="checkbox"/> |
| 53. Do you wish to contribute to any state fund(s)? If yes, indicate amount(s) and which fund(s): | <input type="checkbox"/> | <input type="checkbox"/> |
| 54. Do you want your copies of your returns printed on paper? Check NO to download from our secure web site and help us save paper and printing costs. | <input type="checkbox"/> | <input type="checkbox"/> |

Tax Year	<u>2018</u>	Taxpayer's Name	_____
Date	_____	Taxpayer's Signature	_____
Date	_____	Preparer's Signature	_____

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