Hagan, Johnson & Associates, CPA, PC

More than just tax preparers…here for all your financial needs.

Engagement Letter and Tax Deduction Finder

Please note:

- Engagement letter must be signed prior to tax preparation.
- Please do not send original documents. Please scan or copy documents to send to our office.
- The tax deduction finder can also be downloaded from our website.
- The return will not be e-filed until the tax return preparation invoice is paid in full.
- Complimentary extension filed upon request. (**While an extension provides additional time to file your return, it does NOT provide an extension of time to pay taxes)**
- March 31, 2021 deadline to receive all required information in order to file by April 15, 2021.
- If you miss the March 31, 2021 deadline and still must file by April 15, 2021 there is a minimum $50.00 expedited fee.
- September 30, 2021 deadline to receive all required information in order to file extended tax returns by October 15, 2021.

Dear Client:

Please note that **we must receive a signed copy of this engagement letter before we are able to work on your tax return.** Also attached is a tax deduction finder that we have specially created to help you in organizing your tax information. Please return these along with supporting documents in the enclosed envelope, via email, portal or fax. Keep a copy for your records.

We will prepare your federal and state individual income tax returns from information you furnish us. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of the information.

If you are anticipating a refund, please DO NOT spend the money before it actually arrives in your account!

It is your responsibility to maintain in your records, the supporting documentation necessary to support your tax returns (Generally for a period of 6 years from the return due date). If you have any questions as to the type of records required, please ask us for advice in that regard.

We are responsible for preparing only the returns referred to in this letter. **Our fee does not include responding to inquiries from the IRS or state that may be received after the return is filed, or any examination by taxing authorities. However, we are available to represent you should such a need develop and this would be covered under a separate engagement letter.**

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt, on your behalf, the alternative you select. If the IRS should contest the position taken, disallow doubtful deductions or inadequately supported documentation there will be an assessment of additional tax, plus interest and penalties. We assume no liability for any such additional penalties or assessments. Federal law has extended the attorney-client privilege to some, but not all, communications between a client and the client's CPA. Communications solely concerning the preparation of a tax return, is regrettably not privileged.

In order to protect sensitive data, client copies of tax returns will be delivered via a secure client portal which will allow you to download an electronic copy of your tax return and print an unlimited number of paper copies at any time. **Portal access is available at no extra charge.** A paper copy may be requested. We will not be liable for any lost or stolen mail. All postage fees will be charged to and paid by you the client.

You may also pick up a copy of your tax return from our office. Photo ID will be required. Please keep your paper copy in a safe location, as replacement paper copies are $50.00 per year.

We strive to get you all the deductions to which you are entitled. Since your return is unique to your particular circumstances, we cannot guarantee the outcome or whether you will view it as good or bad. However, this does not relieve you of the obligation to pay our fees.

Payment for service is due when rendered. **No returns will be e-filed until the tax return preparation invoice is paid in full.** (This is a firm policy and we thank you in advance for your understanding.).

If the above fairly sets forth your understanding, please sign a copy of this letter and return it to us. We are pleased to have you as a client and look forward to a long and mutually satisfying professional relationship.

Sincerely,

Hagan, Johnson & Associates, CPA, PC

Taxpayer Signature_______________________________

Print ___________________________Date__________

Spouse Signature_________________________________

Print ___________________________Date___________

The following questions are mandatory

Bank info (Required for Direct Deposit) Please deposit any refund ☐	
Bank	
Routing #	Account #
Account Type Checking ☐ Savings ☐ Joint Account ☐	
PLEASE PROVIDE VOIDED CHECK	
Taxpayer Drivers License Info	
Name:	
Number:	
State:	
Expiration:	Issue Date:
Taxpayer 2 Drivers License Info	
Name:	
Number:	
State:	
Expiration:	Issue Date:

Required Information	Yes	NO
Have you had any tax credits that were disallowed or reduced in a previous year? (EIC, Child Tax Credit and American Opportunity Tax Credit)	☐	☐
Can you substantiate your right to claim the dependents on your return?	☐	☐
Can you verify that the dependents being claimed for the child tax credit and earned income credits lived with you for over half the year?	☐	☐
Is there anyone else who could claim the dependent as an exemption on their tax return?	☐	☐
Did you report any/all self-employment income and the related expenses to us?	☐	☐
Do you have records including business bank statements to support all of your self-employment income	☐	☐
Have you provided us with all 1098-Ts and receipts for qualified tuition and related expenses in order to claim the American Opportunity Tax Credit?	☐	☐

