Donovan CPAs

PARTNERSHIP TAX PACKET

December 1, 2018

Dear Client:

Enclosed in this packet you will find various forms to assist you in gathering the information necessary to prepare current year tax returns for your business. Please read the information contained in this packet carefully as there are some items that are time sensitive depending on the applicable due date.

- Partnership Tax Return Engagement Letter
- Personal Property Tax Information
- Partnership Tax Organizer
- Information and Worksheet for Issuing 1099 Forms
- Electronic Services

The due date for filing a Partnership income tax return with a calendar year end is March 15th.

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

Sincerely,

DONOVAN

www.cpadonovan.com
Westside Office | 5151 E. US Hwy 36, Avon, IN 46123 | 317.745.6411
Northside Office | 9292 N. Meridian Street, Suite 150, Indianapolis, IN 46260 | 317.844.8300

PARTNERSHIP/LLC/LLP TAX RETURN ENGAGEMENT LETTER

Dear Client:

This letter is to confirm and specify the terms of our engagement for the year ended December 31, 2018 and to clarify the nature and extent of the services we will provide.

Our engagement will be designed to perform the following services:

1. Prepare the federal and resident state income tax returns with supporting schedules from information that you will provide to us. ***If you have taxable activity in a state other than your resident state, you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s) or local income tax returns.***

2. Perform any bookkeeping necessary for preparation of the income tax returns.

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. If we discover any errors or omissions on a prior year return we will also bring that to your attention.

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 whenever possible.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. Because this is an entity whose tax attributes flow through to its partners or members, the penalty for substantial understatement of tax relating to this entity may be imposed on the partners or members.

Management is responsible for the proper recording of transactions in the books of accounts, for the safeguarding of assets, and for the substantial accuracy of the financial records. **You have the final responsibility for the income tax returns and, therefore, you should carefully review them before you sign and file them.**

The filing deadline for the tax return is **March 15th**. In order to meet this filing deadline, the information needed to complete the return should be received in this office no later than **February 1st** or it may be necessary to file an extension.

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

Your returns may be selected for review by 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 and fee.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. Invoices that are over 30 days past due will be charged a service charge of 1.5% per month. Due to the expanded reporting requirements resulting from the 2018 Tax Cuts & Jobs Act as it pertains to the Section 199a pass-through deduction and the additional preparation time that will be required to fully comply with these requirements, our fees for partnership tax returns can be expected to increase up to 25% from the 2017 tax return.

It is our policy to keep records related to this engagement for seven years. However, Donovan does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Donovan shall be free to destroy our records related to this engagement.

This engagement letter does not cover the preparation of any financial statements. Any services related to the preparation of financial statements will be addressed in a separate engagement letter.

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 serve you.

Very truly yours,

DONOVAN

Accepted By: ____

Company Name: __________________________________

Title: ____________________________

Date: ____________________________

Donovan CPAs

PERSONAL PROPERTY TAX INFORMATION

Dear Client:

Please note the changes regarding business personal property tax assessment:

As of January 1, 2017, taxpayers with tangible personal property costing less than $20,000, will no longer be required to file form 104. Taxpayers will still be required to file form 103 with the County Assessor by **May 15th** of each year. We will prepare this form for you if we have completed forms 103 and 104 for you in the past.

Please provide the following no later than April 15, 2019:

- Inform our firm if you plan to be out of town the 2nd week of May. We want to ensure your completed, signed return will arrive at the County Assessor's office in a timely manner.
- Have all pertinent documentation to our office, even if your business tax return has been extended.
- Provide all current equipment leases.
- Notify us if the address of the property being assessed has changed since the prior personal property tax was filed.

We are grateful for the loyal trust that you continue to have in the Personal Property Tax services that we offer. If you no longer require Personal Property Tax preparation, please contact Todd Decker at (317)-745-6411 or tdecker@cpadonovan.com. Thank you for allowing our staff to continually meet your tax needs. It is our goal to exceed our clients' expectations.

PARTNERSHIP TAX ORGANIZER

Partnership: ______________________________

Address: ______________________________

Telephone: ______________________________

Email: ______________________________

	Included	N/A
1. A signed copy of the partnership tax return engagement letter.		
2. Copies of financial statements, trial balances, and summary of income and expenses for the year OR A complete back-up of the Partnership's QuickBooks file. Please provide: User Name: ____________ Password: ____________		
3. Bank statements and reconciliations at year end for all bank accounts.		
4. Accounts receivable year end detail and balance.		
5. Accounts payable year end detail and balance.		
6. Inventory balance, at cost, and the date physical inventory was taken.		
7. Copies of invoices for any equipment purchases over $500 during the year.		
8. Detail for any assets sold, disposed of, or traded during the year.		
9. Copies of any new leases for vehicles, equipment, or office space.		
10. Copies of any new bank loans obtained during the year.		
11. Loan balances for each business loan at year end.		
12. Copies of year end payroll reports and forms (if not prepared by Donovan).		
13. Business mileage on Partners' personal vehicles.		
14. If the Partnership paid health insurance premiums for any of the partners, please provide the amount paid for each partner.		
15. If the Partnership paid life insurance premiums for any of the partners, please provide the amount paid for each partner.		
16. If the Partnership had sales in multiple states, please provide the physical addresses, a breakdown of sales, payroll, rent expense and depreciable asset purchases by state.		

