



ACCOUNTING • TAX PREPARATION
CONSULTING • COMPUTER SERVICES
FINANCIAL ADVISING

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2011 Year End Business Client Request for Information

Please review this request for information to avoid delays and extra processing fees for your W-2s, save some money on your property taxes, and possibly avoid some pretty large penalties from the IRS. Please note we need updates to your employee information and personal property lists as soon as possible.

EMPLOYEE INFORMATION

If we process your payroll, we are enclosing an **employee listing** showing **all** employees who had earnings so far during this calendar year. Please verify with your employees that the social security number and address as it appears on the report is complete and accurate. We need any corrections and missing information back from you by **January 6th** so we can prepare your quarterly and year-end payroll taxes forms and process W-2s in one batch, and not have to charge you for reruns.

While reprinting a W-2 is certainly inconvenient, correcting even a single W-2 requires reprocessing of the entire batch and potentially regenerating several of the related returns. We will enforce our **reprint charges** of **\$10.00** per W-2 with **NO** changes, and **\$50.00** per W-2 that requires the change of a social security number or address.

(To avoid reprint charges, we encourage you to register for our Business Web Portal. With your W-2 copies posted there, you would be able to reprint lost W-2s yourself!)

PERSONAL PROPERTY

We are also enclosing **depreciation schedule** that we maintain for you. Your personal property taxes are assessed based on the value of the equipment, furniture, and other tangible property that you use in your business. If we prepare this report for you, we rely on this depreciation schedule. We update it with new items during the year as we see them in your records, but we often don't know when you've gotten rid of something. Items you no longer have should be removed so you won't have to pay property tax on them anymore. Please tell us how and when the item was disposed. (i.e. retired, sold, scrapped, or traded) Of course, if you have a question whether and item should be listed you can call our office.

Property Tax Reports are due to be filed with your local government by February 20th. In order to assure that we can update our schedules and prepare your property tax report, please return information about purchases or disposals we don't know about by **January 6th**.

INVENTORIES

The IRS continues to place an increased emphasis on actual physical inventory on hand at December 31. Please make sure to physically count your inventory, retain the records, and provide us with the accurate total **cost** of inventory on hand at December 31st. Make any necessary adjustments for the timing of purchases and receipts of inventory as well as sales and the removal of inventory, and to remove consignments you are holding from other people. If you maintain an inventory, we will need your inventory cost to complete your tax return.

In the event of an audit, you must be able to provide copies of physical count sheets, so we are this year placing an increased emphasis upon obtaining correct year-end physical inventory amounts. As side benefits, you may find that a detailed physical inventory gives you another tool to better manage your investment in your business, and will even provide you better protection in case of a fire or flood.

2011 BUSINESS TAX QUESTIONNAIRE AND CHECKLIST

Business Name: _____

Please indicate the best way for us to contact you:

- Cell phone _____ Home _____ best times: _____
 e-mail _____ Work _____ best times: _____

Please answer the following questions, and provide explanations:

1. Did you receive any **letters** from the IRS, State, or City about any of your tax returns?..... Yes No
2. Were there any changes in **ownership, stock holdings, locations**, or number of stores? Yes No
3. Did you hire any new employees in **2010** who qualified for the **HIRE credit**?..... Yes No
If yes, did they continue to work for you at least 52 weeks? Yes No
If yes, please provide weekly wage detail for these employees.
4. Did you take out any **new bank loans** or start any **new equipment leases**?..... Yes No
If yes, please provide copies of the loan documents or equipment lease documents.
5. Did you **purchase any new or used equipment**, or make **improvements to real estate**? Yes No
If yes, please provide copies of invoices over \$500.
6. Did you conduct business in **another state** for two or more days in which you generated sales? Yes No
If yes, please identify the states and the total sales by state.
7. Did you conduct business in a city subject to income tax in which you generated sales?..... Yes No
If yes, please identify the cities and the total sales by city.
8. Do you have proof of all **charitable contributions**, and acknowledgements if over \$250? Yes No
9. Can you substantiate all **travel and entertainment** expenses claimed?..... Not Applicable Yes No
10. Did you provide at least 50% of the cost of **health insurance** to employees? Yes No
If yes, we will need details regarding hours worked, net costs, and
11. Would you like secure online access to your tax returns and other business documents?..... Yes No
If yes, would you also be interested in sending your data to us electronically?..... Yes No

Please provide the following information to prepare your tax return for this year:

1. Detail records or summary of business activity – back up or hard copy (e.g. QuickBooks back-up, trial balance, etc.),
2. Payoff balances of all business loans **by loan** as of December 31st,
3. Year-End Balances of: Inventory on Hand (Cost) \$ _____
Accts Receivable \$ _____ Accounts Payable \$ _____
4. Bank account balances **by account** as of December 31st (please include reconciliations, if available).
5. All Forms 1099s, 1098s, K-1s, etc. received. **NOTE:** Watch for the new Form 1099-K, which is used to reports payments to you from your merchant card processors and other payment processors such as PayPal and eBay. Similar to the 1099-MISC, these payments should already be reflected in your records records, but we ask that you provide any you receive, anyway.
6. Anything else you think may be material to your tax return.