Murphy Financial Services, Inc.

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February 05, 2019

Subject: Preparation of Your 2018 Tax Returns

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Thank you for choosing Murphy Financial Services, Inc. to assist you with your 2018 taxes. This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide.

We will prepare your 2018 federal and state income tax returns. We will depend on you to provide the information we need to prepare complete and accurate returns. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. An Organizer is enclosed to help you collect the data required for your return. The Organizer will help you avoid overlooking important information. By using it, you will contribute to efficient preparation of your returns.

Our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for you to clarify some of the information you submit. We will, of course, inform you of any material errors, fraud, or other illegal acts we discover.

The law imposes substantial penalties when taxpayers underestimate their tax liability.

Our fee will be based on the complexity of the tax returns, the time required to complete the tax returns, plus out-of-pocket expenses. Invoices are due and payable upon presentation. Past due bills are subject to a finance charge of 1 1/2 % per month on the unpaid balance as well as a $25.00 per month charge for each month the bill is not paid.

You may need or want additional time to file your tax returns. Requests for extensions of time to file your returns must be made by April 15, 2019. The extended due date of the returns will be October 15, 2019. At your request, we will prepare the appropriate extension forms. An extension is for additional time to file the return, not additional time to pay the tax. Substantial penalties will be assessed if your taxes are not paid by April 15, 2019.

Your returns are subject to examinations by the Internal Revenue Service and the State Department of Revenue. In the event of an audit, you may be requested to produce documents, records or other evidence to substantiate items of income and deduction shown on your tax return. If an examination is made, we will represent you if you so desire. These services, along with preparation of correspondence with the taxing authorities, are not included in your fee for preparation of the returns.

IRS regulations require records substantiating all deductions including those for gifts, meals and entertainment expenses as well as expenses for business use of vehicles and computers. Gifts are limited to $25.00 per person per year. You must have receipts for all charitable contributions. By signing below, you confirm that you have been advised of these requirements and that you have such records.

Our engagement to prepare your 2018 tax returns will conclude with the delivery of the completed returns and any signature pages for e-filing to you. Review all tax-return documents carefully before signing them.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated and return it to us with **your** documents.

We appreciate your confidence in us. Please call (414)453-8655 if you have questions.

Sincerely,

Sharon L Murphy EA
Murphy Financial Services, Inc.

(Both spouses must sign for preparation of joint returns.)

Accepted By:

____
Taxpayer

____
Spouse

____
Date

QUESTIONNAIRE

Client Info

Yes No

☐ ☐ Did your marital status change during the year?
If yes, please explain____

☐ ☐ Can you or your spouse be claimed as a dependent by someone else?

☐ ☐ Did your address change during the year?
If 'yes', please provide your current address______________________________________

☐ ☐ Are you or your spouse a 100% disabled vet?

☐ ☐ Did your bank info change since you filed your last tax return?
If yes, please provide us with your current bank info.

☐ ☐ Do you want to have any refund or balance due directly deposited or withdrawn from the above banking account?

Provide the best email address for us to contact you if we have any questions during our review of your tax documents.

____

Dependent Info

Yes No

☐ ☐ Did you have any changes in dependents during the year?
If 'yes', please explain____

☐ ☐ Do you have shared custody of your dependent(s)?
If 'yes', which dependent(s) do you claim this year?__________________________________

☐ ☐ Did you have any childcare expenses during the year?

☐ ☐ Did you have any adoption expenses during the year?

☐ ☐ Did you have any children under age 19 or a full-time student under the age of 24 with more than $2,100 of unearned income?
Provide documentation for proof of dependent related credits (school records, medical records, daycare records, etc.)

Health Care Info

Yes No

☐ ☐ Did all the members of your household have health insurance coverage all year?
Provide copies of all Forms 1095-A, 1095-B, 1095-C for **ALL** members of your household.

☐ ☐ Did you receive any distributions from a Health Savings Account (HSA), Archer MSA, of Medicare Advantage MSA during the year?
Provide documentation for proof of distribution.

☐ ☐ Did you make any contributions to a Health Savings Account (HSA), Archer MSA, of Medicare Advantage MSA during the year?
Provide documentation for proof of contribution.

Income Info

Yes No

☐ ☐ Did you receive any wages? Bring in all W-2's with your packet.

☐ ☐ Did you receive any interest income? Bring in all 1099-INT's with your packet.

