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151 N. Sunrise Ave • Suite 910 • Roseville, CA 95661
916.218.6654 p • 916.760.1695 f • www.KlausFinancial.com

NEW FAX # THIS YEAR: 916-760-1695

Quick Reference Guide to Having Your Taxes Prepared

Please read this letter completely.

1. **You do not have to schedule an appointment.** Tax information can be emailed, faxed, or mailed in if you would like to save time. Returns are typically processed within 3 to 5 business days using this method.

2. Due to the massive tax law changes that have happened again in 2011, no returns will be prepared during a tax appointment. Your appointment time will be spent going over your documents and answering any questions. Over the next few days the return will be prepared and we'll notify you when it is complete.

3. If you do have a scheduled appointment, please come 5 minutes early. This time is reserved just for you, so if you are unable to keep your appointment, please give us 48 hours advanced notice or you will be charged a $50 no-show fee.

4. Please provide your signed engagement letter.

5. Please complete your questionnaire fully. We need this even if you are a returning client as there is information that changes each year. We recommend that you make a copy of your completed questionnaire for your records.

6. **If you are a new client this year,** please bring copies of prior federal and state tax returns and depreciation schedules (if applicable). You need to bring at least last year's return, but we prefer you bring your returns for the last 3 years. Also, bring your social security card and the social security card of your spouse and/or any dependents you are claiming. Copies are acceptable.

7. Be sure to give us the **original** copies of all tax related statements, including forms W-2, 1099, 1098, Schedules K-1, and other pertinent materials or documentation. Please refer to our tax appointment checklist for a complete list of necessary documents. If you have not received all your documents, please bring what you do have, and let us know more is coming.

8. If you have self-employment or rental income, make sure you have included all related income and expense information. **We can provide you with a simple spreadsheet on which to total your income and expenses by category.** Using this form will cut down on our preparation time and help to keep our fees to a minimum.

9. Please provide all income information for your children if you'd like us to prepare any required returns.

10. Please give us copies of any federal or state tax correspondence during the year, including all payments made or refunds received, unless the issues have been fully resolved.

11. If you have scheduled an appointment, please do not bring children with you. Please reschedule your appointment if you are unable to make childcare arrangements. This helps to minimize distractions during your appointment.

Fee Information

Our policy is to attempt to complete all tax returns prior to April 15th.* If you have business, self-employment, or rental income, we ask that you schedule your appointment or get your documents to us no later than February 20th. If we have not received all the information for your tax return by this time, an extension may be necessary, and/or you may be charged an additional fee for rush processing.

Our fees are based on preparing your tax returns from well-organized materials and a completed questionnaire. If additional time is needed for us to put your information in order, our fees will be higher. You will be billed at our standard hourly billing rate for any organization or totaling that is required.

50% of your estimated tax preparation fee will be due at the time of your appointment, and the remaining balance will be due when your return is completed.

We accept cash, checks, and VISA/MC. Please bring a payment method and a form of ID with you to your tax appointment. Your tax returns WILL NOT be filed until payment is received in full.

* If you have a corporation, your filing deadline is March 15th, and we ask that you get your documents to us no later than February 1st to avoid filing an extension.

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2011 Client Questionnaire

**** Required fields for returning clients. New clients must fill out all fields.***

***Name:** ______________________________ **SSN:** ______________________________

***Spouse's Name:** ______________________________ **Spouse's SSN:** ______________________________

***Address:** ____
(please include city, state, and zip)

***Home Phone:** ________________ **Work Phone:** ________________ ***Cell Phone:** ________________

Fax: ________________ **Spouse's Wk:** ________________ ***Spouse's Cell:** ________________

***Email:** ______________________________ ***Spouse's Email:** ______________________________

Date of Birth: ________________ **Spouse's Date of Birth:** ________________

***Occupation:** ________________ ***Spouse's Occupation:** ________________

***Filing Status:**
- ☐ SINGLE
- ☐ MFJ (married filing joint)
- ☐ MFS (married filing separate)
- ☐ HH (head of household)
- ☐ QW (qualifying widow/er)
- ☐ RDP (reg. domestic partner)
- ☐ NOT SURE

