SHERWOOD TAX
YOUR FINANCIAL SOLUTIONS TEAM

22467 SW Ash Street
Sherwood, OR 97140

Office: 503-925-4558
Fax: 503-925-3512

December 2019

Dear Client,

We are looking forward to working with you and preparing your 2019 business income tax returns. The tax services covered by this agreement will include the preparation of your 2019 business income tax returns, any year end planning, extensions and quarterly estimate work that may be required.

Please acknowledge acceptance of this Agreement by printing and signing where indicated as soon as possible, but no later than January 15, 2020 and returning it to Sherwood Tax.

Preparation of your tax return

We will prepare your Federal and resident state income tax returns for the 2019 tax year. We will also prepare any non-resident state tax returns, local returns and foreign bank reports which were provided for you last year, unless instructed or agreed to otherwise. If there are additional filings required due to work being done in new states or countries, please advise us of those additional filings as soon as possible in writing.

See below for a listing of tax forms that you may be required to file for tax year 2019. If Sherwood Tax is preparing these returns for you, please note the due date listed to ensure we can prepare your returns timely and accurately.

We can assist you as you gather the information necessary to prepare and file the 2019 returns, but it is your responsibility to be aware of the due dates. If Sherwood Tax receives the information to file these returns after the date listed, please note that your tax returns may need to be extended and filed after the deadline.

Tax Form	Date info due Sherwood Tax	Due Date of Form
W-2 and W-3	January 10, 2020	January 31, 2020
1099 Forms	January 10, 2020	January 31, 2020
Personal Property Tax Form	February 14, 2020	March 16, 2020
1120S Corp and Form 1065 LLC Forms	February 14, 2020	March 16, 2020
1120 C Corporation	February 14, 2020	15 day of 4th month after year end December 31 year end due April 15, 2020
Schedule C on Form 1040	March 13, 2020	April 15, 2020
City of Portland	March 13, 2020	April 15, 2020
TriMet	March 13, 2020	April 15, 2020

In order to stay on top of digital security using the most up to date technology, we will be using a new system to collect/deliver your tax documents and prepare your tax returns. You will receive an invite to a secure SmartVault folder which you can use to upload documents, or you can mail or drop off documents to our office. Your important tax documents will be delivered and stored in SmartVault. We will continue to offer e-signing capability to gather your signatures on engagement letters, Form 8879 and other documents. If you have any questions on these products, please feel free to ask!

Additional information on tax filings:

W-2 Forms: The ***amount of health insurance paid on behalf of all S Corporation or LLC members*** should be included on the W-2 form. If you are an S Corp or LLC owner, we need to know how much you paid for family health insurance coverage during 2019. If we prepare your W-2 forms, please provide that information to us **AS SOON AS POSSIBLE** but no later than December 31, 2019.

1099 Forms: If you have paid subcontractors or individuals more than $600 in the 2019 calendar year, you will need to file 1099 Forms. We recommend that you get contractors to provide you with a signed W-9 form before you pay them. We can assist you with filing the 1099 Forms if you provide us with the name, address, social security number or tax ID number, and amount paid for each contracted individual. Please have this information to us by January 10, 2020.

Corporate and LLC tax returns: Please provide us with your business financial information by February 14, 2020.

At a minimum, we will need a copy of your 2019 financial statements in Quickbooks Online, Quickbooks Desktop or your own general ledger software. In addition, we need:

- Bank statements for December 2019
- Year-end loan balances if applicable
- A list of business assets purchased in 2019
- Paperwork for new loans
- Retirement account information

Personal Property Tax Form: Please review the list you receive from the county and add new assets purchased and remove old assets disposed of in 2019. If you need our assistance, we can assist you in preparing this return from information you provide.

Some other items to note as we near the end of the year:

Take Advantage of Tax Breaks for Purchasing Equipment, Software, and Certain Real Property. If you purchased a new business computer, office furniture, equipment, vehicle, or other tangible business property or made certain improvements to real property, *be sure to let us know* so that we can take advantage of the rules for accelerated depreciation.

Auto Expenses – If you have a business vehicle(s) we need to know how many miles you drove for business during 2019. *Please provide something in writing that documents your business miles per vehicle.* We highly recommend using an app such as MileIQ to track your business miles.

Inventory – If you hold and sell inventory in your business, track the value of the inventory as of December 31, 2019, and count your inventory at year end to match up with your records. Value your inventory at the amount it cost you to purchase or produce the items.

Receipt Bank app – We offer a very simple new app for you to take advantage of using artificial intelligence and cloud-based technology to track your receipts, invoices and bills. Please let us know if you are interested in learning more.

This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide. Our fees are based on your annual maintenance agreement contract. If you are not currently on an annual maintenance agreement, your tax return preparation fees will be based on our hourly rates for the 2019 tax filing season.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work**, please print, sign and date this letter** in the space indicated and return to us. We will also be sending you a copy to sign electronically if that is easier for you.

We appreciate your confidence in us. Please feel free to contact us if you have any questions or need additional information.

