

# Oddo Brothers CPAs

Certified Public Accountants

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**Please print this organizer as your guide and return to us with your work.**

## ..... *YEAR-END CHECKLIST for your BUSINESS*

Using this checklist/organizer will allow us to better assist you when it's time to prepare your business income tax returns. If you have questions regarding the checklist, ***please do not hesitate to call us at 770-461-7627 or email us.*** Anything you and we can cover now is that much less we have to cover later.

### **FIVE steps for what you need to do (detailed below).**

**#1 - RECORD ALL ACTIVITY IN YOUR LEDGER (EX: QuickBooks)**

**#2 - RECONCILE ALL BANK AND CREDIT CARD ACCOUNTS**

**#3 - SELF REVIEW THE FINAL BALANCES IN YOUR LEDGER**

**#4 - PROVIDE US WITH CERTAIN DOCUMENTS AND INFORMATION**

**#5 - OTHER IMPORTANT INFORMATION**

**#6 - Submit your work at least 4 weeks PRIOR to the deadline**

**Print, use, and return this organizer to us.**

**Using the organizer reduces the number of questions we will have.**

## #1 - RECORD ALL ACTIVITY IN YOUR LEDGER

If you are not sure how to complete the following, please provide us with the information and we can assist you.

In ADDITION to the everyday activity such as checks, deposits, invoices, bills, credit card receipts.....

### \_\_\_\_\_ **BUSINESS EXPENSES paid with personal funds**

Remember to post that activity or provide us with adequate detail.

If your business reimburses you for your expenses just make sure you post the reimbursement to the correct ledger account (office supplies, etc.)

### \_\_\_\_\_ **RECORD OTHER POSSIBLE MISSING ACTIVITY**

EXAMPLES: certificate of deposit renewed or income received from clients in cash.

If you're not sure how to record it, provide the details to us and we will do that..

### \_\_\_\_\_ **RECORD HOME OFFICE expenses**

If you're not sure how to record it, provide the details to us and we will do that..

We would need total square feet of your house and the square feet of the area that you use regularly and exclusively for your business.

EX: 2400 total sq ft INCLUDING 100 sq feet for the office area.

Total amount you paid personally for the house for utilities, insurance, repairs.

### \_\_\_\_\_ **"ASK CPA" ACCOUNT in your QB file**

This account should be ZERO before we start on your tax return. If it has a balance,

Make sure all activity has ADEQUATE memos.

We can then move the activity to the correct accounts.

## #2 - RECONCILE ALL BANK AND CREDIT CARD ACCOUNTS

### **BANK ACCOUNT BALANCE and related reconciliation**

All bank accounts need to be reconciled through your year-end date.

If you are reconciling your bank account OUTSIDE of QBs, provide us with a copy of it.

If you are NOT reconciling your bank accounts, contact us and we can train you.

### **CREDIT CARD ACTIVITY and related reconciliation**

Proper credit card activity flows like this.....

1 - You record each credit card charge in your ledger and each charge should be posted to a specific account (office supplies, meals, etc).

2 - You should record each payment to the credit card company liability account.

3 - You should reconcile what you posted to the monthly credit card statement.

4 - You provide us with copies of each December credit card statement.

If you use the credit card feature of QBs then you are doing it properly.

#### **VERY IMPORTANT-----V**

If you are only posting payments to your credit card company at the end of the month, you still need to post each payment and distribute portions to the proper expense categories.

If you don't do that, provide us with the yearend statement from your credit card company that shows their best guess at summarizing the detail.

Let us know how much is personal in nature even if you have to guesstimate.

We will reclassify the payments based on the above.

#### **VERY IMPORTANT-----^**

### #3 - SELF REVIEW YOUR WORK

#### \_\_\_\_ **PRINTOUT A YEAREND BALANCE SHEET AND PROFIT AND LOSS STATEMENT**

(Usually 12/31, but if you have a fiscal year-end, you need to use that date.)

Use the ACCRUAL basis.

REASON - you may notice issues in your accounts receivable and payable accounts.

