

BUSINESS CLIENT QUESTIONNAIRE

Section 1: GENERAL INFORMATION (Must be completed by all clients)

Business Name: _____

Mailing Address: _____

Mailing Address: _____

Physical Location Address (if different): _____

Physical Location Address (if different): _____

Business Phone: _____ Best time to call: _____

Cell Phone: _____ Best time to call: _____

Do you check your email on a regular basis? Yes No If yes, may we use this method of communicating with you?

If yes, please complete the email address to use: _____

Section 2: PARTNER/SHAREHOLDER INFORMATION (Partnerships & Corporations ONLY)

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Did your company make any changes to partners or shareholders? If no, skip Section 2. If Yes, answer questions in Section 2
<input type="checkbox"/>	<input type="checkbox"/>	Partner(s)/Shareholder(s) were removed If Yes, list name(s) _____
<input type="checkbox"/>	<input type="checkbox"/>	Partner(s)/Shareholder(s) were added If Yes, list name(s) _____
<input type="checkbox"/>	<input type="checkbox"/>	Partner(s)/Shareholder(s) ownership percentage changed If Yes, list name(s) and new ownership %: _____

Section 3: PAYROLL INFORMATION

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Did your company run a payroll at any time during 2018? If no, skip Section 3. If Yes, answer question in Section 3
<input type="checkbox"/>	<input type="checkbox"/>	Did someone else, besides our firm, process your payroll reports? If yes, provide the following reports/information: <ul style="list-style-type: none">Quarterly/Monthly reports which may include: 941, ODFJS, IT-501, SD-101, and citiesYear-end reports which may include: W-3, W-2s, 940, 943, IT-941, SD-141, City reconciliations

4: INVENTORY

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Did your company keep an inventory in 2018? If no, skip Section 4. If Yes, answer question in Section 4
		What was the ending inventory balance as of 12/31/2018? \$ _____

Section 5: 1099's

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Did your company make any payments that would require you to prepare 1099s? If no, skip Section 5. If Yes, answer question in Section 5 (If uncertain, refer to 1099 informational document provided)
<input type="checkbox"/>	<input type="checkbox"/>	Do you need our firm to prepare your 1099's? If yes, provide information to our office by 1/15/2019. If no, please provide copies of your 1096 and 1099s.

Please remember, if 1099's are not prepared, but eligible expenses are documented, by tax law, our firm cannot allow those expenses, which will increase taxable income.

Section 6: LOANS

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Did your company have any loans during 2018? If no, skip Section 6. If Yes, answer question in Section 6
<input type="checkbox"/>	<input type="checkbox"/>	Did you acquire new loans during 2018? If yes, provide the loan documents.
<input type="checkbox"/>	<input type="checkbox"/>	Are there prior loans with an unpaid balance as of 12/31/18? If yes, provide document to show 12/31/18 balance for all open loans.

Section 7: CREDIT CARDS

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Did your company use credit cards during 2018? If no, skip Section 7. If Yes, answer questions in Section 7
<input type="checkbox"/>	<input type="checkbox"/>	Did any credit card account have a balance on 12/31/2018? If yes, provide the credit card statements that show the balance in December 2018 AND January 2019 for each account.
<input type="checkbox"/>	<input type="checkbox"/>	Are all credit cards used for business transactions only? If no, were personal transactions recorded to an equity account or excluded from your total business expenses? Yes <input type="checkbox"/> No <input type="checkbox"/>

Section 8: EQUIPMENT

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Did your company purchase or sell any equipment/assets during 2018? If no, skip Section 8. If Yes, answer questions in Section 8
<input type="checkbox"/>	<input type="checkbox"/>	Did you purchase any large equipment/furniture/vehicles/buildings or make any building improvements? If yes, confirm items have been identified in "memo" field of QuickBooks or provide itemized sales receipts or documents
<input type="checkbox"/>	<input type="checkbox"/>	Did you sell any large equipment/furniture/vehicles/buildings? If yes, confirm items have been identified in "memo" field of QuickBooks or provide itemized sales receipts or documents
<input type="checkbox"/>	<input type="checkbox"/>	Was any item, indicated above, used for personal reasons? If yes, provide details.
<input type="checkbox"/>	<input type="checkbox"/>	Do you have any asset items that are scrapped or obsolete? If yes, provide details.