Children/Dependents (only if you are claiming them on your tax return this year)

*Name: ________________ SSN: ________________ Date of Birth: ________________

*Name: ________________ SSN: ________________ Date of Birth: ________________

*Name: ________________ SSN: ________________ Date of Birth: ________________

*Name: ________________ SSN: ________________ Date of Birth: ________________

What types of income did you have? (Check all that apply)

- ☐ W-2
- ☐ Alimony
- ☐ Unemployment/PFL
- ☐ Business Income
- ☐ Gambling/Lottery Winnings
- ☐ K-1
- ☐ Rental Income
- ☐ Interest/Dividends
- ☐ Retirement/Pension
- ☐ Social Security
- ☐ Stock Sales
- ☐ Other—Please Explain: ______________________________

List the value of any charitable contributions of cash or property during the year: Cash $__________ Property $__________
(You must have receipts to substantiate your deductions)

If you want your refund directly deposited into your bank account, please provide your routing and account number. If you are married, this must be a joint account.

Bank Name: ________________ **☐ Checking ☐ Savings** **Routing:** ________________ **Acct:** ________________

Personal Information	Yes	No
Did your marital status change during the year? If yes, explain: ________________	☐	☐
Did you move during the year? If yes, was your move greater than 50 miles? ________	☐	☐
Can you be claimed as a dependent by another taxpayer?	☐	☐
Did you pay to rent your home or apartment? If yes, did you rent for at least 6 months? ________	☐	☐

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Dependent Information

	Yes	No
Were there any changes in your dependents from last year?	☐	☐
If yes, explain: ____		
Did you pay for child care for a child under age 13? How much did you pay per child? ___________	☐	☐
If yes, please provide name, address, SSN/EIN, and phone # of provider.		

Purchases & Sales of Assets Information

Did you start a business?	☐	☐
Did you close down or sell a business?	☐	☐
Did you acquire a new interest in a Partnership, LLC, or Corporation?	☐	☐
Did you sell, exchange, or purchase any real estate? (provide closing statements)	☐	☐
Did you sell any stock? (provide original cost, sales price, & purchase/sale dates)	☐	☐
Did you refinance any property you own? (provide closing statement)	☐	☐
Did you have a property foreclosed upon?	☐	☐
Did you complete a short sale for any home you owned? (provide closing statement)	☐	☐

Income Information

Do you own a business?	☐	☐
If yes, what type? ☐ Sole Prop. ☐ Partnership ☐ LLC ☐ S Corp. ☐ C Corp. ☐ Not Sure		
Did you hire any new full time employees?	☐	☐
Did you have any foreign income or pay any foreign taxes?	☐	☐
Did you receive any income from property sold prior to this year (installment sale)?	☐	☐
Did you receive any Social Security benefits such as retirement, death, disability, or Medicare? (please bring all statements received)	☐	☐
Did you make a rollover or withdrawal from a retirement account?	☐	☐
Did you receive unemployment or paid family leave income?	☐	☐
Did you cash in any U.S. Savings Bonds?	☐	☐
Did you or your dependents/spouse receive educational benefits (such as a grant or scholarship)?	☐	☐
Did you pay alimony (not child support)? If yes, amount: $_______________ (provide full name and SSN of recipient)	☐	☐
Did you receive alimony (not child support)? If yes, amount: $_______________	☐	☐
Did you have any debt forgiven or canceled? (provide all 1099-C forms received)	☐	☐

