the WATSON CPA GROUP
certified public accountants • business consultants

Tax Preparation Process (Partnerships and Corporations)

Timelines and Considerations

Here are some important dates and considerations for us to help manage expectations-

- **Wednesday, March 1 2017**

  All tax documentation must be received for us to guarantee an on-time filing (we routinely receive documentation well into April and still complete the tax returns on time- we just can't promise it).

- **Monday, March 13 2017**

  All eFile authorizations must be received.

- **Wednesday, March 15 2017**

March 2017

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- Our normal turn around time after receiving everything we need is **7-10 days**. We will update you with email and text alerts along the way.

- We have a **soft-close at 3:01PM** on Fridays to enjoy a beer, chips and salsa, and to unwind a bit. Apparently having fun before 3:00 is frowned upon in our establishment. Back at it on Saturday!

Client Engagement Agreement

In the past we've not been as stringent on engagement agreements. However, the IRS, American Institute of Certified Public Accountants (AICPA), ethical guidelines and our professional liability insurance now require client engagement agreements. They can be demanding that way. Please click on the link below to electronically review and sign this agreement.

www.watsoncpagroup.com/engagement

It is easy and painless, and needs to be submitted prior to the preparation of your tax returns.

Security and Privacy Procedures

Your security and privacy is very important to everyone at the Watson CPA Group. Please review the various policies and procedures which are implemented to protect your confidential information.

www.watsoncpagroup.com/safe

9475 Briar Village Point, Suite 325 ■ Colorado Springs, Colorado ■ 80920
719.387.9800 tel ■ support@watsoncpagroup.com ■ www.watsoncpagroup.com ■ fax 855.345.9700

Tax Deductions and Fringe Benefits

As a small business owner, we want to help you leverage the most out of your business through proper business tax deductions and fringe benefits. Please review the online version of Chapter 7 of our book at-

www.watsoncpagroup.com/biz

If you are a subscription small business client, you are familiar with our Periodic Business Reviews (PBRs). Either way, please review our PBR agenda since it might trigger additional comments or concerns-

www.watsoncpagroup.com/pbr

Sending Us Your Documents

We provide worldwide tax preparation service and your ability to communicate with us is critical to everyone's success. And your comfort level in sending sensitive and personal information is our top priority so we have implemented four ways to safely and securely send your tax documents to us:

Client Portal

Since 2007 we have used ShareFile to administer our Client Portal which provides secure, online document exchange. The Client Portal will allow you to securely upload your tax documents to our office. As more companies electronically provide year-end tax statements and forms, and as scanners become more user friendly, uploading these files will save you time and resources. In addition, the Client Portal can be used to retrieve and review your tax return prior to eFiling.

> **Note on Scanning:** Our preference is for you to create one ginormous PDF file of all your paper tax documents. We understand that some of your tax statements will be separate PDFs since you received them electronically. No worries- do what you can but know that submitting one PDF is our preference.

Printing to PDF- Most operating systems have a PDF printer already installed- if not, please do an internet search for free PDF printers (we use Cute PDF ourselves). This is a very handy tool which installs a **PDF printer** allowing you to print anything to a PDF file. Screen shots, online activity, Excel spreadsheets; anything you normally print to paper can be saved as a PDF. This is especially useful for bank website or other dynamic websites where you cannot directly save the information.

And there is a cool site called **www.pdfmerge.com** which will securely merge PDFs into one big PDF file for free! There are limitations of course- nothing free is really that cool.

We understand not everyone will be comfortable using the Client Portal and therefore we will accommodate all requests for alternative ways of sending your tax documents to us. Otherwise, you can access the Client Portal at-

www.watsoncpagroup.sharefile.com

Secure Fax

If you decide to fax your tax documents, our tax team fax number is 719-453-0256. You can also use our toll-free main fax number of 855-345-9700. We will email you and send a text message alerting you that your fax was received. We will also upload your faxed documents to your Client Portal should you need this information again in the future.

> **Note:** Please provide a cover letter with all faxes. If you want to be a superstar and have our tax admins think you are the best client ever, you should **initial and number each page**. But that is not required.

Mail, Road Trip

If you do not have access to a fax machine or scanner, you may also mail your information to us. We encourage the use of FedEx or UPS. Our address is:

Watson CPA Group
9475 Briar Village Point Suite 325
Colorado Springs CO 80920

> **Note:** The ability to maintain our competitive fees relies on receiving soft copies (faxes, scans, emails) or hard copies of your originals. If you send us original documents, and do not want them returned to you we will maintain them in our office indefinitely. If you want originals sent back to you, we must charge a **$45 fee** for the costs of copying and mailing. We do not have extra resources during tax season for this activity- **we can only return originals in May**.
>
> All tax documents and work papers that you provide as hard copies will be scanned and uploaded to your client portal.

If making a road trip to our office, tax preparation seems to improve dramatically with donuts.

