

2016 Engagement Letter and Tax Organizer Questions
prepared for:

Tax Client

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Your 2016 Engagment Letter must be signed and the Tax Organizer Questions should be completed to the best of your ability and returned with your tax documents. If you have any questions, be sure to give us a call or email your questions.

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2016 Engagement Letter for Tax Return Preparation

Dear Tax Client:

We appreciate the opportunity to work with you and to assist and advise you regarding your 2016 income tax return. This engagement letter is designed to confirm the terms and conditions under which we will provide you with tax services. It also outlines the responsibilities for each of us in this process. It is important that you read, sign, and return this engagement letter with your tax documents. Without a signed engagement letter, we will be unable to complete your tax filing.

Tax Preparation:

- We will prepare your federal and state tax return(s) with supporting schedules for the applicable tax year based upon information you provide us.
- You will provide any requested records needed in order to complete the tax return(s) preparation. Original records will be returned upon completion of the tax return(s), however, photocopies or scanned copies will be accepted as long as all pages and both sides of documents are included. We are not responsible for lost, damaged, or stolen records.
- You will provide all information to us no less than 15 days prior to the expected delivery date of the tax return(s). Although we will file a tax extension (Form 4868) for you if your return(s) are not done by the filing deadline, ultimately you may be subject to late filing penalties and interest charges because of the delay.
- We will not audit or otherwise verify your records to discover errors or omissions, should any exist. However, if we find irregularities or unusual items, we will bring them to your attention and/or ask for clarification.
- We will provide bookkeeping assistance necessary to complete the tax preparation at an additional charge.
- You confirm that income and expense items you claim are substantiated by proper records and receipts, and can furnish such documentation in the event of an audit.
- You confirm that the information you provide is accurate and complete to the best of your knowledge.
- You are ultimately responsible for the accuracy of the tax return(s) and should review all documents carefully before signing.

Fees & Payment:

- Tax preparation fees are due at the time the return is complete and must be paid within 15 days of acceptance by the IRS, or by payment arrangement.
- We reserve the right to ask for a retainer to be paid in advance of work done from new clients and any client with whom we have experienced payment issues.
- We continue to accept MasterCard and Visa payments as a courtesy to our clients. If a payment plan is needed, please ask before we start processing your tax return.
- If you terminate this engagement before completion, you agree to pay a minimum fee of \$25.00, or for actual time and expenses incurred prior to the date of termination, even if the tax return(s) are not completed.
- In the event the client has any past due balances, we reserve the right to cease working on your tax return(s) or providing any other services until the balance has been paid in full or other acceptable payment arrangements have been made.
- Past due balances of more than 30 days are subject to 18% annual interest.
- At anytime after 90 days past due, your account may be sent to collections. You are responsible for any court costs, attorneys' fees, and any costs resulting from collection attempts.
- All preparation fees are invoiced per tax return per tax year.
- Our fees are based on a per form fee with additional fees added based upon the complexity of your tax return(s) and any additional out-of-pocket expenses we might incur.

Important Notices:

- Where tax law is ambiguous or unclear, we will use our best judgment. Unless otherwise instructed by you, we will resolve such questions, when possible, in your favor.
- Penalties can be imposed when taxpayers understate their tax liability.
- If an extension of time is required, any estimated taxes owed must be paid when the extension is filed. Any amounts not paid by the filing deadline are subject to interest and late payment penalties.
- The IRS does not permit us to discuss your tax return except if authorized by the client by checking a specific box on your tax return. Unless otherwise instructed by you, we will check the box which authorizes the IRS to discuss your tax return with us. Additionally, we may ask you to sign a Form 8821-Tax Information Authorization. Signing this form will insure

that we receive any notices you might receive thus insuring timely responses as needed.