Section 9: LIFE INSURANCE

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Does the company own a life insurance policy on any of the shareholders?

Section 10: OTHER

Please provide bank statements for all business accounts for 12/31/18 and 1/31/19:

Section 11: QUICKBOOKS USERS

YES	NO	
<input type="checkbox"/>	<input type="checkbox"/>	Did your company use QuickBooks for your 2018 record keeping? If no, skip Section 11. If Yes, answer questions in Section 11
<input type="checkbox"/>	<input type="checkbox"/>	Did your company use QuickBooks Online? If yes, have you assigned our firm as your Accountant in the setup? Yes <input type="checkbox"/> No <input type="checkbox"/> (Please assist us in setting this up.)
<input type="checkbox"/>	<input type="checkbox"/>	Did your company use the desktop version of QuickBooks? If yes, indicate which year you currently use: _____ OR <input type="checkbox"/> Our file is stored on Trapp-Online
<input type="checkbox"/>	<input type="checkbox"/>	Have you set the closing date of 12/31/2018 and password of CPA in your QuickBooks program? If no, please contact office for assistance.

Instructions for QuickBooks DESKTOP users ONLY:

- If not done already in your file, please create a new user for our firm to use when logging in or change password to:
User Name: CPA New User Password: CPA2018! Please make security assignment "External Accountant"
- Create an Accountant's Copy of your file. Set the dividing date as 1/31/2019. Contact our office for assistance.
Use any of the following methods:
Create and save to a flash drive
Create and save to your computer; attach file to e-mail (office@swartzrogerscpa.com)
Create and send using Intuit's *Send to Accountant* function. Set the internet transfer password as CPA2018!



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Did you make any payments that are required to be reported on a 1099?”

As your tax preparer, we are required to answer this question on all individual tax returns that include a Schedule C or F as well as on Partnership and Corporation tax returns. If the answer is YES, then we have to answer a second question that reads, “If so, did (or will) you file all required Form 1099’s?”

In preparing your return, we rely on your representations that you understand and have complied with these requirements. If you have questions about these issues, please contact us.

We will assume you have no 1099s to file unless you inform us otherwise.

If information is located in your tax documents after the 1099 deadline, we either disregard those business expenses or you will need to file late 1099s with the possibility of late filing penalties.

Penalties for not filing Form 1099:

The penalties for failing to file Forms 1099 can be significant. One penalty applies for failing to timely file a complete and accurate form with the IRS. An additional penalty applies for failing to provide the statements to the recipients of the payments. The calculation of both penalties depends on when the failure is corrected.

When does Form 1099-MISC have to be filed?

For 2017 payments, Form 1099-MISC must be filed with the IRS by **1/31/19**. The form must be mailed to the recipient no later than **1/31/19**.

Reporting Requirements for Form 1099-MISC

Reporting rules apply to any business (whether a sole proprietorship, partnership, or corporation) that makes a reportable payment in the course of its trade or business. Payments are reportable when all the following conditions apply:

- The payment was made to a nonemployee.
- The payment was made for services rendered to or on behalf of the payer’s trade or business.
- The payment was made to an individual, partnership, estate, or in some cases, a corporation
 - Note: Payments to corporations (including S corporations) generally don’t need to be reported.
 - **Payments to attorneys and veterinarians are the most notable exception to this rule. All payments, no matter amount or type of entity are reported on a 1099 for these two groups.**
- Payment(s) to the payee totaled \$600 or more during the year (including payment for parts or materials used by the payee in rendering the services if supplying the parts or materials was incidental to providing the service).
- The payment was made for **rent** to an individual or a business that is not incorporated.

(Over)

Nonemployee Compensation (Box 7)

Nonemployee compensation includes commissions, prizes, awards, and other forms of compensation for services rendered to the payer's trade or business. Examples include the following:

