



JPT FINANCIAL SOLUTIONS, INC.

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RE: Preparation of 2011 Personal Tax Returns

Dear Tax Client:

The 2011 tax season is now upon us. To those clients who are returning to us once again for tax preparation, we once again sincerely thank you for your past patronage and ask that you spread the word to your friends and family of our tax preparation services. To our new clients, we thank you in advance for your business and pledge to serve you with quality and professional customer service...

2011 personal tax returns are required to be filed no later than April 17, 2012. Please contact our office for preparation of your 2011 tax return at your earliest convenience, after you have received all necessary supporting documentation to prepare your return. Note that all federal and state tax returns prepared by our company will be electronically filed to the federal and state governments.

Please refer to the list of documents noted below for your review and completion as applicable. All forms noted below need to be completed and included with your tax documents sent or delivered to our office. Your returns will be prepared solely on the basis of information submitted to us by you, the tax client.

Note - If you do not have access to the web please contact our office and we will mail you a set of forms to be completed as needed.

Website Instructions

- 1.) Log into the JPTFS Website (www.jptfs.com)
- 2.) Select "Documents" from the Top Menu
- 3.) Select the applicable documents to be reviewed and completed for the 2011 Tax Season

Highlights/Requirements

- 1.) Please complete the form titled **Client Data Input** to ensure that we have complete up to date information for all our clients. This is required for **both** new and existing clients.
- 2.) **New** clients are required to supply our office with a copy of your prior year income tax return. In addition for identify verification, please provide us with your driver's license and social security card for yourself and all dependents.
- 3.) **All** clients need to provide our office with their filing status (single, married filing jointly, married filing separately, head of household, qualifying widow or other) ONLY if different than what was stated on your prior year tax return.
- 4.) **Owners of a Rental Property or Business Enterprise – Form 1099-MISC**

Form 1099-MISC needs to be issued by you as the owner of a rental property or business enterprise for certain types of payments made in 2011 which are more than \$600 to an individual recipient. This form needs to be issued to each recipient by January 31, 2012.

Please provide our office with the information to generate the 1099-MISC forms as soon as possible to meet this deliverable. Refer on our website to "**(4) – 1099-MISC Tax Filing**" under "**Business Financials & Tax Preparation Resources**", and select "**Instructions**" under "**2011 Tax Season**" for further details and information to complete.

5.) Refer to the “2011 Tax Season” documents listed on our website listed under “Personal Tax Preparation Resources”:

Website Document (2) - Tax Return Engagement Contract

Completion of the **Tax Return Engagement Contract** is required from **all** clients **prior** to the preparation of your income tax return. Please review the contract, sign and date, and return the acknowledged copy to our office.

Website Document (3) – Tax Checklist for Preparing Personal Tax Returns

The **Tax Checklist** is a general recap of information and supporting documentation that is needed for tax preparation. Please review this recap when gathering your documentation for tax return preparation.

Website Document (4A) – General Data for Tax Preparation

All clients (new and returning clients) are required to complete the **General Data for Tax Preparation** form to ensure that we have your correct personal information for income tax preparation. Be sure to complete **all** relevant information for yourself, your spouse and every dependent. If you have more dependents than can fit on the form please make copies of the blank form as needed to complete information related to the other dependents. Please be sure to provide us with your up to date email addresses. Also, complete the bottom of the form where it is labeled “Income Taxes Paid” if you have made any estimated tax payments in 2011 to the IRS or the State/Local governments.

Website Document (4B) – Information for Direct Deposit and/or Electronic Funds Withdrawal

All clients (new and returning clients) are required to complete the **Information for Direct Deposit and/or Electronic Funds Withdrawal** and include this with your supporting tax documentation. This form is required to set up the direct deposit of your tax refund (if applicable) as well as the electronic funds withdrawal from your bank account or credit card for the payment of any income tax liability (if desired).

Please be sure to also include a photocopy of a voided check with the form as well. This is required for ALL clients to ensure we have the correct and up to date bank information.