- Your tax return(s) may be selected for audit by tax authorities. We are available to assist you in response to correspondence. However, we reserve the right to invoice for additional time and expenses incurred.
- One printed and one electronic copy of your tax return(s) will be provided to you for your files. Additional copies are available for a \$25 fee. These expenses may apply to additional electronic copies for the time and effort involved in providing this service.
- If you require us to release a copy of your tax return(s) to a 3rd party (e.g. mortgage lender) we will require your permission in writing or via email. Postage and copy fees stated above may be invoiced for this effort (\$25 minimum).
- The IRS recommends that you keep your tax return and documentation for a minimum of three years. We recommend seven years.

Privacy Policy Notice:

It has always been the policy of Bottom Line Accounting to keep all information that we collect from you confidential from all sources. We restrict access to all nonpublic personal information about you to members of our firm who need to know that information to provide services to you. We maintain physical, electronic, and procedural safeguards to guard your nonpublic personal information. We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as instructed by you in writing or as required by law as listed below:

- Requirements to comply with federal, state, or local law.
- Requirements to comply with national, state, or local licensing rules.
- Requirements to disclose information in response to legal subpoenas.
- Items you permit or request us to disclose, as authorized by you in writing.
- Information that you authorize us to disclose by signing this engagement letter to electronically file your tax return.

By signing below you agree that you have read, understand, and accept your obligations and responsibilities stated above, plus you understand our responsibilities and limit of liabilities as explained above. By signing, you also acknowledge receipt of our Privacy Policy. For a joint return, both the taxpayer and spouse must sign (except for a surviving spouse).

We appreciate the opportunity to serve you. If you have any questions, be sure to contact us for further explanation by phone at (910) 424-0004 or by e-mail at NonaFisher@aol.com.

2016 Engagement Accepted by Taxpayer(s):

Taxpayer's Signature

Spouse's Signature

Taxpayer's Printed Name Date

Spouse's Printed Name Date

Accepted by BLA Representative:

BLA Representative Signature Date

BLA Representative Printed Name

2016	1040	US	Miscellaneous Questions
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It is extremely important that we have answers to the following questions as we work to complete your 2016 tax return and insure that we are meeting the IRS Due Diligence requirements for your 2016 tax return.

Please answer as many of the following questions pertaining to your 2016 tax return as possible. If there are questions you are unsure of, we will be happy to assist you with those questions.

PERSONAL INFORMATION

Yes No

On December 31, 2016, were you ___ Married ___ Single?

What is your job title? _____
Spouse's job title? _____

May we contact you by e-mail?
Taxpayers preferred e-mail address: _____
Spouses's preferred e-mail address: _____

If you are married and filing separately from your spouse, will they itemize deductions?

If filing Married Filing Separately, please give your spouses full name and social security number as it appears on their Social Security Card:

Did your address change during the year? If yes, please record new address:

Could you be claimed as a dependent on another person's tax return for 2016?

Did any of the taxpayers or dependents that were on last year's tax return pass away or become legally blind during the year? If yes, explain: _____

DEPENDENTS

Yes No

Were there any changes in dependents? If yes, explain: _____

2016	1040	US	Miscellaneous Questions
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- Were any of your unmarried children, who might be claimed as dependents, 19 years of age or older at the end of 2016?
- Did any of your children under age 19 or who were full-time students under age 24 at the end of 2016 have a total investment income in excess of \$350?
- Do you have dependents who must file a tax return?
- If your dependent(s) need to file a tax return, would they like Bottom Line Accounting to prepare their tax return(s)?
- Did you provide over half the support for any other person(s) other than your dependent children during the year? If yes, explain:

- Did you pay for ___ childcare or ___ adult daycare while you worked or looked for work?
- Did you pay any expenses related to the adoption of a child during the year?
- If you divorced or separated with child(ren), do you have a divorce decree or other form of separation agreement which establishes custodial responsibilities?