1. How much money did you receive in the first stimulus?	$
2. How much money did you receive in the second stimulus?	$

Taxpayer 1 ______________________________

1. Did you get your coverage through the healthcare.gov marketplace?	Yes ☐	No ☐
2. Were you covered the entire year? If no what months were you covered? Jan ☐ Feb ☐ Mar ☐ Apr ☐ May ☐ Jun ☐ Jul ☐ Aug ☐ Sep ☐ Oct ☐ Nov ☐ Dec ☐	Yes ☐	No ☐
3. Did you have Health Insurance coverage in 2020? (Only for California, Massachusetts, New Jersey, Vermont or Washington, D.C.)	Yes ☐	No ☐

Taxpayer 2 ______________________________

1. Did you get your coverage through the healthcare.gov marketplace?	Yes ☐	No ☐
2. Were you covered the entire year? If no what months were you covered? Jan ☐ Feb ☐ Mar ☐ Apr ☐ May ☐ Jun ☐ Jul ☐ Aug ☐ Sep ☐ Oct ☐ Nov ☐ Dec ☐	Yes ☐	No ☐
3. Did you have Health Insurance coverage in 2020? (Only for California, Massachusetts, New Jersey, Vermont or Washington, D.C.)	Yes ☐	No ☐

The following forms are required: 1. Form 1095 A, B and C (If received)

TAXPAYER INFORMATION

1-TAXPAYER INFORMATION

Current clients-Complete name and contact info only **unless your information has changed.**

Filer Name		
Social Security No.	Birth Date / /	
Occupation	☐ √ if Blind	
Contact Phone		
E-mail Address		
Spouse Name	Date of Marriage / /	
Social Security No.	Birth Date / /	
Occupation	☐ √ if Blind	
Contact Phone		
E-mail Address		
Street	Apt #	
City	State	Zip

2-ESTIMATED TAXES PAID

Not W-2 Withholding

Payment & Due Date	Date Paid	Federal	State
Applied From 2019 Refund		$	$
First Quarter		$	$
Second Quarter		$	$
Third Quarter		$	$
Fourth Quarter		$	$

3-SPECIAL INFO

Applies to Taxpayer or Spouse

I have signature authority or am a co-owner on a foreign bank account **Non disclosure if required could mean a $10,000 penalty**	√ ☐
I received an inheritance from a foreign country	√ ☐
I have a foreign bank account or interest in a foreign financial asset	√ ☐
I received a distribution from, or was the grantor of a foreign trust	√ ☐
During 2020 I bought, sold, or gifted real estate	√ ☐
I made a gift of money/property to any individual in excess of $15,000	√ ☐
I employ household workers	√ ☐
I had an early withdrawal penalty from a CD	√ ☐

4-DEPENDENTS

First Name	Last Name	Social Security #	Relation	Date of Birth	Income	Child or Dependent Care Expenses	Provider's Name	Provider 's SSN or Employer ID#
					$	$		
					$	$		
					$	$		

5-INCOME & ADJUSTMENTS

PLEASE PROVIDE ALL DOCUMENTATION	TAXPAYER	SPOUSE
W-2 Wages	PROVIDE W-2	PROVIDE W-2
Partnership, Trust or S-Corporation K-1's	PROVIDE K-1	PROVIDE K-1
Were you the beneficiary of an inheritance?	☐ Yes	☐ Yes
State Tax Refund (1099-G)	Provide 1099	Provide 1099
Social Security or RR (SSA-1099/RRV-1099)	Provide 1099	Provide 1099
Alimony Received	$	$
Alimony Paid To: ___________________________ SSN: ____________________________________	Amount paid $	Amount paid $
Tips not included in W-2	$	$
Unemployment Compensation (1099-G)	Provide 1099	Provide 1099
Gambling Winnings (W-2G)	Provide W-2	Provide W-2
Bartering Income	$	$
Interest/Dividend Income (1099-INT/1099-DIV)	Provide 1099	Provide 1099

Did you have credit card debt forgiven (1099-C)	☐ Yes
Did you abandon your home (1099-A, 1099-C)	☐ Yes
Was your home foreclosed on or sold in a short sale (1099-A 1099-C)	☐ Yes

6-FOREIGN FINANCIAL ACCOUNTS

Name of Institution	Country	Balance in Taxpayers Account 12/31/20	Balance in Spouse's Account 12/31/20
		$	$
		$	$

7-IRA & SEP PLANS

	TAXPAYER	SPOUSE
Do you have a retirement plan with your Employer	☐ Yes	☐ Yes
Did you convert a traditional IRA into a Roth IRA	☐ Yes	☐ Yes
Traditional IRA, SIMPLE & SEP Plans		
Contributions-Form 5498 (Available after May 15th)	$	$
Withdrawals (Provide 1099-R)		
Rollovers (Provide 1099-R)		
Roth IRA		
Contributions-Form 5498	$	$
Withdrawals (Provide1099-R)	Provide 1099	Provide 1099

DEDUCTIONS/MISCELLANEOUS

1-MEDICAL EXPENSES

Do not list expenses reimbursed by insurance or HSA. Medical expenses deductible only if they exceed 10% of your adj. gross income.