- Fees paid for professional services such as fees paid to attorneys (including corporations), accountants, architects, contractors, and engineers.
- Fees paid by one professional to another, such as fee-splitting or referral fees.
- Payments by attorneys to witnesses or experts in legal adjudication.
- Payments for services, including payment for parts or materials used to render the services if supplying the parts or materials is incidental to providing the service. For example, the total insurance company payments to an auto repair shop for a repair contract showing separate amounts for labor and parts are reported if furnishing parts was incidental to repairing the auto.
- Commissions to nonemployee salespersons that are subject to repayment but not repaid during the calendar year.
- A fee paid to nonemployee, including an independent contractor, or travel reimbursement that the nonemployee did not account to the payer, if the fee and reimbursement total at least \$600.
- Payments to nonemployee entertainers for services rendered.
- Exchanges of services between individuals in the course of their trades or businesses. For example, if an attorney represents a painter for nonpayment of business debts in exchange for the painting of the attorney's law offices, the amount reported by each on Form 1099-MISC is the FMV of his or her own services performed. However, if the attorney represents the painter in a divorce proceeding, the divorce is an activity that is unrelated to the painter's trade or business. Therefore, the attorney reports the FMV of his or her services on Form 1099-MISC, but the painter does not report the value of painting the law offices on Form 1099-MISC because the work is in exchange for legal services that are separate from the painter's business.
- Taxable fringe benefits provided to nonemployees.
- Payments of director's fees and other remuneration to members of the board of directors, including payments made after retirement.

Did you pay rent to a person or other entity?

If you paid **rent**, you may have an event that requires you to send a 1099. Contact our office to discuss your situation.

If you have qualifying payments that require 1099s to be prepared, you are responsible to furnish our office with the necessary information. If you need assistance with this, please contact us immediately.

- QuickBooks file with the VENDOR marked as 1099 eligible along with their Social Security number or Federal Identification number entered on the vendor setup.
- List of people/businesses with SS# or EIN, address, and total amount paid during 2017.

The most accurate way to obtain the necessary information from your payee, is to request a completed ***IRS Form W-9***. You can obtain a blank copy of this form by going to www.IRS.gov or visit our website at www.SwartzRogersCPA.com.

If you feel you have payments that require a Form 1099 to be prepared and need our assistance, please contact our office right away at 330-345-7353.

INVENTORY NOTICE

We want to warn you of how the IRS reviews physical inventories. All indications are that tax returns will receive substantially increased scrutiny of actual ending inventory amounts reflected on your tax returns. Because of this increased exposure to audit adjustment we want to review the inventory rules from three perspectives.

IRS Requirements

The Internal Revenue Service requires any business which maintains inventory to physically count the inventory on hand **every year**. This means that, in the event of an audit, you will be asked to provide physical count sheets reflecting actual inventory on hand at the end of the year. Additionally, the agent will physically tour the facility and observe actual inventory on hand. If the IRS examines your return and finds that an actual physical inventory was not taken substantial penalties may be assessed, including a 25% penalty for substantial understatement of income. Many companies find that a video record of the physicals count will aid in the proof of the inventory amount claimed.

Management issues

Most businesses find that their largest current asset is inventory. Every well run business in America monitors and records inventory because of the need to control the invested amount, respond to competitive pricing issues, and adjust to changing market conditions. One of the first signs of financial problems can be a loss of control over the amount invested in inventory. It is evident that for your business to continue to be profitable you must know the amount your company has invested in inventory, so from a management perspective losing sight of the actual inventory investment could quickly cause major financial problems. The IRS annual inventory requirement is actually secondary to the requirement to correctly manage your business by carefully controlling your investment in inventory.

Disaster Losses

Most business owners have never been through a disaster such as fire or flood. We have had clients experience such disasters and they are always shocked at the insurance payment for inventory. In the event of a disaster the insurance adjuster will base any inventory payment on the amount of inventory reflected on your most current financial statement. If you have been understating inventory you will experience a substantial economic loss in the event of a fire, flood or other disaster.

In summary, we are very concerned that many of our clients are not taking an annual physical inventory, and we want to close by re-emphasizing our worries for clients exposed to major IRS adjustments, collapsing management controls and inadequate insurance. We therefore recommend in the strongest terms that all of our clients physically count inventory at or near December 31, 2018 and provide us with a copy of their physical count and costing sheets.

Company Name: _____

2018 Business Supporting Information and Source Documents

Bank statements-December 2018 and January 2019 and 12/31/18 reconciliation
This includes checking & savings accounts.

Credit card statement showing charges thru 12/31/18. This will probably include the January 2018 statement.

Description in Quickbooks for any assets purchased in 2018 (in memo field) or include invoice in packet

Paperwork from dealership for any vehicles purchased-specifically if there was a trade-in

Paperwork for any new loans in 2018 and documentation showing loan balances @ 12/31/18

Health Insurance Premiums paid on behalf of any shareholders. Break-out by shareholder