



*Small Business Services,  
Tax Preparation &  
Planning, Payroll  
Services & Consultation*

## **2015 Year End Business Client Letter**

Major changes have occurred this year for repairs, maintenance, supplies and small equipment costs. The IRS is requiring us to have you attach a special election to your tax return, and we must ask you to sign off that you are applying the new rules for these items-without such a statement every item you spend costing more than \$500 may be subject, individually, to a 20 point test of deductibility. And no, we don't make this stuff up!

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 31, 2015. Do not include consignments you are holding from other people in this number. In the event of an audit you must be able to provide copies of physical count sheets, so we are again this year placing an increased emphasis upon obtaining correct year end physical inventory amounts.

We also want to remind you to make sure that your corporate minutes must be maintained on an annual basis-we do not maintain these forms for you, they are maintained by the officers of the corporation. Of course only S and C corporations are required to maintain minutes, LLC's have no such requirement.

***If you hired any new employees in 2015 or from here forward make sure to include the HHS form regarding the existence of health insurance exchanges in their new employee packet.***

### Tax Return Information Needed

In order for us to prepare your annual financial statements and tax returns (as specifically engaged in a separate engagement letter) we will need the following information from you at the end of the year.

1. \_\_\_ Copies of any new bank loans obtained during the year,
2. \_\_\_ Copies of any new leases signed during the year,
3. \_\_\_ List by date, amount and individual of any new investments made into the company this year,
4. \_\_\_ Copies of any federal or state tax correspondence received during the year,
5. \_\_\_ Copies of any equipment purchase invoices over \$500,
6. \_\_\_ Loan payoffs, by loan number, of all business loans at December 31,
7. \_\_\_ Copies of your year-end bank reconciliation(s) and bank statements,
8. \_\_\_ 12/31/15 Year End Balances of:
  - o Accounts Receivable \$ \_\_\_\_\_,
  - o Cost of Inventory on Hand \$ \_\_\_\_\_,
  - o Accounts Payable \$ \_\_\_\_\_,
  - o Unpaid 941 Deposit for December \$ \_\_\_\_\_,
  - o Unpaid State(s) Withholding deposits for December \$ \_\_\_\_\_,
  - o Unpaid Sales tax for December \$ \_\_\_\_\_,
  - o Unpaid wages earned through 12/31/15 \$ \_\_\_\_\_
9. \_\_\_ The appropriate engagement letter needs to be signed and returned,
10. \_\_\_ Year-end summary of business activity-back up, online access or hard copy (Accounting software back-up, trial balance, etc.),
11. \_\_\_ Sales breakdown by state and city if applicable (Call us to determine),
12. \_\_\_ Information on any changes in ownership, stock holding, locations or number of stores.
13. \_\_\_ All Forms 1099-K received

A number of tax savings programs are available in relation to health care costs, retirement plans and fringe benefits. Please feel free to set a separate appointment with us to discuss how these things might benefit your company

Sincerely,

**<ACCOUNTANT>**