To create the reports, open your QBs file, and go to:

- .....REPORTS (choose accrual),
- .....FINANCIAL & ACCOUNTING,
- .....BALANCE SHEET
- .....PROFIT & LOSS

#### \_\_\_\_ **QUICKBOOKS ONLINE -- QBO**

If you are using QBO, the program is getting better as of late 2017 but the desktop version is still better (more bells and whistles).

If you are using the online banking feature, YOU MUST....before generating above reports....

- 1 - Make sure activity clearing the bank has been downloaded
- 2 - Make sure you go to the "banking" tab and "accept" "match" etc the activity.

#### \_\_\_\_ **REVIEW THE ABOVE TWO STATEMENTS**

Review the balances and make sure they are correct BEFORE providing us a QB file.

If you know something is wrong, if you are not sure, if any questions, bring it to our attention.

We will also look at the statements and contact you if we think any balances need to be adjusted.

#### \_\_\_\_ **IF YOU USE THE "CLASS FEATURE" OF QUICKBOOKS (for example tracking rental properties)**

Run a P&L by CLASS. If there is any activity in the "unclassified" column you need to add the appropriate class.

You can create an "overall" class for activity that is not specific to a class. Doing this ensures we don't have to stop/delay work at year end to discuss the activity with you.

#### \_\_\_\_ **BANK/CASH ON HAND BALANCES**

Do the bank balances look correct? If NO, let us know.

Undeposited funds (cash in drawer) - seem reasonable?

#### \_\_\_\_ **EMPLOYEE RECEIVABLE (s)**

If you have employees and any of them owe you money, please provide us with the amount they owe you at 12/31.

#### \_\_\_\_ **INVENTORY**

Is the balance correct?

If you don't use the inventory feature in QBs but you have inventory, provide 12/31 balance.

If you reported inventory on your prior year tax return, we need a 12/31 balance for this year.

### #3 - SELF REVIEW YOUR WORK continued.....

#### \_\_\_\_ **ACCOUNTS RECEIVABLE**

Is the balance correct?

Run an aging report - any negative amounts? Any amounts not tied together?

If yes to the above two, then we need to adjust the accounts.

If you don't use that feature but your return is ACCRUAL based, please provide us with your yearend balance so we can adjust the account.

#### \_\_\_\_ **DEPRECIABLE ASSETS – Equipment/Fixed assets/Leasehold Improvements**

Review the detailed asset worksheet provided to you with last year's tax return.

If you bought/sold/traded/scrapped, etc any assets, we need details.

For example, the purchase or sale papers.

If you financed any purchases, we need that information.

For example, the finance/loan papers.

#### \_\_\_\_ **RECEIVABLE FROM SHAREHOLDER**

If you owe the business money, is that amount correct?

If not, provide us with the correct amount so we can adjust the account.

#### \_\_\_\_ **PAYABLE TO SHAREHOLDER**

If the business owes you money, is that balance correct?

If not, provide us with the correct amount so we can adjust the account.

#### \_\_\_\_ **ACCOUNTS PAYABLE**

This is the amount you owe to your vendors. Is the balance correct?

Run an aging report - any negative amounts? Any amounts not tied together?

If yes to the above two, then we need to adjust the accounts.

If you don't use that feature but your return is ACCRUAL based, please provide us with your yearend balance so we can adjust the account.

### #3 - SELF REVIEW YOUR WORK continued.....

#### \_\_\_\_ SALES TAX PAYABLE

If you file and pay sales tax returns, how much was unpaid at 12/31?

If you're not sure if you should be filing sales tax returns, please contact us.

If we prepare the sales tax returns for you, then we already have copies of the returns.

#### \_\_\_\_ UNPAID LOAN BALANCE(s)

Provide us with 12/31 balances owed on loans and interest paid in the year for each.

We need paperwork from the bank for EACH loan as of the end of the year.

#### \_\_\_\_ INTERCOMPANY ACTIVITY needs to agree

If you have more than one company, make sure intercompany activity agrees.

For example, if you have 2 companies and company A loaned money to company B,

Company A should show a receivable from company B and company B should show a payable to company A for the SAME amounts.

