

CHECKLIST

What to bring to your Tax Preparation Appointment!

- ✓ W-2's
- ✓ Record of other income (1099's)
 - interest and dividends from savings accounts, money markets, mutual funds, stocks, bonds, etc.
 - non-employee compensation
- ✓ Copy of the purchase and sale of stocks, bonds, and mutual funds for 2019
- ✓ Copy of year-end statements for mutual funds and retirement accounts
- ✓ Rental property income and expenses
- ✓ Copies of all K-1's (Partnership and S-Corporation)
- ✓ Pension or IRA distributions in 2020
- ✓ **Copy of Form 1095-A, 1095-B or 1095-C with regard to health insurance coverage for 2020**
- ✓ Itemized deductions
 - medical expenses
 - real estate taxes
 - auto license fees
 - interest on residential mortgage
 - interest on loans, separated
 - contributions – cash and non-cash
 - casualty losses
 - tax preparation fee for 2019 tax return
 - safety deposit box fee
 - employee business expenses, unreimbursed travel, entertainment, meals, auto expense, etc.
 - job hunting expenses
 - business mileage logs
 - business telephone logs
- ✓ Moving expenses and moving expense reimbursement documentation
- ✓ Child care expenses
- ✓ Documentation for federal and state estimated tax payments for 2020
- ✓ Purchase and Sale of residence
 - closing papers from the purchase and sale of old residence
 - closing papers from the purchase of new residence
- ✓ Copy of last year's Federal and State tax returns
- ✓ **BRING YOUR QUESTIONS** concerning your specific tax situation or future plans

To save time and tax preparation expense, please summarize items above where possible.

Documentation Requirements

Because the Internal Revenue Service is becoming more stringent every year regarding substantiation of tax information, the IRS is forcing tax preparers to ask more of their clients.

We must have **supporting documentation for all of the information that is put on your tax return.** The following is a sample of what we will expect from the client. **Please note that this list is just a sample and is not limited just to these items.**

- ❖ Statements from non-profit organizations (on their letterhead) for cash and non-cash contributions.
- ❖ Mileage logs reflecting miles driven for business purposes.
- ❖ Telephone logs for business calls.
- ❖ Vehicle license fees paid.
- ❖ On 1099 brokerage statements showing stock, bond or mutual fund sales we need the cost basis (purchase price) and purchase date of these sales.
- ❖ All W-2's, 1099's for interest and dividends, pension distributions, 1098's for mortgage interest, student tuition, etc.
- ❖ All Foreign bank account and investment statements.
- ❖ **COPY OF FORM 1095-A, 1095-B, OR 1095-C REGARDING HEALTH INSURANCE COVERAGE FOR 2020.**

Again, this list is not all-inclusive. As we stated above, we need documentation for all information that is put on your tax return.

Thank you for your assistance with these requirements.

RUTLEDGE FINANCIAL GROUP

Dear Client:

Once again it is time to begin preparing for tax season. We have enclosed a number of sheets of information for you to review regarding the 2020 tax returns. We have used brightly colored paper to assist you in getting all the information you need. **We ask that you please read ALL of the enclosed information carefully. It is provided to help you organize your taxes and for us to better serve you.**

VERY IMPORTANT!

In the following information you will find some important reminders, options and general information. **PLEASE**, read the following carefully!

NOTE: Please be aware this year we will need to have all of your tax information in our office no later than **March 26, 2021** in order to complete your return by the April 15, deadline.

1. **NOTE:** You are reminded to **please read and sign** the Engagement Letter (Yellow Sheet) for the 2020 tax returns. **Remember**, we need a current copy of this document in our file each year in order to complete your tax return.
2. **IMPORTANT:** Please read carefully the “Documentation Requirements” page (Purple).
3. **IMPORTANT:** Please check carefully all of the “client information” on pages 1 and 2 of the Organizer. It is very important that we have the **correct information and up to date contact numbers and e-mail addresses.**
4. This year we are offering you four options for getting your tax information to us.
 - A. You can mail all of your information to our office and then schedule a “telephone” or “Zoom” appointment/meeting to discuss any questions or concerns you might have. The appointment hours would be the same as below.

- B. You can mail all of your information to our office. We will go through your information and contact you if we have questions or are missing any information.
- C. You can drop off your tax information with the receptionist in our building. Make sure that your information is in a sealed envelope and not in a file folder with loose papers.
- D. You can schedule an appointment to come into our office and go over all of your tax information directly with Dave. Covid-19 precautions must be adhered to.