Insurance Premiums (Medical, Dental, Vision & Hospital) After tax only-No Self Employed	$
Medicare Insurance Premiums (Info required if no Form 1099 SSA)	$
Long Term Care Insurance	$
Doctors, Dentist	$
Supplies/Equipment (Hearing aids including batteries, C-pap, etc.)	$
Home Modifications (Provide listing of costs incurred on a separate sheet)	$
Hospitals, labs, x-ray	$
Medical Miles	

2-TAXES PAID

Provide documentation

Real Estate-Primary Residence	$
Real Estate-2nd Home (not an investment or rental property)	$
Real Estate-Investment Property (only if property is not rented currently)	$
Ad Valorem	Provide receipt
City\County\Local Taxes	$
State Income Taxes paid for prior years	$

3-MORTGAGE INTEREST

Home Mortgage Interest	Provide 1098
Home Mortgage Interest 2nd Home (not an investment or rental property)	Provide 1098
Home Equity Line of Credit (For maintenance or improvements to residence)	Provide 1098
Time Share Mortgage Interest	Provide 1098
Mortgage Interest paid to Individual Name: SS#:	$

4-CASH CONTRIBUTIONS

Must have receipts for all cash & single contributions over $250.00

Name of Organization	Taxpayer	Spouse
	$	$
	$	$
Mileage for Charitable Works		

5-NON CASH CONTRIBUTIONS

Clothing, household, etc.

Date Donated	Date Originally Purchased	Original Purchase Price	Fair Market Value If nothing is entered value is considered zero	Organization Donation Made To	Items If needed please attach separate list	**Condition** Excellent Good New
		$	$			
		$	$			
		$	$			

6-MISCELLANEOUS

Did you move in 2020 (Must be an active member of the military)	☐ Yes
Gambling Losses	$
Gambling Income (Attach W-2G from Casino)	$
Student loan interest	$
Did you receive any prizes/awards not reported on W-2 Description:_______________________________	Value $
Did you adopt a child in 2020-Attach all documents	☐ Yes
For tax years 2017-2019, Georgia residents can receive a state credit up to 90 percent for donations made to qualified rural hospital organizations in the state of Georgia under the law passed in Senate Bill 258. Please contact our office for additional information if you are interested in this wonderful tax credit program opportunity.	I made contributions to qualified rural hospital organizations under the Georgia Heart Hospital Program? ☐ Yes
Did you have any sales or other exchanges of virtual currencies, or used virtual currencies to pay for goods or services, or you are holding virtual currencies as an investment?	☐ Yes

7-EDUCATION EXPENSES

Student 1___________________________ Student 2___________________________	Student __________	Student _______
Is a fulltime student	☐Yes ☐No	☐Yes ☐No
Tuition, Fees, Books & Supplies (For 1st 4 Years of College)	$	$
Tuition, Books, Supplies (Non degree courses)	$	$
529 Plan Contributions Name of State Plan___________________	$	$

8-CASUALTY LOSS

Was the loss in a presidentially declared disaster area?	☐ Yes

Casualty Description			
Date of Casualty		Insurance reimbursement	
Fair market Value before casualty	$	Original Cost/Basis	$
Fair Market Value after casualty	$	Date Acquired	

SELF EMPLOYED

Please complete one of these pages per business owned

1-SELF EMPLOYED BUSINESS

Business Name:	
Address:	
Business Income	$
Merchant Fees	$
Customer Refunds	$
Customer checks returned by bank	$
Advertising	$
Business Professional Dues/Membership Fees	$
Commissions, Management & Other Fees	$
Liability & Business Property Insurance	$
Interest Paid-Credit Cards **Dedicated Business Credit Card**	$
Total Internet $____________ Percentage used for Business _________	
Legal, Accounting, Payroll Fees	$
Meal for business **Log required to show name of client/ potential client & business discussed**	$
Bank Service Charges	$
Gifts to customers/family (IRS limits gifts to $25 per)	$
Health Insurance premiums (Not paid by employer)	$
Interest Paid Mortgage-business building only	$
Land Line Telephone (Second line only for home offices)	$
Total Cell Phone $____________ Percentage used for Business _________	
Office Expenses	$
Payments to Subcontractors	$
Rental-Business Property/Real Estate	$
Repairs & Maintenance-(Business Equipment)	$
Taxes & Licenses-Secretary of State	$
Wages paid to employees-Form W-2 **(Please Provide)**	$
Supplies (Hardware, cleaning, saw blades, etc.)	$
Postage & Shipping	$
Rental-Vehicle, Equipment, Machinery	$
Seminars, Training	$
Business Building Utilities-(Do not include if home office)	$
Home office	
Second Telephone Line	$
Total utilities paid	$
Total rent paid	$
Hazard or Renters Insurance	$
Pest Control	$
Other:	$
Improvements	$
Homeowners/Condo Association Fees	$
Square footage area used exclusively for business	
Total heated square footage of home	

