



Happy New Year 2010!

We are looking forward to seeing you again this year. Enclosed is your engagement letter, tax questions and client organizer. These information requests are designed to assist us in preparing your returns correctly and reducing your income taxes. Please complete this information and return to us.

We will also need the following information:

- Forms W-2 for wages, salaries and tips.
- All Forms 1099 for interest, dividends, miscellaneous income, etc.
- Brokerage statements showing investment transactions for stocks, bonds, etc.
- Schedule K-1: Federal and state(s) for LLC's, S Corporations, partnerships, estates and trusts.
- Statements supporting deductions for mortgage interest and taxes.
- Any tax notices sent to you by the IRS or other taxing authority.
- A copy of your income tax returns from last year, if not prepared by this office.

Online Organizers. The online organizers allow you to go online and process your information. The information is submitted to us electronically. Send an email to amanda@elcpa.com and we will email your password and instructions. We are also emailing organizers to clients we have email addresses for.

Tax Updates and other information are located on our website – www.elcpa.com. Click on the Resources tab and you will find information on new tax law changes.

All returns with complete information received by March 20, will be completed by the April filing deadline. We will do our best to complete any returns received after this date.

Please remember - an extension extends your time to file, **NOT** your time to pay. The IRS and applicable states will charge interest and penalties until the amount due has been paid. See the Resources - Individual tab on our website www.elcpa.com, for more information on penalties and interest charges.

If you need an extension, please notify us by March 31. This will allow us sufficient time to prepare your extension, the transmittal letter and submit it to the Internal Revenue Service and the state(s) that you require.

All returns will be filed electronically with the IRS and states again this year, unless you request for us not to. You must sign the transmission forms and the engagement letter **before** we can file them electronically. If you wish to have your refund direct deposited, enclose a voided check for the account you wish the refund to be deposited.

Please remember to bring payment for your returns when you pick them up. We accept checks, cash, debit and credit cards for payment.

Thank you for your continued support and we look forward to seeing you again this year. If you have any referrals for us we will be glad to work with them. Thank you for your confidence in us.

If you have any questions, please contact us at (704) 544-7600.

Sincerely,

A handwritten signature in cursive script that reads "Ed Lloyd".

Ed Lloyd CPA, PFS, CTC



Individual Tax Engagement Letter

Thank you for engaging us to prepare your 2009 Individual Income Tax Returns. This letter is to confirm our mutual understanding of the nature and extent of the services we will provide. In order to ensure a complete understanding of our mutual responsibilities, we ask all clients for whom tax returns are prepared to confirm the following arrangements.

We will prepare your 2009 federal and state income tax returns from the information that you provide to us. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of the information. We have enclosed a questionnaire and an organizer to guide you in gathering the necessary information. Your use of this organizer will assist in keeping pertinent information from being overlooked and will allow your return to be prepared more efficiently.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You should retain all the documents, canceled checks and other data that form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible. You agree that any liability of Ed Lloyd & Associates, PLLC arising from this engagement will be limited to the fees paid.

Our fees for all tax related services will be based upon our standard billing practices at the time of the engagement, which account for the time expended to complete the engagement, the complexity of the engagement, and other expenses incurred.

Your returns may be selected for review or receive notices from the taxing authorities. Any proposed adjustments by the examining agent are subject to the rights of appeal. In the event of such government examination or notices, we will be available upon request to represent you and will bill you separately for those services.

The above services and fees relate solely to the preparation of your 2009 federal and state income tax returns, which include 2010 estimated tax vouchers based upon safe harbor payment amounts, if applicable.

The following are some of the additional services we have available to assist you:

- Resolution of IRS and state tax notices. If the notice is in response to an error on our part, there is of course no charge for resolving this for you. All other notices will be billed at our standard billing rates.
- Tax Planning
- Quarterly Estimated Income Taxes – Analyzing projected income and expenses to adjust your estimates.
- Financial Planning
- Consulting Services

We encourage you to engage our services to discuss significant transactions with us prior to entering into such transactions, in order to allow for proper planning and to prevent unexpected tax consequences.

Individual Tax Questions

The tax laws change EVERY day, this means there are new questions we ask every year to make sure we prepare an accurate return for you and that you get the tax deductions you are entitled to. If this is the first year or fifteenth year we have prepared your return, we still need your answers to these questions.

If the answer is a yes and you have additional documents that relate to the question, please include this information. If you have any concerns about how to answer these questions, please contact us. Thank you for your assistance.

Client(s) Name

Date

PERSONAL INFORMATION

Did you move this year? _____ If so, please give us your new address and contact information.

Did your marital status change during the year? _____ If so, please explain

Can you be claimed as a dependent by another taxpayer? _____

Did you change any bank accounts that we have used for direct deposit of refunds since last year?