Please note our appointment hours have changed and are as follows:

Monday	8:00 a.m.	-	6:00 p.m.
Tuesday	8:00 a.m.	-	6:00 p.m.
Wednesday	8:00 a.m.	-	6:00 p.m.
Thursday	8:00 a.m.	-	6:00 p.m.
Saturday	9:00 a.m.	-	3:00 p.m.

PICKING UP YOUR COMPLETED TAX RETURN

We have very limited storage space at our office, so we are asking you to choose one of the following options concerning picking up your tax returns:

1. Mail in your signed e-file papers with your remittance and we will mail you your tax returns.
2. Drop off your signed e-file papers and your remittance with the receptionist and we will mail you your tax returns.
3. Schedule an appointment to pick up your tax return. **(If you just drop by to pick up your returns, we will very likely be with a client and would not be able to accommodate you.)**

You are welcome to choose which options best suit your individual needs.

Remember to read all of the enclosed information and please let us know if you have any questions.

RUTLEDGE FINANCIAL GROUP
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EXTRA TAX SITUATION

Please Sign Below

California Use Tax

The state of California requires us to ask:

Did you make any purchases in 2020 that you did not pay sales tax on? For example, did you buy anything online (Amazon, etc.) for which you were not charged sales tax?

_____ No, I did not make any purchases in 2020 for which I did not pay sales tax.

_____ Yes, I made purchases in 2020 for which I was not charged sales tax.

If you answered yes, please state the total amount of these purchases for 2020: _____

_____ I know my purchases for which I did not pay sales tax were less than \$1000 in 2020.

This amount will be included in your California tax return.

VIRTUAL CURRENCY TRANSACTIONS

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any interest in any virtual currency – example – Bitcoins?

YES _____ NO _____

Print Name

Signature

Attention! Important!

Please Note: The attached Engagement Letter must be **read, appropriate box initialed in the “World Wide Assets and Income” section, signed** and in our possession before we will be able to prepare and e-file your tax returns for 2020.

There are no exceptions. We require this document completed and signed by all of our clients.

Thank you for your help in this matter

Rutledge Financial Group

ENGAGEMENT LETTER

To: **Rutledge Financial Group**

I have engaged your firm to prepare my individual (1040) Federal and State income tax returns for the year ended December 31, 2020. I understand that it is my responsibility to provide you with all of the information required to complete my tax return. In that regard I state that, to the best of my knowledge and belief:

1. I have provided true, correct and complete information regarding my income as listed on the attached schedules, computer disks, tax organizers, W-2s, 1099s and/or attached written summaries. I understand that it is my responsibility to provide all the information necessary to complete the returns. I will retain for a minimum of 5 years all the documents, receipts, cancelled checks and other records required to substantiate the items of income and expenses claimed on my return.
2. I have provided true, correct and complete information regarding amounts I have provided to you to claim as tax deductions, and have maintained written documentation supporting all amounts including logbooks and receipts. I understand that if a question arises regarding the interpretation of tax law, and a conflict exists between the tax authorities' interpretation of the law, and other supportable positions, that you will use your professional judgment in resolving the issues.
3. I understand that taxing authorities may examine the returns, that documentation should be retained to support the information provided to you, especially business travel and entertainment deductions, business use % of autos and other assets, and barter activities, and that penalties may be imposed on returns that are late, underpaid or incorrect.
4. I understand that you will not audit or otherwise verify any information, that you may require clarification or additional information, that you are not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest. I understand that I have the final responsibility for the income tax returns and will carefully review them for correctness.
5. ***I understand that I will be charged an additional fee if you are asked to assist or represent me in a tax examination OR INQUIRY.*** I understand that, in the event of preparer error, I am responsible for additional tax that may be due, but that the extent of your responsibility is to pay for any penalty that the IRS or the state revenue department may assess.
6. ***I understand that I will be charged an additional fee for consultation appointments, telephone appointments, or written requests, which require your time and effort to produce verbal or written solutions to my questions as well as additional copies of the tax returns, either paper or electronic.***
7. I will contact you immediately if I discover additional information that will lead to a change in my return, or if I receive any letters from the IRS or state taxing authorities.
8. I understand that your policy is to put all tax advice in writing, and that I will not rely upon any unwritten advice because it may be tentative, incomplete, or not fully reviewed.
9. I understand that your bill will be due and payable upon completion of these returns, and that additional services will not be performed until the bill for these services is paid in full. I understand that your bill will be based upon the standard per-form billing rate.
10. I understand that you will not file any federal, state or local tax extensions without my specific request to do so. An extension, however, only provides for an extension to file, not an extension to pay. Taxes paid after April 15 will result in penalties and interest.
11. If there are other services or tax returns that I expect you to prepare, such as corporation, partnership, estate, gift, sales, fiduciary, property, or other states or cities, I will note them at the bottom of this letter.
12. If a joint return is prepared, tax returns and copies of all supporting documentation will be made available to either spouse without the consent of the other spouse.