Sincerely,

Shauna Zobrist

Shauna Zobrist

Client Acceptance:

Print Officer's Name: ____________________________________

Officer's Signature: ______________________________________

Company Name: ____

Date: ________________________

2019 Year End Checklist - Please check the option that applies

COMPANY OPERATIONS

Have you documented your annual Board Meeting? ____ YES ____ NO _____ UNSURE
Have you renewed your corporation with the Secretary of State? ____ YES ____ NO _____ UNSURE
Is your insurance coverage adequate? Review your policies annually. ____ YES ____ NO _____ UNSURE
Did you send us your Personal Property Tax Return for review? ____ YES ____ NO _____ UNSURE
Do you have inventory? Count of your inventory at year end. ____ YES ____ NO _____ UNSURE
Do you have a home office or do you own the building that your S Corp occupies? ____ YES ____ NO _____ UNSURE
Have you purchased new assets or acquired new loans? ____ YES ____ NO _____ UNSURE
Did you sell any assets this year? ____ YES ____ NO _____ UNSURE
Do you have any foreign bank accounts? ____ YES ____ NO _____ UNSURE

HEALTH INSURANCE PREMIUMS

For you and your family

- Do you pay for you or your family's health insurance through your business? ____ YES ____ NO _____ UNSURE
- Do you have an HSA eligible health insurance plan? ____ YES ____ NO _____ UNSURE
- Is your health insurance plan in the Corporation/LLC name or individual name? ____ Corp/LLC _____ Individual

For your employees

- Do you pay for health insurance for any of your employees? ____ YES ____ NO _____ UNSURE
- Are you aware of your employee's eligible enrollment dates for insurance? ____ YES ____ NO _____ UNSURE

RETIREMENT ACCOUNT PLANS

For you and your family

- Do you contribute to a company retirement account for yourself? ____ YES ____ NO _____ UNSURE

  If YES – what type of plan do you have? IRA _____ ROTH IRA _____SEP IRA ___ Solo 401K_____

For your employees

- Do you offer any type of retirement account to your employees? ____ YES ____ NO _____ UNSURE

  If YES – what type of plan do you have? SEP IRA ___ Simple IRA ______ 401K ____ Solo 401K_____
- Do you know your employee's eligible enrollment dates for your plan? ____ YES ____ NO _____ UNSURE
- Have you enrolled all eligible employees in your plan? ____ YES ____ NO _____ UNSURE

**** Oregon requires you to have a retirement plan for your employees or offer the Oregon Saves program. Let's discuss your options.**

OTHER EMPLOYEE BENEFITS

Employee reimbursements

- Do you reimburse your employees for business expenses on a regular basis? ____ YES ____ NO
- Do you have a written policy for this? Referred to as an "Accountable Plan" ____ YES ____ NO
- Do your employees provide you with documentation for these expenses? ____ YES ____ NO

Cell phone

- Do you provide employees with company vehicles to use off hours or for personal use? ____ YES ____ NO
- Do you provide employees with a company cell phone to use off hours or for personal use? ____ YES ____ NO
- Do you add any personal use of cell phone or auto to their wages/salary? ____ YES ____ NO
- Do you provide any other non-wage benefits to your employees? ____ YES ____ NO

Please check the option that applies – all questions will need to be completed.

WORKER'S COMPENSATION INSURANCE

- Do you have a current worker's compensation policy to cover all your employees? ____ YES ____ NO

  (Note: Owners, officers, and family members are exempt from workers' comp.)

EMPLOYEE LABOR LAW COMPLIANCE

- Do you have salaried employees? ____ YES ____ NO
- Are you currently paying the ***state minimum wage*** to your employees?
- Do you have employees working in any state other than Oregon? ____ YES ____ NO

  If YES – please list which states? **(List States):**

  ____

- Are you compliant with all current employee overtime laws? ____ YES ____ NO
- Do you provide any paid time off (PTO)? ____ YES ____ NO
- Do you have all current labor law posters and notices posted in your workplace? ____ YES ____ NO
- Are you aware of the new Oregon Equal Pay laws? ____ YES ____ NO

RESOURCES FOR YOU TO ACCESS

You can access these websites for more information about "employer" responsibilities.

- https://www.oregon.gov/boli/pages/index.aspx
- US Department of Labor: **http://www.dol.gov/**

INDEPENDENT CONTRACTORS

Payments to non-employees

- Do you pay anyone as a 1099 independent contractor? ____ YES ____ NO

If you answered "YES" above, please complete this section.

- Do you have a written contract with your service providers? ____ YES ____ NO
- Do they all meet the IRS standard to be viewed as an independent contractor? ____ YES ____ NO
- Do your contactors have their own insurance? ____ YES ____ NO

DISCLOSURE: This audit checklist is intended to cover broad areas of compliance issues you face as employers and business owners. Sherwood Tax, LLC does not provide any legal advice, nor does Sherwood Tax, LLC act as your employee benefits provider or administrator. This checklist is not meant to be "all inclusive" of employment related issues that could potentially arise. If you have a more detailed need of employment issues, please consult with your legal counsel, or Sherwood Tax, LLC **CAN** refer you to legal counsel who can address your specific issues.

ACKNOWLEDEMENT: I hereby verify the information represented in this compliance checklist is completed to the best of my knowledge. Sherwood Tax, LLC can assist you with what options you might have and help you determine the correct course of action.

SIGNATURE: ____ DATE: ____________________________

COMPANY NAME: ______________________________________