_____ If, so we need a voided check for your new account.

DEPENDENT INFORMATION

Were there any changes in dependents from the prior year? _____ If yes, explain

Do you have any children under age 19 or a full-time student under age 24 with unearned income in excess of \$1,900? _____

Do you have dependents who must file a tax return? _____

Did you pay for child care while you worked or looked for work? _____

Did you pay any expenses related to the adoption of a child during the year? _____

PURCHASES, SALES AND DEBT INFORMATION

Did you start a new business or purchase rental property during the year? _____

Did you acquire a new or additional interest in a partnership or S Corporation? _____

Did you sell, exchange, or purchase any real estate during the year? _____

Did you purchase or sell a principal residence during the year? _____

Did you foreclose or abandon a principal residence or real estate during the year? _____

Did you acquire or dispose of any stock, mutual funds or other investments during the year? _____

Did you take out a home equity loan this year? _____

Did you refinance a principal residence or second home this year? _____

Did you sell an existing business, rental or other property this year? _____

Did you incur any non-business bad debt this year? _____

Did you have any debts canceled or forgiven this year? _____

Did you purchase a new hybrid or alternative motor vehicle this year? _____

Did you pay any student loan interest this year? _____

INCOME INFORMATION

Did you have any foreign income or pay any foreign taxes during the year? _____
Did you receive any payments from pension, profit sharing or retirement accounts? _____
Did you make any withdrawals from an education savings or 529 plan? _____
Did you receive any unemployment benefits during the year? _____
Did you receive any disability income during the year? _____
Did any of your life insurance policies mature, or did you surrender any policies? _____
Did you cash any Series EE or I U.S. Savings bonds issued after 1989? _____
Did you receive any severance pay? _____ If so, amount of severance pay \$ _____
Did you have any other income that needs to be reported? _____

ITEMIZED DEDUCTION INFORMATION

Did you incur a casualty or theft loss during the year? _____
Do you have evidence to support charitable contributions? _____
Did you make any noncash charitable contributions (clothes, furniture, etc.)? _____
Did you have an expense account or allowance during the year? _____
Did you use your car on the job, for other than commuting to work? _____
Did you work out of town for part of the year? _____
Did you have any educational expenses? _____
Did you have any expenses related to seeking a new job during the year? _____
Total sales tax paid (only if greater than state income taxes paid) _____
Total sales tax paid for purchase of NEW motor vehicle _____

MISCELLANEOUS INFORMATION

Did you make gifts of more than \$13,000 to any individual? _____
Did you have any educational expenses this year? _____
Did you make contributions to a HSA or MSA account? _____
Did you engage in any bartering transactions? _____
Did you retire or change jobs this year? _____
Did you incur moving costs because of a job change? _____
Did you make energy efficient improvements to your main home this year? _____

Were you a grantor or transferor for a foreign trust, have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign currency? _____

Did you receive correspondence from the State or the Internal Revenue Services? If so, please explain

RETIREMENT CONTRIBUTIONS AND PLANNING QUESTIONS

Have you made contributions to an IRA, SEP or other retirement plan (other than amounts reported on your W-2)? _____ If so, please detail type of plan and amounts in the organizer.
Do you wish to make contributions to an IRA, SEP or other retirement plan? _____ If so, what type of plan and how much? _____
Do you have a high amount of interest or dividend income that you would like to defer from tax? _____
Would you like us to prepare a financial plan or to review your current investments? _____
Is there anything else you would like us to look at to reduce your income taxes? _____

STATE TAXES

Contributions to state sponsored 529 plans. Enter the amount you contributed to state sponsored 529 plans. Many states are now offering credits for contributions into their 529 plans if you are a resident of that state. Enter the following information for each child:

Name of state contributions made to _____

Person contribution made for _____

State 529 plan contributions made _____

Consumer Use Tax: Most states are imposing consumer use taxes on all out-of state purchases their residences who purchase items for use in the state you live in and the vendor does not charge you sales tax for that purchase. You are responsible for paying a use tax on these purchases. Please complete the information below:

Total out-of-state purchases \$ _____ Tax paid to other states for these purchases \$ _____

Out-of-state income. If you have income from a state other than the one you live in or moved from another state we need this information to accurately prepare your returns.

_____ Yes, I have out-of-state income and/or have moved this year. Include income documentation relating to the various states. If you moved, list the dates you lived in the different states:

Long-term care premiums – Amount of long-term care premiums you paid. This does not include amounts paid pretax. There are potential state tax credits for LTC payments.

Amount paid for you _____ Amount paid for your spouse _____.

ESTIMATED TAX PAYMENTS MADE

	FEDERAL		STATE (NAME):	
	Date Paid	Amount Paid	Date Paid	Amount Paid
Prior year overpayment				
1st Quarter				
2nd Quarter				
3rd Quarter				
4th Quarter				

MISCELLANEOUS INFORMATION

Charitable Contributions – New record keeping requirements. You cannot deduct a cash contribution, regardless of the amount, unless you keep as a record of the contribution a bank record (such as a canceled check, a bank copy of a canceled check or a bank statement containing the name of the charity, the date and the amount) or a written communication from the charity. The written communication must include the name of the charity, date of the contribution, and amount of the contribution.

Mortgage Insurance Premiums – Premiums paid for mortgage insurance is deductible in 2009. Make sure we have your mortgage statement that details these payments or your settlement statement if you purchased a new home. There is an income phase out for this deduction beginning at \$100,000 of adjusted gross income and we will calculate this for you.

Standard mileage rate for 2009 was 55 cents a mile for business; beginning January 1, 2010 the mileage rate is 50 cents per mile.

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal, state or local tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code, state or local authorities or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.