#### \_\_\_\_ INSURANCE

Insurance needs to be summarized by TYPE and by SHAREHOLDER

EXAMPLE                      Health - employees  
    Health - shareholder  
    Liability  
    Worker's compensation  
    Property & Casualty

If you have one lump total for insurance, please review the detail and provide us a breakdown summary by type and employee/shareholder.

#### \_\_\_\_ MEALS AND ENTERTAINMENT

The IRS generally allows only 50% of this to be deducted. Therefore it is your advantage make sure certain activity is identified separately.

Activity such as open houses, staff birthday parties, staff birthday parties, or company picnics.

That type of activity is 100% deductible.

Please use multiple accounts to capture activity - - meals, entertainment, open house, etc.

#### \_\_\_\_ MISCELLANEOUS EXPENSE

If you have an overall large amount accumulated in the miscellaneous account then you should try your best to repost to the correct account OR repost to ASK CPA and remember to elaborate in the memo area what it was for.

A large amount draws unnecessary attention to your return.

#### \_\_\_\_ PERSONAL NON-DEDUCTIBLE ACTIVITY

If there is any PERSONAL activity in your ledger, make sure it is posted to the equity section of your ledger to an account called "cash distributions."

At the very least, make sure your personal activity is CLEARLY identified and brought to our attention so we can handle it properly.

## #4 - PROVIDE US WITH THE FOLLOWING

### December and January bank and credit card statements

Provide us with copies of your December bank and credit card statements.  
If you don't reconcile your bank/CC accounts, also provide us with copies of your January statements.  
EX: December 2017 and January 2018 (eighteen).

### Year end loan balances - - bank loans, car loans, equipment loans.

### VEHICLES, mileage, adequate records.

Maintain a log for each vehicle to show total miles and business miles. Provide totals to us. We need to know the total miles the vehicle was driven in the year and how many of those miles were for business.  
We need the info for tax purposes. The IRS would need it should you get audited. Under audit, if no log and no other proof, the deduction is usually disallowed/limited.

### FUEL TAX CREDIT on fuel used for off-road purposes

Provide us with # of TAXED gallons used for OFF ROAD purposes if any.  
Do you use other fuels such as propane for forklifts? May be eligible for credit.  
Restaurants may also be eligible for a credit on tips.

### PAYROLL ACTIVITY - what we need from you

If we do NOT prepare your payroll tax returns through QuickBooks, we need copies of all of them. We also need to know what you owed for EACH payroll tax type at year-end. Reports needed: W3, W2, 941, 940, state withholding and unemployment.  
Restaurants may also be eligible for a credit on tips.  
WHY? Because the tax returns ask for information that we can only get from the reports such as the number of W2s issued and amounts paid to shareholders.

If WE prepare the returns we already have copies of them.  
If you use QBs online, we should be able to download them, but if you could do that for us it will save us time.

### PAYROLL - if a 3rd party prepares your quarterly payroll returns

Forward copies of the quarterly and yearly PDF returns that they provided to you. This includes the W2 forms as IRS and GA want to know the # of W2 forms issued. And we need to be able to identify shareholder/officer payroll.

### CREDIT FOR EMPLOYEE HEALTH INSURANCE PAYMENTS

If you pay at least 50% of health insurance for your employees, we need to know (do not include shareholders in the information).....

**Employee name --- Gross Pay --- # hours worked --- Premiums paid**

[http://www.irs.gov/pub/irs-utl/3\\_simple\\_steps.pdf](http://www.irs.gov/pub/irs-utl/3_simple_steps.pdf)

^--more information that will help you with this potentially valuable credit. Once you view the information, click your back button to get back to this page. There is a LOT more to the credit than this. We will not spend time on this area unless you provide us with the above "starting" information. More information regarding the credit can be found here.....

<https://www.healthcare.gov/small-businesses/provide-shop-coverage/small-business-tax-credits/>

Once you view the information, click your back button to get back to this page.

## #4 - PROVIDE US WITH THE FOLLOWING - continued

### \_\_\_\_\_ PENSION

If you are going to make a pension AFTER 12/31, let us know how much and for which employee(s).

