

TRUST INCOME TAX
PREPARATION CHECKLIST
2014 TAX RETURNS

You can reduce the time required to prepare your income tax return by providing all of the required forms and information. We will need the following items for your tax return:

- ___ Signed ENGAGEMENT LETTER
- ___ Completed 2014 Trust Questionnaire
- ___ Documentation of business bank account and credit card transactions.
Please provide at least one of the following:
 1. Computer back up of Quicken or QuickBooks file with account transactions entered and reconciled, or
 2. Copies of all bank account statements, checks written on the business bank account (These may be included in the bank statements), and credit card statements with business transactions during the year.
- ___ 1099's and W-2's issued to you by your business
- ___ 1099's issued by your business to others
- ___ List of business expenses paid out of personal money or credit cards (we do not need the actual receipts to prepare the tax return)
- ___ List of assets (such as vehicles, equipment, or furnishings) purchased during the year and copies of purchase documents
- ___ December 31st statement on all business loans showing ending balances and interest paid during the year.

The ENGAGEMENT LETTER and 2014 TRUST QUESTIONNAIRE can be downloaded from our web site: www.kmlarsoncpa.com. You may also send an email to accounting@kmlarsoncpa.com and request the "2014 Trust client forms."

If this is the first year we have prepared your tax return, we will also need the following:

1. Copy of the Trust documents and any amendments to the trust.
2. Federal I.D. number
3. List of social security numbers, and address for each beneficiary
4. Previous 3 years trust income tax returns.

Information provided for the preparation of an income tax return will be retained as part of your client file. Original documents will NOT be returned to you unless requested. Please provide copies of original documents when possible. You may also fax to us at 801-606-7896 or upload to secure client portal using our website.

Please contact our office if you have questions about the information required to prepare your tax return:

KM Larson & Company, PC
Office: 801-571-1760
Fax: 801-606-7896
www.kmlarsoncpa.com
Email: accounting@kmlarsoncpa.com

K.M. Larson & Company, P.C.
Certified Public Accountants

ENGAGEMENT LETTER

Dear Client:

This letter is to specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements:

We will:

1. Prepare Trust 2014 Federal and requested state income tax returns, from information that you will provide. We will not audit or otherwise verify data you submit, although it may be necessary to request clarification of some information.
2. Use professional 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.
3. Represent you (at your request) if your return is selected for review by the taxing authorities. Any additional fees will be discussed at that time.
4. Prepare the tax returns solely for filing with the Internal Revenue Service (IRS) and state and local tax authorities.
 - A. The tax returns we prepare are not intended to benefit or influence any third party; either to obtain credit or for any other purpose. As a result, we are not responsible for any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities, regardless of the nature of the claim, including the negligence of any party.
 - B. Any representation by us to a third party regarding the tax returns will require additional written authorization from you and a minimum charge of \$75 will apply to each representation whether written, verbal or electronic.

You agree to:

1. Provide all the information required for the preparation of complete and accurate returns, in a timely manner.
2. Pay any tax due by the payment due date and be responsible for interest, or late payment penalties assessed on payments made after the due date, and any late filing penalties
3. Hold our firm and any of its shareholders, employees, or agents harmless from any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities, regardless of the nature of the claim, including negligence by any party.
4. **Take final responsibility for the income tax returns and carefully review them for Completeness and accuracy before they are filed.**

Please verify that you understand the terms of our engagement by signing the in the space indicated and return it to our office.

Trust Name: _____

Name: _____ Title: _____

Signature: _____ Date: _____

K.M. Larson & Company, P.C.
Certified Public Accountants

2014 TRUST INCOME TAX RETURN QUESTIONNAIRE

Trust Name: _____

Person responsible for tax return: _____ Title _____

Address: _____ Same as last year

Home Phone: _____ Work Phone: _____

Mobile Phone: _____ Email Address: _____

What is the best way to contact you? (You may check more than one)

Home _____ Work _____ Mobile _____ E-Mail _____ Mail _____

Do you want 2014 original documents returned to you? ___ Yes ___ No

How do you want your client copy of the tax return delivered? (You can select more than one)

_____ pdf in secure internet portal

_____ paper copy

Please answer the following questions relating to the tax year ending December 31, 2014 or fiscal year ending _____:

YES NO ASSET PURCHASES OR DISPOSALS

Did the trust purchase or lease any assets such as vehicles, equipment or furnishings?

Did the trust sell or dispose of any assets such as vehicles, equipment or furnishings?

Did the trust buy or sell any real estate?

Did the trust make a down payment or pay earnest money on any transaction not completed by year end?

During the current or prior tax year, did the partnership distribute any property received in a like-kind exchange or contribute property to another entity (other than entities wholly owned by the partnership throughout the tax year?)

At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in a partnership property?

YES NO

BUSINESS LOANS

- Did the trust make any loans to owners?
- Did any owners make loans to the trust?
- Did the trust borrow money from a bank or other source than an owner?
- Have any owners personally guaranteed any loans to the trust?
- Did the trust pay off any loans during the past year?
- During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of debt?

AUTO EXPENSES

- Did you or any employees use their personal vehicle for trust use?
- Have employees been reimbursed for trust use of their personal vehicle?
- Were any trust vehicles used for personal use by owners or employees?
- Does the trust maintain written records of trust and personal mileage for each vehicle used by the trust?

EMPLOYEE BENEFITS

- Were any payments made for life insurance for officers or employees?
- Were any payments made for health insurance for any owner or owner's family member?
- Were any payments made for dental insurance for any owner or owner's family member?
- Does your company provide an allowance for tools, auto, or other expenses to any owners or employees?

MISCELLANEOUS

- Were any family members of the owners working for the trust?
- Did any owners receive compensation for services in the form of wages or other payments?
- Does anyone provide services to the company that is NOT being paid as an employee?
- Does the company sell to customers outside of Utah?
- Has the trust had any changes in ownership?
- At any time during the calendar year 2014, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?
- Has the trust engaged in any barter or trade transactions during the year?
- Has all trust income been deposited into the trust bank account(s)?
- Does any owner of the trust have any unreimbursed expenses paid on behalf of the trust?
- Have all required W-2S 'been prepared for 2014 and filed with federal and state agencies.
- Have all required 1099's been prepared for 2014 and filed with federal and state agencies.
- Are all other required tax filings up to date (personal property tax, sales tax, payroll tax)?