Website Document (4C) – Earned Income Credit Due Diligence

All clients eligible to claim the **Earned Income Credit** are required to complete the **Due Diligence** forms for Head of Household, Income, and the Qualifying Child. Completion of these forms is required by the IRS who has charged tax preparers with the responsibility to reasonably ensure that information being provided by the taxpayer to calculate the earned income tax credit appears to be complete and correct.

Website Document (4D) – Child & Dependent Care

Complete if you had any child or dependent care expenses in 2011.

Website Document (4E) – Profit or Loss from Business

Complete if you operated a business as a sole proprietor. These forms can also be used by partnerships or corporations as well for any other types of businesses that were conducted in 2011.

Website Document (4F) – Auto Expense Worksheet

Complete to deduct expenses of your automobile for business.

Website Document (4G) – Expenses for Business Use of Your Home

Complete if a portion of your home was used for a sole proprietor business in 2011.

Website Document (4H) – Employee Business Expenses

Complete to identify any non-reimbursed employee business expenses that you incurred in 2011.

Website Document (4I) – Sale of Capital Assets

Complete for any sale of stocks, bonds, etc. As an alternative, you can provide copies of statements that you may have which provide information that is stated on the forms.

Website Document (4J) – Sale of Home

Complete if you sold your home in 2010. As an alternative, you can provide copies of statements that you may have which provide information that is stated on the forms.

Website Document (4K) – First Time Home Buyer Credit

Complete for certain members of the uniformed services and foreign service who can claim the credit for homes purchased in 2011, as well as repayment of a prior First Time Home Buyer credit deducted in 2009 or 2010.

Website Document (4L) – Energy Credits

Complete if you have incurred expenses related to special Energy deductions.

Website Document (4M) – Casualty and Theft Losses

Complete if you had any casualty or theft loss in 2011.

Website Document (4N) – Rental Real Estate & Royalties

Complete if you had a rental income or loss activity in 2011.

Website Document (4O) – Installment Sales

Complete if you had an activity related to a sale set up on an installment basis.

Website Document (4P) – Small Employer Health Insurance Credit

To provide information for the calculation of the small business health insurance credit

6.) A reminder for **Charitable Contributions**:

According to IRS guidelines, a “record of contribution” is now required for ALL cash contributions, regardless of amount. This includes (a) a bank record, such as a canceled check, a bank copy of the canceled check, or a bank statement containing the name of the charity, the date, and the amount, or (b) a written communication from the charity that includes the name of the charity, date of the contribution, and amount of the contribution. Under previous rules, records such as personal bank registers, diaries, or notes made around the time of the donation could often be used as evidence of cash donations. Personal records like these are no longer sufficient. Cash contributions of \$250 or more continue to require written acknowledgement from the charity reporting the amount donated, whether the charity gave the taxpayer any good or services in return, and the value of any goods or services the taxpayer received. Clothing and household items donated must be in good used condition or better to be deducted as a charitable contribution. However if a single item of clothing or a household item is not in good used condition or better, a charitable contribution deduction is allowed if the deduction claimed is more than \$500 and a qualified appraisal is included with the tax return.

7.) **Payment to JPT Financial Solutions for Tax Return Preparation**

Payment to JPT Financial Solutions for your tax return is due upon receipt or notification of the completed tax return. In order for our firm to satisfy IRS requirements to sign-off and electronically file your return as a “paid preparer”, it is required that clients remit payment for services prior to electronic transmission of your tax return.

Thank you in advance for your kind assistance and for letting us be of service to you. If you have any questions please don't hesitate to contact us. God's blessings to you and your family.

JPT FINANCIAL SOLUTIONS, INC.

Circular 230 Notice: IRS Regulations require us to advise you that, unless otherwise specifically noted, any federal tax advice in this communication (including any attachments, enclosures, or other accompanying materials) was not intended or written to be used, by any taxpayer for the purpose of avoiding tax-related penalties imposed under the Internal Revenue Code or any other applicable state or local tax law provision; furthermore, this communication was not intended or written to support the promoting, marketing or recommending of any of the transactions or matters it addresses.