



Terms of Tax Preparation Engagement

We provide this letter to ensure an understanding of the terms of our engagement and the nature and limitations of our services for the 2023 tax filing season. In order to ensure this understanding, we ask all clients to confirm these arrangements.

We will prepare your 2023 federal and state income tax returns and supporting schedules, if necessary, from information that you will provide to us. You are responsible for informing us if you have tax-filing obligations in another state. We will not audit or verify this data, although we may ask you to clarify some of the information. We will furnish you with questionnaires and/or worksheets to guide you in gathering information. Your use of forms provided will assist in keeping important information from being overlooked. Unless otherwise agreed to in writing, this engagement does not include tax planning advice or additional services not included in this letter, and the returns that we prepare are not intended for use for any other purpose. If any bookkeeping services are needed to clean up any data, we will bill separately for this service.

It is your responsibility to provide all information and all relevant facts that are **required for the preparation of complete and accurate returns**. You are certifying that the information you provide to us can be substantiated by appropriate documentation, and that it is true, correct, and complete to the best of your knowledge. You should retain all documents, canceled checks, and other data that are used in completing the return. These may be necessary to prove the accuracy and completeness of the returns upon examination. You have final responsibility for your income tax returns, and therefore, you should review them carefully before you sign them.

To timely file your tax returns, we need all required information no later than **Friday, March 1, 2024**. You may be required to request an extension if we do not receive all required information by the above date. We will take your signature as authorization that we may file an extension on your behalf. An extension is an extension of time to file the return, and not an extension to pay taxes due.

Our tax preparation procedures cannot be relied upon to disclose errors, irregularities, or illegal acts; including fraud that may exist. However, we will inform you of any material errors that come to our attention.

Your returns could be selected for review by the IRS or other 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. We will provide you with a separate engagement letter for that representation, and fees and expenses will be invoiced in accordance with the terms of that engagement letter.

Our fee for the tax return preparation is based on the complexity of the work, our professional time, as well as out-of-pocket expenses. The invoice will be presented to you with the tax return.

Payment is due upon presentation of the tax return.

We may terminate our representation of you if you fail to pay our statements when due, if you insist we pursue objectives that we consider imprudent, unprofessional, or unethical; or if we feel further representation is not warranted for personal reasons. Regardless of the reason for termination, you are obligated to pay for services provided and costs incurred through the date of termination.

Please sign this letter and return it to us to signify your acceptance of these terms. Thank you for allowing us to assist you and for your anticipated understanding of the need for this letter. We will keep a copy of this letter in our file.

Kollath & Associates, CPA LLC

AGREED TO AND ACCEPTED BY TAXPAYER:

Client Signature

Date

Print Business Name

Brookfield:

375 Bishops Way, Ste. 226
Brookfield, WI 53005
Phone: 414-751-6847
Fax: 866-486-4261

Madison:

6200 Mineral Point Road, Ste. 100
Madison, WI 53705
Phone: 608-824-3002
Fax: 866-486-4261

Prairie du Sac:

421 Water Street, Ste. 111
Prairie du Sac, WI 53578
Phone: 608-644-0206
Fax: 608-643-3467

www.kollathcpa.com
www.sustainablehr.net
www.organicpayroll.com

Kollath|CPA

2023 Business Tax Questionnaire *(Required)*

Thank you for choosing Kollath CPA for your 2023 business tax return preparation. To ensure we have obtained all necessary information on your tax situation to fully prepare your current year tax return, we will be requiring you to complete the following questionnaire. This provides us with the needed information to ensure we have prepared your return up to both our own and the IRS's standards.

We are working to increase our efficiency where possible to ensure we can process and complete all our clients' returns in a timely manner. We strive to maintain our high level of service while keeping our fees as low as possible. However, due to the increased costs and general inflation, we expect our preparation fees to increase this year.

We have included some information below that can keep both fees and turnaround time low this tax season. Following these tips and recommendations can help save you money and get your return processed faster.