13. The filing deadline for this year's tax returns is April 15, 2021. In order to meet this filing deadline, we must receive all your information by March 26, 2021.

14. If I am required to provide Form 1099 to vendors, I have or will have filed them prior to the filing of my tax returns.

Privacy Policy:

It has always been the policy of **Rutledge Financial Group** to keep all information that we collect from you confidential from all sources. We restrict access to all nonpublic personal information about you to members of our firm who need to know that information to provide services to you. We do collect nonpublic personal information about you from the following sources:

- Information we receive from you on tax preparation organizers, worksheets, Federal and State tax reporting forms, and from other documents we use in tax preparation or other financial and related services.
- Information about your transactions with us, our affiliates, and others, and
- Information we may receive from outside agencies such as banks and brokerage houses.

We do not disclose any nonpublic personal information about our clients or former clients, except as permitted, required by law or approved by you in writing as listed below:

- Requirements to comply with Federal, state or local law
- Requirements to comply with National, State or local licensing rules
- Requirements to disclose information in response to legal subpoenas
- Items you permit or request us to disclose, as authorized by you in writing
- Information, which you authorize us to disclose by signing this engagement letter, to electronically file your tax return, when applicable
- Information, which you authorize us to disclose by signing this engagement letter, that discloses that you are our client, without disclosure of financial or other personal information

World Wide Assets and Income

U.S. taxpayers are required to report their worldwide income and assets; that is, income from both U.S. and foreign sources. In addition, taxpayers who have an interest in, or signature or other authority over, a financial account in a foreign country – such as a bank account, securities account, or other financial account – are required to file Form FinCEN 114, **Report of Foreign Bank and Financial Account** (FBAR), if the aggregate value of all such financial accounts exceeds \$10,000 at any time during the calendar year. **The FBAR is NOT filed with your tax return.** Instead, you will need to electronically file the form yourself by April 15, 2021. Go to <http://bsaefiling.fincen.treas.gov> for further information. Failure to report income in foreign bank accounts, or to file the FBAR, carries serious consequences, including **large monetary penalties and, in some cases, criminal penalties.** **If you have foreign** bank accounts and are unsure whether you are required to file the FBAR, we would be happy to review your portfolio and advise you. U.S. taxpayers holding foreign financial assets may need to file Form 8938 with their income tax returns (in addition to the FBAR filing requirements). File Form 8938 if you have foreign financial assets with a value exceeding \$50,000 (\$100,000 MFJ) on the last day of the year or more than \$75,000 (\$150,000 MFJ) at any time during the year.

PLEASE INITIAL WHICH APPLIES TO YOU:

_____ I have foreign bank accounts, securities accounts, retirement accounts, other financial accounts, or foreign real property and I personally will file the necessary forms required.

_____ I do not have foreign bank accounts, securities accounts, retirement accounts, other financial accounts, or foreign real property.

I have read, understand and accept the conditions of the Engagement Letter and the privacy policies discussed above.

Client Name

Client Signature

Date

Client Name

Client Signature

Date



RUTLEDGE FINANCIAL GROUP

David E. Rutledge EA, CEP, RFC

Important!

California Did Not Conform!

Many of you remember reading about the new tax laws that went into effect in 2018 where the IRS increased the Standard Deduction for the 2018 Federal tax returns as well as for future years.

Last year some people itemized their deductions on their Federal return and some did not.

California **DID NOT** increase their standard deduction. So we might get to itemize your deductions on the state tax return for 2020.

Therefore, we still need **ALL** of your itemized deduction expenses just as we have always received from you in the past.

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David E. Rutledge, Registered Representative, Advisory Representative. Securities offered through Avantax Investment ServicesSM, Member FINRA, SIPC. Investment advisory services offered through Avantax Advisory ServicesSM. Insurance services offered through Avantax Insurance AgencySM.

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Rutledge Financial Group is not a registered broker/dealer or independent investment advisory firm.

Consultation Fees

We have been asked by many of our clients what our consultation fees are.

The following is our fee schedule for consultations:

Consultation appointments	-	\$195 per hour
Telephone Consultations	-	\$145 per hour

The above fees will be charge for actual time spent.