Deduction Information

Do you own your primary residence?	☐	☐
Do you own rental property?	☐	☐
Did you purchase a new vehicle? (provide your purchase contract)	☐	☐
Did you or your dependents/spouse attend a college or educational institution during the year?	☐	☐
If yes, how much did you pay for tuition & books? ____________ (provide all 1098-T forms received)		
Did you pay any student loan interest? (provide all 1098-E forms received)	☐	☐
Did you incur an un-reimbursed casualty or theft loss?	☐	☐
Did you have any un-reimbursed employee job expenses?	☐	☐
Did you use your car on the job, other than for commuting to and from work?	☐	☐
Did your medical expenses exceed 7.5% of your income?	☐	☐
Did you have any moving or job-seeking expenses?	☐	☐
Did you contribute to a Health Savings Account (HSA)? If yes, how much? $___________	☐	☐
If yes, what is your deductible? $___________ Is it an individual or family plan? ____________		
If you are/were self employed, did you pay for health insurance for yourself and/or your family?	☐	☐
If yes, what was the total amount paid? $_______________		

Miscellaneous Information

Did you make estimated tax payments during the year? (provide dates & amounts for each pmt)	☐	☐
Do you want to report and pay use tax on your California tax return?	☐	☐
If yes, what were your total purchases? __________ What is your county's sales tax rate? ______		
Have you started/completed an adoption process?	☐	☐
Are you in the military?	☐	☐
Did you give monetary gifts totaling more than $12,000 to any one person during the year?	☐	☐
Did you make an IRA contribution? If yes, what type?	☐	☐
☐ Roth ☐ Traditional ☐ Simple ☐ SEP IRA How much? $______________		
Do you have any unresolved issues with the IRS or Franchise Tax Board that you need help with?	☐	☐

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2011 Engagement Letter

Print Name: ______________________________
(please print clearly)

Dear Client,

This letter is to confirm and specify the terms of our engagement with you, and to clarify the nature and extent of the services we will provide.

We will prepare and process your individual or business, federal and state income tax returns for **tax year 2011** within our office, from information which you will furnish to us. We will not audit or otherwise verify the data you submit to us.

We will not file any federal, state, or local tax extensions unless you specifically request us to do so in writing, by fax or email.

It is your responsibility to provide us with all the information required for the preparation of complete and accurate returns. By your signature below, you agree that you have the proper records to substantiate all items of income and deductions. You should retain all documents, canceled checks, and other data that form the basis of your income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You will have final responsibility for the income tax returns; therefore you should review them carefully before you sign them.

We assume no liability for IRS disallowance of "gray area" deductions or inadequately supported deductions, nor for resulting taxes, penalties, and/or interest. Our work in the preparation of your income tax returns does not include any procedures designed to discover fraud or other irregularities, should any exist.

The taxing authorities require that we keep all tax documents for a minimum of 4 years. We will not retain any paperwork concerning your tax return or supporting documentation beyond 4 years from the completion of your 2009 tax return. At the end of 4 years, all documents will be securely destroyed. We will provide you with a copy of the tax returns, depreciation schedules, and other pertinent work papers that should be a part of your books and records. If you should need replacements, we will provide additional copies at our standard copying fees.

We will use our professional judgment to resolve questions in your favor where the tax law is unclear, or if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain to you the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes, regulations, and interpretations that exist. If the Internal Revenue Service or other taxing agencies should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. We assume no liability for additional tax assessments, including interest and penalties.

In the event of a preparer error, you are responsible for additional tax that may be due. It is our responsibility to pay for any penalty that the IRS, state, or local taxing authorities may assess.

Any tax advice you receive from us pertaining to your tax situation will be based on the tax law in effect at the time it is given. Any changes made to the tax law may nullify or completely alter the advice you received. We will not be responsible for any damages incurred by following outdated advice, or because of misunderstandings regarding the advice given.

Your returns may be selected for review by the taxing authorities. **Please notify our office if you receive any correspondence from the Internal Revenue Service, Franchise Tax Board, or another taxing agency.** In the event of an examination of your tax return, we may be available upon request to represent you. Fees for these additional services will be based on our standard hourly audit rates.