### \_\_\_\_\_ COPIES OF 1099, 1098, K1 FORMS

Provide us with copies of ALL 1099 forms that you OR your business receives.

Make sure they have your CORRECT ID# on them!!!!

We try to catch 3rd party errors, but it's not always possible.

**IMPORTANT** - To ensure that they use your correct ID#, you should provide a W9 form to the company you are providing services to.

Have them use your business ID# and NOT your Social Security Number.

### \_\_\_\_\_ COPIES OF 1099k forms

If you accept payment by credit card, you should receive a 1099k form for the year.

Compare the total to sales/revenues shown in your ledger.

What is in your ledger should NOT be less than what is on the 1099k form(s).

If your ledger shows less sales, the IRS will want to know why.

### \_\_\_\_\_ If you maintain your ledger in QuickBooks, we need a copy of the data file

For most situations, please send us an "accountant's copy."

If for some reason, an accountant's copy will not work, we will let you know.

Instructions on sending a file to us are included here on our website.

<http://www.oddocpas.com/file-transfer.html>

Once you view the information, click your back button to get back to this page.

When emailing us a QB file, please let us know what it is to be used for.

Remember to tell us what "version" of QBS is used and the password.

This is very important as many of our non tax services also require a QB file.

EXAMPLES of what to put in the message

"This QB file is for the preparation of our business tax returns."

or

"This QB file is for the quarterly payroll tax returns."

or

"This QB file is for BOTH payroll tax returns and yearend business returns."

**IMPORTANT** - if you use the ONLINE VERSION of QuickBooks.

We need to be able to access your company file. Please make sure that you add us as a user.

**IMPORTANT** - if you plan on using the online version, we HIGHLY recommend that you do NOT convert over from January through April. REASON: there are some limitations whether you convert your desktop data file or create a new one online. Discuss the limitations with us BEFORE you make the move.



#### #4 - PROVIDE US WITH THE FOLLOWING - continued

\_\_\_\_\_ **If you maintain your ledger in QuickBooks, you should REBUILD the data file**

This is something you should do monthly but at least annually to your DESKTOP data file.  
Go to FILE, UTILITIES, REBUILD.

\_\_\_\_\_ **If you do NOT maintain your ledger using QuickBooks**

If this applies to you, then you should have already received an email from us explaining how we need you to summarize your data.

Basically.....

Total money received

Detail of where it came from

(Sales, bank loans, loans from you)

Total money disbursed

Detail of where it went to

(Loan payments, vendor payments, money to you)

## #5 - OTHER IMPORTANT INFORMATION

### IRS TRANSCRIPTS - we can get them electronically

If you are not sure you have all of your personal tax info, we can get a transcript from the IRS for you. That will help a LOT and avoid potential letters from the IRS. We need your approval to do this in the form of a signed 2848.

If you search for "IRS 2848," you will find the file on the internet.

This is NOT an overnight process. Form 2848 has to be filed and processed before we can obtain a transcript.

We need one for your business and most likely your personal return.

And for your personal return, we need one for the taxpayer and one for the spouse.

### ORGANIZING YOUR PERSONAL TAX PAPERS

We will mail you the personal tax organizer in early January.

Please use it!! It will save you money!!

Organize your support papers to follow the flow of the organizer. Further instructions will follow.

### PROPERTY TAX returns

Let us know if you need our assistance in preparing the annual return.

Also let us know if your year-end QB file should be used for the property tax return.

If you need our assistance.....

"Small tools" should be posted to the balance sheet in the fixed asset area.

Are you qualified as a manufacturer? If yes, you may qualify for the Freeport exemption.

Have your assets been posted to a fixed asset account? This helps us prepare the return.

### 1099 FORMS – independent contractors that YOU ISSUE

If you need our assistance, please make sure your QBs file has the necessary information regarding your 1099 recipients.

Name, address, ID #, amount paid, "eligible for 1099" box checked in QB file.

If you don't use QBs but still need our assistance in preparing the forms, we will need all of the necessary recipient information.