☐ ☐ Did you receive any dividend income? Bring in all 1099-DIV's with your packet.

☐ ☐ Did you receive any unemployment compensation during the year? Bring in your tax form.

☐ ☐ Did you transfer or rollover any amount from one retirement plan to another retirement plan?

☐ ☐ Did you receive any nontaxable income during the year? (i.e. child support)

☐ ☐ Did you convert any part of a traditional, SEP, or SIMPLE IRA to a Roth IRA?
Provide documentation.

☐ ☐ Did you receive any income or incur expenses associated with Etsy, Facebook, Craigslist, etc.?
Provide documentation.

☐ ☐ Did you receive any income or incur expenses associated with car sharing (Lyft, Uber, Doordash, etc.)?
Provide documentation.

Income Info (Continued)

Yes No

☐ ☐ Did you receive any income or incur expenses associated with crowdfunding (kickstarter, Indiegogo, etc.)? Provide documentation.

☐ ☐ Did you receive any income or incur expenses associated with short-term rentals (Airbnb, HomeAway, VRBO, etc.)?
Provide documentation.

☐ ☐ Did you receive any income associated with a fantasy football league?
Provide documentation.

☐ ☐ Did you receive any tips not reported to your employer?

☐ ☐ Did you receive any disability income during the year?

☐ ☐ Did you cash any U.S. Savings bonds during the year?

☐ ☐ Did you receive any state or local income tax refunds from prior years?

☐ ☐ Did you receive any other income not provided with this organizer?
If 'yes', please explain______________________________

Purchases, Sales, and Debt Info

Yes No

☐ ☐ Did you purchase a principal residence during the year?
If 'yes', provide the closing documentation for the purchase of the property.

☐ ☐ Did you sell a principal residence during the year?
If 'yes', provide the closing documentation for the sale of the property.

☐ ☐ Did you have a principal residence or a piece of real property foreclosed on during the year?

☐ ☐ Did you abandon a principal residence or a piece of real property during the year?

☐ ☐ Did you refinance your principal home or 2nd home or take out a home equity loan during the year?
If 'yes', provide all escrow, closing, and other pertinent documentation or information.

☐ ☐ Did you receive any principal or interest during the year from property sold in prior years?

☐ ☐ Did you rent out your home?

☐ ☐ Did you receive a first time home buyers credit for a home purchased in 2008?

☐ ☐ Did you start a new business during the year?______________________________

☐ ☐ Did you sell an existing business during the year?______________________________

☐ ☐ Did you purchase any rental properties during the year?______________________________

☐ ☐ Did you sell any rental properties during the year?______________________________

☐ ☐ Did you purchase any other properties during the year?______________________________

☐ ☐ Did you sell any other properties during the year?______________________________

☐ ☐ Did you purchase any business assets or convert any assets to business use?
If 'yes', provide the cost of the assets, the date placed in service, and the percentage of business use.

☐ ☐ Did you purchase any gasoline, diesel, or special fuels for **non-highway business use**?

☐ ☐ Did you use your home for business?

☐ ☐ Did you buy any stocks, bonds, or other investments during the year?

☐ ☐ Did you sell any stocks, bonds, or other investments during the year?

☐ ☐ Did you acquire a new or additional interest in a partnership or S corporation?

☐ ☐ Did you have any debts cancelled or forgiven during the year?

☐ ☐ Did anyone owe you money that has become uncollectible?
If 'yes', please provide dollar amount and the demand letter.

Itemized Deduction Info

Yes No

☐ ☐ Did you pay out-of-pocket (not paid with flex spending accounts) medical or dental expenses (premiums, prescriptions, doctors, hospitals, eyeglasses, mileage, etc.) during the year?

☐ ☐ Did you pay any long-term care premiums for yourself, your spouse, or a dependent during the year?

☐ ☐ Did you make any major purchases (vehicle, boat, etc.) during the year?
If 'yes', provide all pertinent documentation or information.

☐ ☐ Did you pay any real estate property taxes or personal property taxes during the year?

Itemized Deduction Info (Continued)

Yes No

☐ ☐ Did you pay mortgage interest during the year?

☐ ☐ Did you make any cash donation to charities during the year?
If 'yes', provide the amount ____________________

☐ ☐ Did you make any noncash donations to charities (clothes, furniture, etc.) during the year?
If 'yes', provide the documentation including the date of donation, approximate cost for each donation, the approximate value at time of each donation, and the name of the donee organization.