If there is ever a dispute between us pertaining to the services outlined in this letter, we will first confer and determine if we can work it out together. If no agreement can be reached within 10 days, we will submit the dispute for consideration by a third party mediator. If the issue still cannot be resolved, we will submit to binding arbitration any claims, of any nature whatsoever, other than those prohibited by law; pursuant to the rules of the American Arbitration Association. The arbiter will be one of our mutual choosing. If we cannot come to an agreement on an arbiter within 10 days, we will let the American Arbitration Association select an arbiter for us.

Any remedies you may have for the breach of any service related obligation, whether under law or by way of contract, shall be limited to $500. This limitation is inclusive of any claims for special damages, general damage, compensatory damage, loss of income, emotional damage, or punitive damages.

Should any legal action be instituted by either party against the other regarding the enforcement of the terms of this agreement, the prevailing party will be entitled to compensation for all of its expenses related to such litigation, including, but not limited to, reasonable attorney fees and costs, both before and after judgment.

Our fee to prepare your income tax returns will be based upon the amount of time required at our standard billing rates. Please note that our fees are based on preparing a tax return from well-organized materials and a completed questionnaire. **If additional time is needed for us to put your information in order, our fees will be higher.** You can help us keep preparation time to a minimum by providing a complete and orderly presentation of your tax information at the time of your appointment. When tax information is incomplete, we must set your return aside until you provide us with the needed data, at which time we must re-familiarize ourselves with your unique tax situation. This process takes additional time, and ultimately you will be charged more. Therefore we ask for your cooperation to assist us in providing you with the best professional service at a reasonable fee. **All invoices are due and payable when you pick-up/receive your completed income tax returns. Tax returns will not be released or filed until payment has been received in full.**

We appreciate the opportunity to work with you in the preparation of your individual or business income tax returns. If the foregoing is in accordance with your understanding, please sign this letter, and return it to our office at the time of your tax appointment or along with your tax documents. If you have questions or need additional information, please call our office.

Thank you for the opportunity to serve you!

Sincerely,

Jenifer Klaus

Jenifer Klaus, EA
Klaus Financial, LLC

The terms described in this letter are acceptable and are hereby agreed to and shall remain in effect until terminated by either party in writing.

Print Name:________________________________

Signature: _________________________________

Date:________________________

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Tax Information Checklist

Please check off each item that applies to your situation this year so we can make sure to get complete documentation from you. If you think an item may apply, but you're not certain, check the box and we'll ask you about it.

General Information:

- ☐ If you are a new client this year, please bring copies of your prior federal and state tax returns and depreciation schedules. You need to bring at least last year's return, but we prefer you bring returns for the last three years.
- ☐ Social security card (including spouse & dependents). If you do not have your card, please verify how your name appears and is spelled with the Social Security Administration. **(New clients only)**
- ☐ Voided check for direct deposit of your refund (If married, you must use a joint account.)
- ☐ Child care provider: name, address, phone number, tax ID/SSN, amount paid per child
- ☐ Alimony paid or received: SSN number of recipient if not you
- ☐ Estimated tax payment amounts and dates (California & Federal)
- ☐ Sale, purchase, re-finance, short sale, or foreclosure paperwork for personal residence, 2nd home, or rental/investment property
- ☐ Copies of any federal, state, or local tax correspondence during the year, including all payments made or refunds received. **(Unresolved issues only)**
- ☐ Records of purchases made over the internet, by mail, or by phone where no California sales tax was paid.

Income Information:

- ☐ W-2 forms
- ☐ Unemployment Compensation: 1099-G
- ☐ Interest Income: 1099-INT
- ☐ Dividend Income: 1099-DIV
- ☐ Stock Sales:1099-B
- ☐ Misc. Income: 1099-MISC
- ☐ Social Security Benefits: 1099
- ☐ Pension, Annuity, IRA, 401(k), or other Retirement Distributions: 1099-R
- ☐ Partnership, S. Corp, Trust Income: K-1
- ☐ State Tax Refund: 1099-G
- ☐ Gambling & Lottery Winnings: W-2G
- ☐ Jury Duty Income
- ☐ Debt Forgiveness/Cancellation: 1099-C
- ☐ Income from a Home Sale: 1099-S