	Included	N/A
17. Copies of any federal or state tax correspondence received throughout the year.		
18. Information on any changes in ownership or number of locations.		
19. Copies of all K-1 Schedules, 1099 Forms and any other information returns reflecting amounts reported to the IRS that were received by the Partnership. NOTE: The IRS matches information returns with amounts reported on income tax returns. Penalties may be assessed where there is unreported income.		
20. List of charitable contributions made during the year by organization, date and amount. NOTE: You must have receipts for all contributions. You must have written acknowledgment from the charity for each contribution over $250.		
21. A copy of the 2018 Form W-3 filing		

	YES	NO
22. Did the Partnership at any time during the year have an interest in a foreign bank or financial account?		
23. Did the Partnership have any foreign partners at any time during the year?		
24. Did the Partnership restructure any outstanding debt or have any debt forgiven this year?		
25. Did the Partnership make political contributions during this tax year?		
26. Is the Partnership the beneficiary of any life insurance policies on any employees?		

		Included	N/A
17.	Copies of any federal or state tax correspondence received throughout the year.		
18.	Information on any changes in ownership or number of locations.		
19.	Copies of all K-1 Schedules, 1099 Forms and any other information returns reflecting amounts reported to the IRS that were received by the Partnership. NOTE: The IRS matches information returns with amounts reported on income tax returns. Penalties may be assessed where there is unreported income.		
20.	List of charitable contributions made during the year by organization, date and amount. NOTE: You must have receipts for all contributions. You must have written acknowledgment from the charity for each contribution over $250.		

		YES	NO
21.	Did the Partnership at any time during the year have an interest in a foreign bank or financial account?		
22.	Did the Partnership have any foreign partners at any time during the year?		
23.	Did the Partnership restructure any outstanding debt or have any debt forgiven this year?		
24.	Did the Partnership make political contributions during this tax year?		
25.	Is the Partnership the beneficiary of any life insurance policies on any employees?		

Donovan CPAs

Dear Client,

Thank you for allowing us to assist with the preparation of your 1099s. We are pleased to confirm our understanding of the services we are to provide for you for the year ending December 31, 2018. We will prepare 1099s solely from the information provided to us, and only individuals for whom we have received written information. We will not audit, review or independently verify the information you provide to us.

Please remember that the IRS requires business owners to file 1099s for unincorporated payees who were paid more than $600 in 2018. Keep in mind that Donovan CPAs is not an eligible entity to receive a 1099 for our services because we are incorporated. The due dates for 1099s are listed below:

- 1099-MISC
  - Due to the recipient by January 31, 2019
  - Due to the IRS by January 31, 2019
- All other 1099s
  - Due to the recipient by January 31, 2019
  - Due to the IRS by February 28, 2019

Please complete the attached "1099 Information Sheet" and include the following information for each recipient:

- Business Name/Individual Name
- EIN/SSN
- Address
- Amount Paid
- Payment Type (i.e. – contract labor, rent, interest, etc.)

If we do not receive information by January 20, 2019, we cannot guarantee the 1099s will be prepared by the due dates outlined above. The 1099 preparation services are billed at our standard rates.

Please sign and date below and return this form along with your "1099 Information Sheet." Thank you, again, for allowing us to serve you.

Sincerely,

DONOVAN

Your signature below signifies you have read this letter and agree to the terms of this engagement.

Client Name (Print) ____________________________________

Client Signature _______________________________________ Date ______________________

Donovan CPAs

1099 Information Sheet

Questions? Please call Amy Carter at 317.745.6411 or email form1099@cpadonovan.com

	PAYER Information
Individual Name	
Company Name	
SSN/EIN	
E-mail	
Phone Number	
Street Address	
City, State Zip Code	
Delivery of Recipient Forms	Mail forms to payer ○ Mail forms to recipient(s) ○ Call for pickup ○

	1099 RECIPIENT Information
Recipient Name	
EIN/SSN	
Name of Business (if applicable)	
Address	
Payment Type (contract, rent, etc.)	
Amount Paid	

	1099 RECIPIENT Information
Recipient Name	
EIN/SSN	
Name of Business (if applicable)	
Address	
Payment Type (contract, rent, etc.)	
Amount Paid	

	1099 RECIPIENT Information
Recipient Name	
EIN/SSN	
Name of Business (if applicable)	
Address	
Payment Type (contract, rent, etc.)	
Amount Paid	

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Recipient Name	
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Name of Business (if applicable)	
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Payment Type (contract, rent, etc.)	
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	1099 RECIPIENT Information
Recipient Name	
EIN/SSN	
Name of Business (if applicable)	
Address	
Payment Type (contract, rent, etc.)	
Amount Paid	
	1099 RECIPIENT Information
Recipient Name	
EIN/SSN	
Name of Business (if applicable)	
Address	
Payment Type (contract, rent, etc.)	
Amount Paid	
	1099 RECIPIENT Information
Recipient Name	
EIN/SSN	
Name of Business (if applicable)	
Address	
Payment Type (contract, rent, etc.)	
Amount Paid	
	1099 RECIPIENT Information
Recipient Name	
EIN/SSN	
Name of Business (if applicable)	
Address	
Payment Type (contract, rent, etc.)	
Amount Paid	

ELECTRONIC ENHANCEMENTS

We are utilizing our new Donovan Secure Client Portal, text message notifications and RightSignature to better serve you. Please visit our website at www.cpadonovan.com/signup to enroll in our portal and text message notifications.

Secure Client Portal

You will be able to take advantage of these great features in the privacy of your own home or via the NetClient CS mobile app:

- Obtain copies of your tax returns by simply downloading files
- Monitor your tax return and financial reports in one place
- Access your financial files anywhere you have an internet connection
- Upload tax preparation documents to share with our tax preparers

Text Message Notifications

- Receive a mobile text message when your return(s) are ready for pick-up
- Stay informed with communications from Donovan

RightSignature

- Review and securely sign documents on any computer, smartphone, or tablet
- No more attachments, printing, or faxing. RightSignature guides you through signing documents

Please contact our office for additional information.