GENERAL

- | Yes | No | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Do you have ALL records to substantiate the personal and business deductions you are claiming on your 2016 tax return, including a MILEAGE LOG? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you ___ pay or ___ receive alimony in 2016?
Paid to or Received from: _____
Social Security Number: _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | Do you need to file a State Tax Return other than North Carolina for any reason? |
| <input type="checkbox"/> | <input type="checkbox"/> | Do you know of any changes to a prior year's tax information which would require an amended tax return? |
| <input type="checkbox"/> | <input type="checkbox"/> | Have you been a victim of tax related identity theft? If you received an Identity Theft Pin from the IRS, you will need to provide this information for electronic filing. |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you pay anyone <u>not in business</u> \$2,000 or more in 2016 for ___ housekeeping, ___ babysitting, ___ home health care, ___ yard work, etc.? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you, or your spouse, have bank accounts in foreign countries that together had a balance of over \$10,000 at any time in 2016? |

2016	1040	US	Miscellaneous Questions
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Did you, or your spouse, make gifts of over \$14,000 (cash or property) to any individual(s) during 2016?

Was your home rented out or used for business?

Did you incur moving expenses due to a change of employment?

HEALTH CARE COVERAGE

Yes No

Did you, your spouse, and your dependents (that is anyone you claim on your tax return) have healthcare coverage, such as employer-sponsored coverage or government-sponsored coverage (i.e. Medicare/Medicaid/VA Benefits/Tri-Care) for the full-year?

Did you receive any of the following IRS Documents? ___ Form 1095-A (Health Insurance Marketplace Statement), ___ 1095-B (Health Coverage) or ___ Form 1095-C (Employer Provided Health Insurance Offer and Coverage) One of these forms will be REQUIRED this year to prove health coverage unless you were exempt.

If you or your dependents did not have health care coverage during the year, do you fall into one of the following exemption categories: ___ Indian tribe membership, ___ health care sharing ministry membership, ___ religious sect membership, ___ incarceration, ___ general hardship or ___ unable to renew existing coverage? If you received an exemption certificate we will need to see that document.

Did you make any contributions to a Health Savings Account (HSA) or Archer MSA? If you did, you should receive a Form 5498-SA which is needed to prepare your tax return.

Did you receive any distributions from a Health Savings Account (HSA) or Archer MSA? If you did, you should receive a Form 1099-SA which is needed to prepare your tax return.

Did you pay long-term care premiums for yourself or your family?

INCOME

Yes No

Did you, or your spouse, work for an employer and receive a W-2? Please provide final pay stub along with W-2's. There may be deductible items that can only be found on your final pay stub.

Did you, or your spouse, receive unreported tip income of \$20 or more in any month?

Did you, or your spouse, cash any Series EE U.S. savings bonds issued after 1989 and pay qualified higher education expenses for yourself, your spouse, or your dependents?

Did you, or your spouse, receive any ___ Social Security Benefits, ___ unemployment benefits, or ___ disability income during the year?

2016	1040	US	Miscellaneous Questions
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- Did you, or your spouse, have any foreign income or pay any foreign taxes?
- Did you, or your spouse, receive any ___ awards, ___ prizes, ___ hobby income, ___ gambling or ___ lottery winnings?
- Did you, or your spouse, have any debts cancelled or forgiven? This would be reported to you on a Form 1099-C or Form 1099-A.
- Did you, or your spouse, have any interest or ownership in a ___ partnership, ___ LLC, or ___ S Corporation?
- Did you, or your spouse, own any rental property?
- Did you, or your spouse, run a sole-proprietorship business at any time during 2016?

INTEREST, DIVIDENDS, AND CAPITAL GAINS FROM INVESTMENTS

Yes No

- Did you receive ___ interest, ___ dividends, ___ capital gains distributions or did you sell ___ stock or ___ mutual funds in 2016? Please provide all related 1099 forms, these are the Year End Brokerage Statements (ALL pages).

RETIREMENT PLANS

Yes No

- Did you receive a distribution from a retirement plan ___ 401(k), ___ 403(b), ___ IRA, ___ SEP, ___ SIMPLE, ___ Qualified Plan, disability yes, you should receive a Form 1099-R which is needed to prepare your tax return.
- If this was a distribution before age 59 1/2, was it due to ___ disability, ___ death, ___ divorce, ___ first-time home purchase, ___ education, ___ medical expenses, ___ unemployment, ___ military service, ___ separation from company (after age 55), or ___ IRS levy?
- If you are age 70 1/2 and have an IRA or other retirement plan, have you taken your Required Minimum Distribution?
- Did you make a contribution to a retirement plan ___ 401(k), ___ 403(b), ___ IRA, ___ SEP, ___ SIMPLE, ___ Qualified Plan, ___ other?
- Did you transfer or rollover any amount from one retirement plan to another retirement plan?
- Did you convert part or all of your ___ traditional, ___ SEP, or ___ SIMPLE IRA to a Roth IRA in 2016?