Helpful Tips and Recommendations

Useful Information

- The business questionnaire and engagement letter are required documents we need before finalizing your return. Please fill out and provide these with your tax documents.
- If this questionnaire asks for specific information that is applicable to you, please provide it or we will have to follow up later which can delay processing and increase costs.
- We have multiple levels of staff working on returns to help enter data and free up our more senior level staff. This helps keep costs down and helps spread out the workload during our busiest time.
- If any of the following questions ask you to provide any tax form or additional information please do so or we will have to reach out for that before we are able to finalize.
- The sooner you can respond to any request for additional information the better.
- Because of the various law changes and added due diligence required by all CPAs returns may take longer than usual to complete. Providing the completed documentation to us as soon as possible will assist in the completion of your return prior to any deadlines.

Providing Information

- Because much of our staff will be working remotely, we prefer that you provide your information electronically if possible. You can email information to your CPA directly or request an email from efile@kollathcpa.com to receive an upload link that you can use to send our admin team your information securely. They will make sure your information gets into the right hands.
- **Try to provide all required information at one time. Providing your tax information in multiple batches or emails can delay the processing.**
- If you are emailing your information, it is helpful if your documents are in PDF form and are named appropriately, based on what they represent. Business financials are preferred in Excel.
- If Kollath CPA has access to your online financials (like QuickBooks Online), please gather the requested information and send it to us while letting us know the online financials are ready to be downloaded and looked at. Without this confirmation we cannot be sure if the financials are ready for us.

Business Name: _____

1.	Please sign and return the Business Engagement Letter provided with this document.
2.	<p>If your business is new to Kollath CPA for this year's tax return:</p> <ul style="list-style-type: none"> a. Please provide a copy of the most recent partnership or operating agreement. b. Please provide copies of the company's prior year tax returns (be sure to include federal and any states as well as a depreciation schedule of any assets). This may need to be requested from your prior accountant as it is often not provided. c. If the business is a Partnership or S Corporation, please provide the owner's basis schedules from the most recent tax year-end. This may need to be requested from your prior accountant as it is often not provided. d. If the business is an S Corporation, please provide a copy of the IRS confirmation letter relating to the S election (Notice CP261). e. Please provide the name, address, and social security number of the owner responsible for signing the company's tax returns. Name & SSN: _____ Address: _____ City _____ St _____ Zip _____ <p>Please provide a short description of the business activities conducted by the company including the resulting product or service.</p> <p>_____</p> <p>_____</p>
3.	<p>If the business was formed in 2023, please provide a copy of the SS-4 and the IRS confirmation of the Employer Identification Number (EIN) for the business.</p> <ul style="list-style-type: none"> a. If the new business is a Partnership or S Corporation, please provide the names, addresses, social security numbers, and percentages of ownership for each owner.
4.	<p>If the business had payroll this year, please provide the following:</p> <ul style="list-style-type: none"> a. Form W-3 (Transmittal of Wage and Tax Statement) b. W2 Forms for all employees
5.	<p>Please provide the name and title of any additional person besides the owner who may serve as a contact for Kollath CPA regarding the tax return information-gathering process.</p> <p style="text-align: center;">Name/Title/Email/Phone</p> <p>1. _____</p> <p>2. _____</p>
6.	<p>If the business is a C Corporation, please provide the most up-to-date capitalization table for ownership as of the end of the year.</p>
7.	<p>If the business is a Partnership or S Corporation, and any of the owners' addresses have changed since the prior year return, please provide those updates.</p>

8.	<p>Before providing Kollath CPA with your financial information, please be sure of the following:</p> <ul style="list-style-type: none"> a. Your accounts are reconciled or you have provided us with your bank statements so that we can do this for you (at additional charge). b. Items in any charity account are properly labeled and related to donations to qualified 501(c)(3) charities. c. The recipients of any gifts to vendors or employees are labeled d. Asset items over \$2,500 (or capitalization policy amount if you have one) are clearly labeled to determine if they can be expensed or must be capitalized and depreciated over multiple years. e. Repairs and improvements relating to residential & commercial rental properties are clearly labeled. Repairs can generally be expensed immediately, while improvements are generally depreciated over time (subject to exceptions under the new tax laws). 		
<i>*Please check the appropriate yes or no box for each of the following questions.</i>		Yes	No
9.	Have you, or do you plan to, become an owner (over 25%) in a newly formed business after January 1, 2024?		
10.	Did you start operating in any new states this year? <i>a. If yes, which ones?</i> _____		
11.	Did you receive any state or local grants that may be nontaxable this year? <i>a. If yes, please provide the amount and name here:</i> _____		
12.	Do you have an asset capitalization policy? If yes, please provide. <i>*If one isn't provided, we will use our professional opinion to determine an amount. *</i>		
13.	Is the business required to file 1099s for the year? <i>a. If yes, did you or your third-party provider file (or plan to file) them?</i> Yes No <i>b. Did you want Kollath CPA to file the 1099s?</i> Yes No		
14.	Was there any change in ownership this year?		
15.	Does the business have a retirement plan? <i>a. If yes, please provide the plan type</i> _____		
16.	<p>Did the business have any of the following items outside of Wisconsin this year? If yes, please indicate below by checking the appropriate boxes. Additionally, please provide details in the comment section and we will follow up if more information is needed.</p> <ul style="list-style-type: none"> a. Sales b. Payroll c. Property <p>Comments: _____ _____</p>		