3-BUSINESS VEHICLE EXPENSES

	Taxpayer	Spouse
Enter vehicle make, model and year	___________ ___________	___________ ___________
Amount of reimbursement provided by employer	$	$
Is the vehicle available for personal use	☐ Yes	☐ Yes
Have you kept a log recording your mileage	☐ Yes	☐ Yes
Is reimbursement included on W-2	☐ Yes	☐ Yes
Do you have another vehicle available for personal use	☐ Yes	☐ Yes
Parking & Tolls		
Total miles driven for the year		
Total commuting miles for the year		
Business Miles-For employer		
Business Miles-Between 1st & 2nd job		
Business Miles-From job to school		
Business Miles-Temporary job sites		
Vehicle operating expenses-If using actual expenses		
Fuel	$	$
Total Maintenance, tires, batteries and repairs	$	$
Insurance	$	$
Vehicle License- (Special licenses such as Class D. Include expense for medical exams.)	$	$
Total Lease Payments	$	$
Total Loan Interest	$	$
Total Taxes	$	$
Total Car Wash	$	$

4-BUSINESS TRAVEL

Airfare	$	$
Auto Rental	$	$
Meals-(Away from home overnight)	$	$
Lodging	$	$
Laundry-(Away from home overnight)	$	$
Tips, Other:	$	$

2-ASSETS PURCHASED, SOLD OR DISPOSED *

Description of Asset	Date sold or disposed of	Sales Price
		$
		$
		$

*If Needed attach a separate statement with itemized list.

REAL ESTATE RENTAL

Please complete one of these pages per rental owned

1-REAL ESTATE RENTAL INCOME/EXPENSES

Address (of property):	
Rental Income	$
Refunds and Returned Checks	$
Homeowners and Hazard Insurance	$
Legal & Professional Fees: (Including evictions)	$
Management Fees	$
Mortgage Interest paid on non-home offices	$
Other Interest: (Seller financing, dedicated credit cards, etc.)	$
Commissions	$
Hardware, cleaning, small tools (Under $100)	$
Property Tax (non-home offices)	$
Electricity (non-home offices)	$
Water (non-home offices)	$
Gas (non-home offices)	$
Advertising	$
Bank Charges	$
Total Cell Phone $____________ Percentage used for property _________	
Pest Control	$
Credit Checks on renters	$
Total Internet $____________ Percentage used for property _________	
Postage, Office Supplies	$
HOA or Condo Fees	$
Flooring (Repairs)	$
Carpentry (Repairs)	$
Electrical (Repairs)	$
Heating/AC (Repairs)	$
Painting (Repairs)	$
Plumbing (Repairs)	$
Roofing (Repairs)	$
Flooring, Kitchen, Bathroom Repairs	$
Cleaning & Maintenance	$
Lawn/Yard Service	$
Other:	$
Other:	$

3- REAL ESTATE/INVESTMENT BUSINESS TRAVEL

	Taxpayer	Spouse
Enter vehicle make, model and year	____________	____________
Is the vehicle available for personal use	☐ Yes	☐ Yes
Have you kept a log recording your mileage	☐ Yes	☐ Yes
Do you have another vehicle available for personal use	☐ Yes	☐ Yes
Parking & Tolls		
Total miles driven for the year		
Total commuting miles for the year		
Total miles rental related-(Include trips to pick up checks, trips to hardware store, trips to meet contractors on job, trips to deposit checks, etc.)		
Vehicle operating expenses-If using actual expenses		
Total Fuel	$	$
Total Maintenance, tires, batteries and repairs	$	$
Insurance	$	$
Vehicle License	$	$
Lease Payments	$	$
Loan Interest	$	$
Taxes	$	$
Car Wash	$	$

4– REAL ESTATE/INVESTMENT BUSINESS TRAVEL

Airfare	$
Auto Rental	$
Meals-(Away from home overnight)	$
Lodging	$
Laundry-(Away from home overnight)	$
Tips, Other:	$

2-BUSINESS OR INVESTMENT PROPERTY SOLD OR DISPOSED

Description of Asset	Purchase Date	Cost	Sale Date	Sales Price	Rental # (above)
		$		$	
		$		$	
		$		$	
		$		$	