Let Us Know

Lastly, you can use any combination of these methods- if you want to upload some documents and fax others, we are flexible. However, **it is difficult to know when clients are done sending their tax documents**. So, please send an email to **support@watsoncpagroup.com** or give us a shout at 719-387-9800 to let us know you are done. We love phone calls from our clients- voices, stories, weather updates- all good stuff!

Also, if you are waiting on one last tax document such as a rogue K-1 or 1099, please send what you have. We will prepare a preliminary tax return, and simply drop in the late document at the last minute.

Directions, Appointment

Over 65% our tax clients live outside of Colorado, therefore we are proficient in preparing your tax return without an appointment. However, if Colorado Springs is convenient for you or if you would like to Skype, please call or email us to schedule.

If you want to make an appointment, please contact us. We are located in Colorado Springs, but can Skype (screenname of WatsonCPAGroup) or screenshare with clients all over the globe. If an appointment is inconvenient, remember you can always mail, fax or scan your tax documents to us.

View directions at **www.watsoncpagroup.com/Directions.pdf**

Contact Info

The tax team consists of four managers, including several seasoned tax professionals and admins. Here is the contact information for your Tax Pod-

Pod A is managed by Tina Watson, and primarily focuses on partnership and corporate tax returns, including complicated individual tax returns.

Tina Watson, CPA, MBA
Senior Partner
719-428-3257 direct
tina@watsoncpagroup.com

Pod A's Distro- poda@watsoncpagroup.com

Pod B is our super pod and is co-managed by Jason Watson and Mayzie Brown, and primarily focuses on flight crew, rental property owners and small business owners.

Jason Watson, EA, CDFA, MBA
Managing Member
719-428-3261 direct
jason@watsoncpagroup.com

Mayzie Brown, CPA
Tax Manager
719-219-0830 direct
mayzie@watsoncpagroup.com

Pod B's Distro- podb@watsoncpagroup.com

Pod C is managed by Sally Rhoades, and primarily focuses on small business owners, rental property owners, expats (expatriates) and all kinds of individual tax returns.

Sally Rhoades, CPA
Tax Manager
719-428-3269 direct
sally@watsoncpagroup.com

Pod C's Distro- podc@watsoncpagroup.com

Tax Pods

We work in teams (or as we say, pods) and each person above is a pod leader. Each pod has two to three tax professionals- several return each year, but we also pay back to our accounting community by training new CPA students from the University of Colorado at Colorado Springs (UCCS). This pod arrangement provides better ownership of each tax client's unique situation and allows us to learn as much as we can about you so that we can comprehensively prepare your tax returns.

Tax Admins

We have five wonderful tax admins who support each tax pod as a collective pool. Amanda and Becky are full-time admins for the Watson CPA Group, and we have added three seasonal tax admins for the tax season. They are the gatekeepers. They are the team that makes everything happen. Each Tax Manager and all our tax return preparers rely heavily and sincerely appreciate our tax admins.

Growing Pains

We are a growing company, and every year we retool our procedures. And the unfortunate thing about our business is that we don't know our process is broken or needs improvement until about March 26, and the devil we created is the devil we live with until April 15. And each year we attempt to improve our process to you- the feedback you provide is tremendous, and we appreciate all the comments and suggestions.

Rest assured that anytime you feel your needs are not being met, please contact Jason Watson or Tina Watson. If we stink at something, we want to know. And you should know that we'll make it right, right away.

Text Messaging

We have also developed a Client File Management System (CFMS) where you can access your tax file and track its progress. Our CFMS system will also email and text you with various alerts- when your tax returns are assigned for preparation, if we have missing information, when they are available for your review, etc. Our automated system is designed to provide better communication with you, but it is not a substitute for good old fashioned phone calls- if we feel like communication has broken down, we will always call you.

The Process

Here is a timeline of what to expect. Life is all about managing expectations, and we attempt to do that here-

- You send us your tax stuff, and we alert you (through email and text message) that it is received.
- A tax admin reviews it for obvious missing information or items, and contacts you if necessary.
- Your file is assigned to a tax pod based on legacy for returning clients, or type and complexity for new clients. We also alert you with an email and text.
- Your tax return preparer and Tax Manager prepare your tax returns.
- If there are questions or clarifications needed, the Tax Manager contacts you, and we also alert you.
- If your tax returns are ready for review, we send a secure copy via email and the client portal, and alert you.
- If you have questions or comments, you can email those directly by replying to the email containing your tax return or contact your pod leader directly. We **ALWAYS** want you to understand your tax returns and feel comfortable about the information being filed. We typically allocate about 15-20 minutes for individual tax returns, and **partnerships and corporate tax returns** we allocated 30-40 minutes.
- Once you review and approve your tax returns, you need to do two things-

  1. Give us permission to eFile your tax returns on your behalf, AND
  2. Pay your tax preparation fee. No tax returns are filed until payment is made. Do both here-

     www.watsoncpagroup.com/bizfile

- About 2-3 days after eFiling, you will receive emails from taxing agencies such as the IRS and the state letting you know that your tax returns have been received. It is common for states to email you before the IRS.
- Boom! That's it (at least until next year). Enjoy your spring and summer!