17.	<p>Does the company have any keyman life insurance policies for officers? If yes,</p> <p>a. Are the company owners the beneficiaries of the policy? Yes No</p> <p>b. How many employees did the company have at the end of the year? _____</p> <p>c. How many employees were insured under the life insurance policy? _____</p> <p>d. What was the total amount of insurance at the end of the year? _____</p> <p>e. Did the company have a valid consent from each employee insured? Yes No</p> <p>f. What amount of premiums were paid on the policies for the year? _____</p>		
18.	<p>Does your business involve the performance of services in the fields of health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, investing and investment management, or trading?</p>		
19.	<p>During the year, did the business have employees?</p> <p>a. If yes, please provide the total number of W2s processed at year end. _____</p>		
20.	<p>During the year, did the business have any debt that was canceled, forgiven, or had the terms modified so as to reduce the principal amount of the debt?</p> <p>a. If yes, please provide details.</p>		
21.	<p>Do you forecast any major changes in the business's income, ownership, or operations for next year?</p> <p>a. If so, please briefly explain: _____</p> <p>_____</p>		
22.	<p>Did the business dissolve for good in this year (meaning 2023 will be its final return)?</p>		
23.	<p>Did the business purchase any taxable products or services for storage, use, consumption in Wisconsin without paying sales and use tax during the year?</p>		
24.	<p>Did the business itself own (in full or in part) any other business entities such as an LLC, S Corporation, C Corporation?</p> <p>a. If yes, please provide information regarding ownership including name of entity, percentage of ownership, type of entity, and EIN (Employer Identification Number).</p>		
25.	<p>Did the business receive any notices or correspondence from the IRS, WI Dept. of Revenue, or any other federal or state agency in regards to its tax return filings?</p> <p>a. If yes, please provide a copy of the notice.</p> <p>b. If yes, how did you respond to the notice? _____</p> <p>_____</p>		
26.	<p>Have any owners requested a Schedule K-3 to be provided with their Schedule K-1 this year? Please be aware individuals who file Form 1116 to claim the foreign tax credit on their personal tax return would need a Schedule K-3 to use when completing their tax return.</p>		
27.	<p>Did the business own or have any signature authority over any foreign financial accounts at any time during the year? Foreign financial accounts include but are not limited to bank accounts, brokerage accounts, overnight deposits, PayPal accounts, etc.</p> <p>a. If yes, the business may be required to file a foreign bank account report with the Financial Crimes and Enforcement Network (FinCEN). Please make a note here and we will follow up to request more information.</p> <p>b. If yes, the specific signers on the account may also be required to file a foreign bank account report in their own name.</p>		

28.	<p>Did the business have any foreign owners? <i>a. If yes, please provide information regarding foreign owners.</i></p>		
29.	<p>Did the business own (in full or in part) any interest in a foreign business entity?</p>		
30.	<p>Did the business conduct any activities outside of the United States during the tax year? <i>a. If yes, please provide information about the activities.</i></p>		
31.	<p>Beginning in 2022, taxpayers incurring research & experimental expenses are no longer allowed a full 100% deduction in the year incurred. These expenses must now be identified and amortized over a five-year period. During this year, did the business engage in any research and development activities? <i>a. If yes, would you like Kollath to investigate R&D Credit eligibility? Yes No</i> <i>Fees start at \$750 and can involve additional information gathering.</i></p>		
32.	<p>Did you apply for or obtain any amount of Employer Retention Credit in 2023?</p>		

Additional Comments