NOTE: If you are using PayPros to issue your 1099 forms, make sure you have provided PayPros with the same information.

**IMPORTANT** - if you paid your vendor via credit card, do NOT include that amount on the 1099. Your credit card company will also be reporting that amount.

**IMPORTANT** - To ensure that they use your correct ID#, you should provide a W9 form to the company you are providing services to.

### Affordable Care Act / aka Obamacare (related to 1099 above)

Most CPAs totally ignored contacting their clients. We did not and sent our clients a TIMELY email in Sept 2013 explaining how this

new law can affect business both positively (credits) and negatively (penalties).

For the most part, you are safe for now if you have less than 50 employees.

However, if you have independent contractors and you are issuing them 1099 forms, make EXTRA sure they are truly independent contractors. If they get reclassified as employees, you could end up losing tax credits and getting into penalty situations regarding health care.

## #5 - OTHER IMPORTANT INFORMATION - continued

### Reasonable salary issue for S-corporations

The IRS has been focusing on this area because they know they can audit pretty much any S-corporation and come away with additional Social Security and Medicare taxes. These 2 taxes are in addition to the "income" tax you already pay.

We address this issue with you when we do your annual tax estimate. If you don't have us do a tax estimate, you should still contact us to discuss this issue.

More information can be found here.....

[Reasonable compensation per the IRS](#)

### Annual State registration

You need to do this annually or the State will dissolve your corporation and that could create major tax issues for you (as in, you pay more tax).

Here is the link.....

[State of Georgia Registration Site.](#)

### Questions, concerns, issues you many have for us

You should try to meet with us once a year just to go over your situation.

For example, you might want to know the tax effect of buying or selling an asset, or you think your business might qualify for a certain credit.

Be looking for our emails through the year. The emails are important.

The meeting can be in person or via phone.

We are her to help you!!

We make extensive use of remote access software so you don't even have to leave your office. Just schedule a time with us to call you and we can then log into your computer or you can log into our computer.

### Passwords

If you want us to encrypt PDFs with a password, please let us know **what password to use**.

We can't promise we will always use the password but we will try our best.

### New business or activity

If you started a new business, please remind us so we can file the proper extension.

Filing an extension can save you \$\$\$ in penalties.

### Change of address

If your business moves or you change the mailing address you have to notify the IRS.

You should send the IRS form 8822-B by provable delivery.

This will ensure you receive any notices timely and don't get penalized for not replying to the "missing notice" timely.

## #5 - OTHER IMPORTANT INFORMATION continued.....

### 1099-k

Forward the 1099-K forms to us.

The 1099-K form is issued by your credit card company. It tells the IRS they processed X amount of \$\$\$ for you.

The IRS wants to see your revenues equal at LEAST that amount.

If your business receives 1099-K forms we need to make sure your reported revenues are at LEAST the amount of the 1099-K forms.

If it doesn't, have an explanation ready because the IRS will ask you!

### QUICKBOOKS ONLINE - - QBO

If you're contemplating moving to the QuickBooks Online version, please contact us first.

Overall, the online version has come a LONG way in the last few years.

It is good, but still has some room for improvement.

Some differences:

...1 - Laid out entirely different so you will need to learn some new tricks.

...2 - For example there is no home page work flow graphic (no idea why not).

...3 - In the desktop version, once you buy it, it is yours. With the online version, you will have a monthly payment.

...4 - You can't rearrange the chart of accounts.

...5 - If you've already decided to convert, please hold off converting until AFTER April.

That way we will have time to address any questions you have in a timely manner.

## #6 - WHEN TO SUBMIT WORK

\_\_\_\_ **IN GENERAL, 4 WEEKS BEFORE THE DEADLINE to receive our normal billing rates**

It takes us about 4 weeks to provide our best quality product and service to you.

NORMAL rates apply to clients who allow us 4 or more weeks to get the work done.

HIGHER rates/surcharges apply if submit work less than 4 weeks before a deadline.

Why? Because we have to incur additional hours and staff in the 4 week period.

Please see our current rate schedule found at the following link.....

<http://www.oddocpas.com/pricing.html>