2016	1040	US	Miscellaneous Questions
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PURCHASES, SALES, AND DEBT

Yes No

- Did you start a ___ business or ___ farm, ___ purchase rental or ___ royalty property, or ___ acquire an interest in a ___ partnership, ___ S corporation, ___ trust, or ___ REMIC?
- Did you purchase or dispose of any business assets (furniture, equipment, vehicles, real estate, etc.), or convert any personal assets to business use?
- Did you buy or sell any stocks, bonds or other investment property in 2016?
- Did you sell or do you plan to sell any dividend generating stocks or mutual funds during the first 60 days of 2017?
- Did you ___ purchase, ___ sell, or ___ refinance your principal home or second home, or did you take a ___ home equity loan?
- Did you make any residential energy-efficient improvements or purchases involving solar, wind, geothermal or fuel cell energy sources?
- Does anyone owe you money which has become uncollectible?

EDUCATION

Yes No

- Did you pay any student loan interest during 2016? If yes, you should receive a Form 1098-E for each student loan account. This form(s) will be needed to prepare your tax return.
- Did you make any contributions to an education savings or 529 Plan account?
- Did you receive a distribution from an Education Savings Account or a Qualified Tuition Program?
- Did you, your spouse, or a dependent incur any educational expenses that were required to attend a college, university, or vocational school?
- Did you, your spouse, or a dependent receive a Form 1098-T for tuition paid in 2016?

ITEMIZED DEDUCTIONS

Yes No

- Did you pay for ___ health care insurance, ___ Medicare, ___ Medicare supplement, or ___ long term care insurance with after-tax dollars?

2016	1040	US	Miscellaneous Questions
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- | | | |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Did you pay medical bills to include: ___doctors, ___dentists, ___prescriptions, ___insulin, ___eyeglasses, ___contact lenses and solution, ___medical supplies, ___hearing aids and batteries, ___other medically necessary expenses, and ___home renovations made for medical reasons. |
| <input type="checkbox"/> | <input type="checkbox"/> | Can you provide documentation for mileage driven for medical purposes? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you buy a motor vehicle(s) in 2016? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you register and pay property taxes on a motor vehicle(s)? |
| <input type="checkbox"/> | <input type="checkbox"/> | Do you own and pay property taxes on a ___home, ___second home (including ___motorhome or ___house boat that qualifies), ___or other property? |
| <input type="checkbox"/> | <input type="checkbox"/> | Have you made cash contributions to charity? You MUST have receipts. |
| <input type="checkbox"/> | <input type="checkbox"/> | Have you made donations of property (i.e. clothes, furniture, computers, food, household items, etc.) You MUST have receipts. |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you incur a ___casualty loss or ___stolen property? Generally, losses (after insurance reimbursement) must be more than 10% of your income, unless in a Federally declared disaster area. |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you ___work out of town for part of the year or have ___job related expenses which were not reimbursed? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you use your car on the job (other than going to and from work)? Do you have a mileage log? |
| <input type="checkbox"/> | <input type="checkbox"/> | Did you make any out-of-state purchases (by telephone, internet, mail, or in person) for which the seller did not collect NC State sales and use tax? |

ESTIMATED TAXES

- | | | | |
|--------------------------|--------------------------|----|--|
| | Yes | No | |
| <input type="checkbox"/> | <input type="checkbox"/> | | Did you make estimated Federal or State income tax payments? Please provide proof of amount paid and date paid. |
| <input type="checkbox"/> | <input type="checkbox"/> | | Did you apply an overpayment of 2015 taxes to your 2016 estimated tax (instead of receiving a refund)? |
| <input type="checkbox"/> | <input type="checkbox"/> | | If you have an overpayment of 2016 taxes, do you want the excess applied to your 2017 estimated tax (instead of being refunded)? |
| <input type="checkbox"/> | <input type="checkbox"/> | | Do you expect your 2017 taxable income and withholdings to be substantially different from 2016? |