☐ ☐ Did you donate a boat or vehicle during the year?
If 'yes', attach Form 1098-C.

☐ ☐ Did you have any gambling winnings or losses during the year?
Provide documentation.

☐ ☐ Did you incur casualty losses due to a federally recognized natural disaster?

Retirement Info

Yes No

☐ ☐ Did you receive any payments from a pension, profit sharing, or 401(k) plan during the year?
If 'yes', provide all 1099-R forms.

☐ ☐ Did you make any withdrawals from an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), myRA, or other qualified retirement plan during the year? If 'yes', provide all 1099-R Forms.

☐ ☐ Did you make any contributions to an IRA, Roth, Keogh, SIMPLE, SEP, 401(k), myRA, or other qualified retirement plan during the year?

☐ ☐ Did you receive any Social Security benefits during the year?
If 'yes', please bring your tax document.

Education Info

Yes No

☐ ☐ Did you pay tuition expenses that were required for attending college, university, or vocational school for yourself, your spouse, or a dependent during the year (even if classes were attended in another year)?
If 'yes', please provide your 1098-T forms.

☐ ☐ Did anyone in your household attend a post-secondary school during the year?

☐ ☐ Did you make a contribution to an Education Savings Account or Qualified Tuition Program during the year?

☐ ☐ Did you receive a distribution from an Education Savings Account or Qualified Tuition Program during the year?
If 'yes', please provide your 1099-Q Forms.

☐ ☐ Did you pay student loan interest for yourself, your spouse, or your dependent(s) during the year?

Estimate Info

Yes No

☐ ☐ Did you apply an overpayment of your 2017 taxes to your 2018 estimated taxes?

☐ ☐ If you have an overpayment of your 2018 taxes, do you want the refund to be applied to your 2019 estimate taxes?

☐ ☐ Did you make any estimated payments toward your 2018 taxes?
Please provide this information within your organizer.

State Info

Yes No

☐ ☐ Did you purchase any items on which you didn't pay sales tax?
If 'yes', please provide the total amount of those purchases. $____________________

☐ ☐ **Wisconsin Residents:** Did you pay for private elementary or secondary education expenses?
If 'yes', please provide documentation including grade.

☐ ☐ **Wisconsin Residents:** Did you pay rent for your principal residence?
If 'yes', how much did you pay for the year? $____________.
Did the rent you paid include heat? ________

Foreign Account Info

Yes No

☐ ☐ Did you have a financial interest in or signature authority over a financial account or asset located in a foreign country?

☐ ☐ Did you receive a distribution from, or were you a grantor of, or transfer to, a foreign trust?

Foreign Account Info (Continued)

Yes No

☐ ☐ Did you have any income from, or pay taxes to, a foreign country?

☐ ☐ Did you own property in a foreign country?

☐ ☐ Did the aggregate value of your foreign accounts exceed $10,000 at any time during the year?

Miscellaneous Info

Yes No

☐ ☐ Did you incur any expenses working as a teacher, counselor, or principal for classes kindergarten through grade 12?

☐ ☐ Did you pay or receive any alimony?

☐ ☐ Did you incur a gain or loss due to damaged or stolen property?
If 'yes', provide the date of the incident, value of the property, and amount of insurance reimbursements.

☐ ☐ Did you pay wages to any household employees (babysitter, nanny, housekeeper, etc.)?

☐ ☐ Did you make gifts to any one person in excess of $15,000 during the year?
If 'yes', are you splitting the gift with your spouse? ____________

☐ ☐ Did you make any energy-efficient improvements to your main home during the year?
If 'yes', please provide documentation.

☐ ☐ Are you a business owner who paid health insurance premiums for your employees during the year?

☐ ☐ Did you receive any notices from the IRS or State taxing authorities last year?
If 'yes', please provide them with your packet.

☐ ☐ May the IRS discuss your tax return with your preparer?

☐ ☐ Would you like a copy of your tax returned emailed to you instead of receiving a printed copy?

Newsletters

Each year we update our records regarding our MFS newsletters.

Yes No

☐ ☐ Do you want the newsletter mailed to you?

OR

☐ ☐ Do you want the newsletter emailed to you?
If 'yes', provide the current email address.

Even if you provided it last year, provide again this year and please print legibly:

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