

January 2, 2020

With the end of your fiscal year now here, it is time once again to begin compiling information for your business's annual tax return filing.

Below you will find a checklist to guide you in your efforts. Should you find that something is missing from this list, simply make a note and include it with the other documents.

Please check the corresponding box if you have included the requested item. It is also helpful if you include a copy of this letter with your information.

- For clients on QuickBooks (QB): QuickBooks Backup as of 12/31/2019. Please include QB version, User Name and Password to access the file. If you are using QuickBooks Online (QBO) and have not already, please invite us as an accountant user using email: [spmcmahon@spmandco.com](mailto:spmcmahon@spmandco.com)
- For clients on Peachtree or a proprietary accounting package: Please provide the following reports in excel:
  - a. Trial balance at 12/31/2019
  - b. Balance Sheet at 12/31/2019 and Profit & Loss for the year ended 12/31/2019
  - c. Complete general ledger (if possible)
  - d. AR & AP Aging(s) at 12/31/2019
- For clients not using an electronic accounting package: Please provide a summary of income and expenses.
- Bank Statements for December 2019 and corresponding 12/31/2019 Reconciliation for all bank accounts.
- Invoices/Purchase Documents for new assets purchased during the last year exceeding \$2,500.
- Statements from any bank loans as of 12/31/2019 showing principal balance and interest paid during 2019.
- Interest Income 1099's.
- Payroll Tax Returns for all four quarters (Forms 941, 940, W-3, W-2)
- Schedule of Officer's Salaries.
- Payroll Report/Register for the LAST week of December 2019 and the FIRST week of January 2020.
- Auto Mileage broken down into Personal Use, Commuting, and Business for all business related automobiles.
- Sales, Meals, and Payroll Tax Liabilities as of 12/31/2019 (January payment receipt).
- Schedule of Rental Income/Expenses as of 12/31/2019.
- Schedule of Inventory on hand as of 12/31/2019.
- Schedule of Prepaid expenses as of 12/31/2019.

- Schedule of Accrued expenses as of 12/31/2019.
  - Schedule of other assets or liabilities as necessary.
  - Schedule of Officer's Health Insurance Premiums paid during 2019.
  - Any out of pocket expenses paid through the year.
  - A current email address where you may be contacted throughout the year (if changed).
- Possible tax return filing requirements in states other than your Company's Home State. The issues relating to whether a business is required to file and pay taxes to other states can be complex. The rules vary from state to state and changes in your business activity may impact your filing requirements from year to year.

The following are some of the factors that may indicate whether your business is subject to tax when doing business in a state other than your home state:

- If the business has a physical location in the state (e.g. office, store, warehouse or factory)
- If there are resident employees working in the state
- If the business owns or leases property or equipment (including intangible property) in the state
- If there are employees who regularly solicit business in the state
- If the business has an economic presence in the state

We would be happy to discuss this issue further with you and evaluate whether you may have a filing requirement in any other state upon your request.

- Did the corporation make any payments in 2019 that would require it to file Form(s) 1099?

If "Yes," did or will the corporation file all required Forms 1099?

Should you have any questions, or if you would like to set up an appointment to review your year-end information with me, please do not hesitate to call us at (508) 775-0518.

Best regards,



Stephan P McMahon, CPA & CVA