MISCELLANEOUS

	Yes	No
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2016	1040	US	Miscellaneous Questions
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- Do you want to electronically file your tax return?
- Do you want to allocate \$3 to the Presidential Election Campaign Fund?
- Does your spouse want to allocate \$3 to the Presidential Election Campaign Fund?
- May the IRS discuss your tax return with your preparer?
- Were you notified or audited by either the Internal Revenue Service or the State taxing agency?

FINANCIAL INSTITUTION

Yes No

- Did your bank account information change within the last twelve months?

If you would like to have any 2016 Federal refund deposited directly into your financial account, please supply the updated bank information for your ___ Savings Account or ___ Checking Account:

Rounting Number: _____
Account Number: _____

- Do you want to use this same financial information for any 2016 State refunds?

Completed by:

Signature: _____

Printed Name: _____ Date: _____

Please review the Client Information and Dependents (if applicable) sections on the following page. Please complete and/or update any information that is missing or needs updating.

Please make sure that you complete the Health Coverage Form for each individual whose name will be listed on the 2016 tax return. This is a very important part of the Due Diligence requirements.

2016 1040 US Tax Organizer

Bottom Line Accounting
 P.O. Box 40935
 Fayetteville, NC 28309-0935
 Telephone number: (910) 424-0004
 Fax number: (910) 424-1803
 E-mail address:

Tax Return Appointment

Date:
 Time:
 Location:

This tax organizer will assist you in gathering information necessary for the preparation of your 2016 tax return. Please enter all pertinent 2016 information. If you have attached a government form for an item, check the box and do not enter a 2016 amount.

CLIENT INFORMATION

Taxpayer

Spouse

First name and initial.....		
Last name.....		
Title/suffix.....		
Social security number.....		
Occupation.....		
Date of birth (m/d/y).....		
Date of death (m/d/y).....		
1=blind.....		
Home phone.....		
Work phone.....		
Work extension.....		
Cell phone.....		
E-mail address.....		
Drivers License #.....		
Drivers License State.....		
Expiration Date.....		
Issue Date.....		

Address	Street address.....	
	Apartment number.....	
	City.....	
	State.....	NC
	ZIP code.....	

OTHER GOVERNMENT FORMS - INCOME

- Form 1099-B - Sales of stock (also include transaction history).....
- Form 1099-MISC - Miscellaneous income.....
- Form 1099-K - Merchant card and third party network payments.....
- Form 1099-S - Sales of real estate (also include closing statements).....
- Form 1099-G - State tax refunds.....

Taxpayer:

- Form SSA-1099 - Social security benefits.....
- Form 1099-G - Unemployment compensation.....

Spouse:

- Form SSA-1099 - Social security benefits.....
- Form 1099-G - Unemployment compensation.....

2016 Amount

2015 Amount

Attach Forms 1099

Attach Forms 1099	
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Attach Forms 1099	
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Attach Forms 1099	
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2016

1040

US

Health Coverage Form

39.1

Please do not complete this information if coverage is indicated on Form 1095-A, 1095-B or 1095-C. Attach the document with this organizer if you have it.

GENERAL INFORMATION

1=entire household covered for all months, 2=no months. Date married (if in current year)

COVERED INDIVIDUAL (#1)

Form for Covered Individual #1 with fields for name, ID number, and monthly coverage for 2015.

COVERED INDIVIDUAL (#2)

Form for Covered Individual #2 with fields for name, ID number, and monthly coverage for 2015.

COVERED INDIVIDUAL (#3)

Form for Covered Individual #3 with fields for name, ID number, and monthly coverage for 2015.

COVERED INDIVIDUAL (#4)

Form for Covered Individual #4 with fields for name, ID number, and monthly coverage for 2015.