

Prepared By:

Nicholson, Michaud & Company
76 Silver St
Waterville, ME 04901-6528

Prepared For:

2018 Business Organizer

Nicholson, Michaud & Company
76 Silver St
Waterville, ME 04901-6528
207-872-7077

January 16, 2019

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. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements.

We will prepare your 2018 federal and state corporate tax returns from information which you will furnish to us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you for clarification of some of the information.

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon review of the information provided to us, along with information that comes to our attention, we believe you may have additional filing obligations, we will notify you of this responsibility.

You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, cancelled checks and other data that form the basis of these returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations and/or other irregularities, should any exist. We will render such accounting and bookkeeping assistance as determined to be necessary for preparation of the income tax returns.

It may become necessary to apply for an extension of the filing deadline if there are unresolved tax issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

The law provides various penalties that may be imposed when taxpayers understate their tax liability. If you would like information on the amount or the circumstances of these penalties, please contact us.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Our fee for these services will be based upon the amount of time required at standard billing rates plus out-of-pocket expenses. All invoices are due and payable upon presentation. Any account not paid within 30 days will accrue interest at a rate of 18% per annum.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated and return it to our office. However, if there are other tax returns you expect us to prepare, please inform us by noting so at the end of the return copy of this letter.

We want to express our appreciation for this opportunity to work with you.

Sincerely,

Nicholson, Michaud & Company

Accepted By: _____

Date: _____

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January 16, 2019

Dear Client:

This Business Organizer is designed to help conveniently gather the tax information needed to prepare your 2018 corporate income tax return.

Please answer all applicable questions in the Questionnaire and return it to our office. Attach a statement when necessary, for any additional information.

The following is a list with typical items needed to complete your return. Some of the items may not be applicable to your specific business. Please send any items that do pertain to your organization or the equivalent document used in your system:

- QuickBooks file (Backup or Accountant's Copy);
- December checking account(s) statement(s) reconciled;
- December savings accounts(s) statement(s);
- List of uncollectible receivables;
- Inventory balance as of December 31st;
- Itemized list of new fixed assets purchased (including building improvements, equipment, furniture, and vehicles, etc.);
- Closing documents for any new loans, as well as, vehicles or real estate bought or sold;
- December Sales and Use Tax Return;
- December statement(s) for existing and new loan(s), including line of credit;
- Federal Forms 941 for each quarter of the previously completed tax year;
- State Forms 941 for each quarter of the previously completed tax year;
- Federal Form 940 (Your annual FUTA return);
- Form W-3 and Forms W-2.

If you have a fiscal year end or you have any questions, please call our office.

Tax professionals, like all providers of personal financial services, are now required by law to inform their clients of their policies regarding privacy of client information. Our firm has been and continues to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, we have always protected your right to privacy.

Types of Nonpublic Personal Information We Collect

We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization.

Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include,

for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

Protecting the Confidentiality and Security of Current and Former Clients' Information

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

If you would like to discuss the information in your completed Business Organizer, or the preparation of your 2018 corporate tax return, please call our office for an appointment.

Thank you for the opportunity to serve you.

Sincerely,

Nicholson, Michaud & Company

Any accounting, business or tax advice contained in this communication, including attachments and enclosures, is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties.

WAYS TO RECEIVE YOUR TAX RETURN

We are working towards a paperless office. Copies of completed returns are stored electronically and your backup is scanned, stored electronically and the paper documents returned to you. Your tax return will be filed electronically unless you specifically state that you would like to opt out of this method. This year we are offering two ways to receive your file copy of your 2018 return - please check your preferred option:

1 - Electronic copy: We will email you a secure copy of your return via ShareFile. ShareFile is a secured file sharing and storage system in the Cloud.

OR

2 - Paper copy: The way you have received your copy in the past.

In either case, your return will be filed electronically after we have received your signed Form 8879 authorizing us to do so. Or, you will receive a paper copy to file, provided that you have signed the e-filing opt-out form that will be provided with your completed tax return. We will retain a permanent copy of your tax return in electronic format for future reference.

Please indicate below which method you would like (**choose only 1**):

1 - Electronic copy _____

Email address to be used _____

2 - Traditional paper copy _____

Questions

S Corporation Preparation Checklist and Questionnaire (Form 1120S)

Please check the appropriate box and include all necessary details and documentation.

	Yes	No
Corporate Information		
Did any shareholder contribute additional capital, or make a loan to the S Corporation during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did the S Corporation repay a loan from the shareholder during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Were there any changes in the shareholder's ownership in the S Corporation during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did the S Corporation purchase any business assets this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did the S Corporation dispose of any business assets this year?	<input type="checkbox"/>	<input type="checkbox"/>
Were fringe benefits paid to shareholders who have a greater than 2% ownership in the S Corporation?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, were the benefits included on the shareholder's Form W-2?	<input type="checkbox"/>	<input type="checkbox"/>
Did the address of the S Corporation change?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, provide the new address. _____		
Did the S Corporation make payments that require Form(s) 1099 to be filed?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, did the S Corporation file or will it file all required Forms 1099?	<input type="checkbox"/>	<input type="checkbox"/>
Did the S Corporation take out a loan this year?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, provide information on how the loan was used. Also provide copies of the loan documents. _____		
Were there any significant changes in the S Corporation's business or operations during the year?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, explain _____		
If the S Corporation maintains inventory, was there a change in the method of determining quantities, cost, or valuations between opening and closing inventory during the year?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, explain _____		
Did the S Corporation receive any cash payments in excess of \$10,000 from a transaction or related transactions?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, have you filed form 8300?	<input type="checkbox"/>	<input type="checkbox"/>