Student Information:

- ☐ Student Loan Interest Paid: 1098-E
- ☐ Tuition Expenses: 1098-T
- ☐ Books & Other Expenses
- ☐ Scholarships/Grants Received: 1098-T

Self-Employment Information:

- ☐ Business Income: 1099-MISC and/or your own records
- ☐ Business Expenses: profit & loss statement, balance sheet, receipts, bank statements, and/or your own records
- ☐ Payroll Documentation
- ☐ If you are claiming an auto deduction for business miles driven, we need to know: total miles, commuting miles, and business miles driven for the year, along with the year, make, and model of your vehicle.
- ☐ Date and cost of any new equipment purchased
- ☐ Depreciation Information on Assets
- ☐ Office in the Home Deductions

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Homeowner/Renter Information:

- ☐ Mortgage Interest Paid: form 1098
- ☐ 2nd Mortgage Interest or Line of Credit: form 1098
- ☐ Re-finance Paperwork (final escrow papers or closing statement)
- ☐ Short Sale or Foreclosure Paperwork
- ☐ Property Taxes Paid
- ☐ DMV Registration fees for all vehicles owned
- ☐ Amount of Cash Contributions to Charities
- ☐ Amount of Non-Cash Contributions to Charities (including name & address of charity)
- ☐ Expenses for Volunteer Work (including miles driven for charitable work)
- ☐ Un-reimbursed Employee Business Expenses: travel, uniforms, dues, etc.
- ☐ If you use your car for your W2 job, other than for commuting to and from work, we need to know: total miles, commuting miles, and work-related miles, along with the year, make, and model of your vehicle.
- ☐ Job Hunting Expenses
- ☐ Gambling Expenses (up to the amount of winnings only, and you must have substantiating documentation)
- ☐ Medical Expenses: doctor, dentist, chiropractic, prescription drugs, hospital fees, glasses, hearing aids, etc. (including amounts paid for spouse and dependents)
- ☐ Prior Year Tax Preparation Fee

Rental Property Information:

- ☐ Rental Income: 1099-MISC and/or your own records
- ☐ Rental Expenses: receipts and/or your own records
- ☐ Mileage and Auto Records—we need to know: total miles and rental miles driven for the year, along with the year, make, and model of your vehicle.
- ☐ Date and cost of any major improvements made to the home or property
- ☐ Depreciation Information
- ☐ Mortgage Interest Paid: form 1098
- ☐ Property Taxes Paid
- ☐ Homeowners Dues Paid
- ☐ Insurance Premiums Paid
- ☐ Sale, Purchase, or Re-finance Paperwork
- ☐ Short Sale or Foreclosure Paperwork

Miscellaneous Information:

- ☐ IRA Contribution amount & date of contribution
- ☐ Casualty or Theft Documentation
- ☐ Educator Expenses
- ☐ Moving Expenses: including gas, storage, lodging, etc.

Partnership, LLC, & Corporation Information:

- ☐ Copies of tax returns for the past 3 years with supporting documents & depreciation schedules (if applicable)
- ☐ Profit & Loss Statement
- ☐ Balance Sheet
- ☐ Partnership/LLC Agreement, Incorporation Documents, Stock Transfer Ledger, Bi-Laws **(New clients only)**
- ☐ Income—All 1099's Received
- ☐ Payroll Documentation (W2s & W3 and all 1099's issued to your independent contractors with 1096 transmittal form)
- ☐ Interest Income: 1099-INT
- ☐ Un-reimbursed partner or shareholder expenses
- ☐ List of major purchases including the cost, date, and description of each item
- ☐ Partner/Shareholder Info: name, address, SSN, % of ownership, or any change in ownership information

Questions/Additional Information:

Please list any questions or concerns you have, or anything else you'd like us to be aware of.

___

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Map & Driving Directions

Placer Town & Country Village Center

Klaus Financial is located on the south side of building 9. Follow the marked paths to get to suite 910. We are on the ground floor.