The One Call Team

The Watson CPA Group is expanding its depth and quality of services to our clients. We were concerned about our clients only having access to individual silos of quality advice from tax modeling to small business consultation to retirement planning to estate strategies. Picture a drive through Wisconsin farmlands. Each silo individually doing the right thing, but collectively missing the mark.

Therefore, we have connected with professionals who are independent of the Watson CPA Group, yet work collaboratively to form a financial team under one roof, quite literally. Tax and Small Business Consultants. Financial Advisors. Biz Law Attorneys. Estate Planning Attorneys. Mortgage Brokers.

One Call • One Team • Working in Concert

With the One Call Team, you have quality advice from-

- Certified Public Accountants
- Small Business Consultants
- Estate Planning Attorneys
- Financial Advisors
- Insurance Specialists

In Closing

If you have any questions, please feel free to call us at 719-387-9800 or email at **support@watsoncpagroup.com**. Thanks again for your time- We look forward to working with you!!

Warm Regards,

The Watson CPA Group
9475 Briar Village Point Suite 325
Colorado Springs CO 80920

719-387-9800 office
855-345-9700 main fax
719-453-0256 tax team fax

www.watsoncpagroup.com

Tax and Financial Records (You Do Your Own Books)

The quality of your tax return and the timeliness of its preparation depend strongly on obtaining all your tax-related documents and information. Therefore we have created the following checklist. You might also want to review or use our Small Business Worksheet PDF-

www.watsoncpagroup.com/SmallBizWorksheet.pdf

Income

- YTD Profit and Loss Statement
  - QuickBooks Data File, or MS-Excel (send us the actual file), or
  - Login credentials to your Wave or Xero or QBO or other online accounting provider
- 1099 MISCs (that you received from your clients or customers)
- 1099-Ks (issued by merchant card providers, such as PayPal and Google)

Expenses

- YTD Profit and Loss Statement, or QuickBooks Data File
- Heath Insurance Premiums, Health Savings Account (HSAs), Long-Term Care
- Health Reimbursement Arrangements (HRAs)
- 1099s, W2s You Issued Including W3s
- End of Year Payroll Summaries, or provide login credentials and we'll get it
- Accountable Plan Reimbursements, Company Expenses Paid Personally or Shared Expenses
  - Automobile Mileage, Home Office, Cell Phone, Internet
  - Health Insurance, Health Savings Account (HSA), Long-Term Care (LTC)
  - Health Reimbursement Arrangements (HRA)

Submit these here- **www.watsoncpagroup.com/APlan**

Retirement

- Plan Documents for new i401ks, SEPs
- Amounts deferred by Employees, Contributions made by Employer (we can compute the max)

Balance Sheet Items

- Bank Statements, showing January 2016 and December 2016 cash balances (we need to tie out your cash)
- Accounts Receivable Balances, 01/01/16 and 12/31/16, Accounts Payable too (if you have it)
- Inventory Value on 01/01/16 and 12/31/16, including Purchases, Shrinkage, Depletion
- January 2016 and December 2016 Credit Card Statements
- Equipment Purchases and Dispositions, Including Autos
- New Loans, Paid Loans, to and from the Company
- Loan Statements, Year-End Summaries showing Interest / Principal paid, 12/31/16 Balances

Housekeeping for New Clients

- Copy of your Articles of Organization, Formation or Incorporation
- Original EIN Issuance Letter, if you can
- Operating Agreement, if you have one
- S Corp Election, if you did
- 2015 Tax Returns and all K1s, if applicable
- Accountable Plan, As Adopted
- Shareholder Basis Information
  - Paid in Capital Amounts
  - Owner Names, SSNs, Addresses, Ownership Percentage

Tax and Financial Records (We Do Your Books)

Even if the Watson CPA Group maintains your accounting records, there are things we need from you. Therefore we have created the following checklist.

Income

- 1099 MISCs (that you received from your clients or customers)
- 1099-Ks (issued by merchant card providers, such as PayPal, Square and Google)

Expenses

- Accountable Plan Reimbursements, Company Expenses Paid Personally or Shared Expenses
  - Automobile Mileage, Home Office, Cell Phone, Internet
  - Health Insurance, Health Savings Account (HSA), Long-Term Care (LTC)
  - Health Reimbursement Arrangements (HRA)

Submit these here- **www.watsoncpagroup.com/APlan**

Retirement

- Plan Documents for new i401ks, SEPs (not critical, but nice)
- Amounts deferred by Employees, Contributions made by Employer (we can compute the max)

Balance Sheet Items

- Accounts Receivable Balances, 01/01/16 and 12/31/16, Accounts Payable too (if you have it)
- Inventory Value on 01/01/16 and 12/31/16, including Purchases, Shrinkage, Depletion
- New Loans, Paid Loans, to and from the Company
- Loan Statements, Year-End Summaries showing Interest / Principal paid, 12/31/16 Balances