



# MER Tax, Accounting, and Consulting

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## 2019 Year End Business Client Letter

With the new tax law changes, we must have **your information for your tax return(s) at least one month prior** to the due date for your return(s). **S-Corps and LLCs are due March 15, 2020** and **C-Corps are due April 15, 2020**. If you would like us to extend your business returns, you must notify us at least **fifteen** days prior to the due date.

IRS Regulations require you to keep records for repairs, maintenance, and supplies. Any individual equipment item or equipment repair/maintenance item costing \$2,500 or less can now be written off. Any item costing over \$2,500 must be evaluated to determine if it has been a betterment, restoration or adaptation of the main unit of property.

Also, each year, you must notify us of any changes in business and rental property, equipment, and other depreciable assets. **If you have disposed of, sold, traded in, or converted any of the items listed on your depreciation schedule, you must provide us with the date of sale/disposal/trade in/conversion and sale/trade in price.**

### INVENTORY

Please make sure to physically count your inventory (**defined as product you are holding for resale**), retain the records, and provide us with the accurate total **cost** of inventory on hand at December 31, 2019. Do not include consignments you are holding from other people in this number. In the event of an audit you must be able to provide copies of physical count sheets, so we are again this year placing an increased emphasis upon obtaining correct year end physical inventory amounts.

### CORPORATE MINUTES

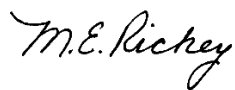
We also want to remind you to make sure that your corporate minutes must be maintained on an annual basis-we do not maintain these forms for you, they are maintained by the officers of the corporation. Of course, only S and C corporations are required to maintain minutes, LLCs have no such requirement.

## **TAX RETURN INFORMATION NEEDED**

In order for us to prepare your annual financial statements and tax returns we will need the following information from you at the end of the year:

1. \_\_\_ Copies of any new bank loans obtained during the year,
2. \_\_\_ Copies of any new leases signed during the year,
3. \_\_\_ List by date, amount, and individual of any new investments made into the Company this year,
4. \_\_\_ Copies of any federal or state tax correspondence received during the year,
5. \_\_\_ Copies of any equipment purchase invoices over \$2,500,
6. \_\_\_ Loan payoffs, by loan number, of all business loans at December 31,
7. \_\_\_ Copies of your year-end bank reconciliation(s) and bank statements,
8. \_\_\_ Year-end summary of business activity-back up, online access or hard copy (i.e. QuickBooks company file back-up). [If providing this, skip #9.]
9. \_\_\_ 12/31/19 Year End Balances of
  - o Accounts Receivable \$ \_\_\_\_\_,
  - o Cost of Inventory on Hand \$ \_\_\_\_\_,
  - o Accounts Payable \$ \_\_\_\_\_,
  - o Unpaid 941 Deposit for December \$ \_\_\_\_\_,
  - o Unpaid State(s) Withholding deposits for December \$ \_\_\_\_\_,
  - o Unpaid Sales tax for December \$ \_\_\_\_\_,
  - o Unpaid wages earned through 12/31/19 \$ \_\_\_\_\_,
10. \_\_\_ The enclosed engagement letter needs to be signed and returned,
11. \_\_\_ Sales breakdown by state, county, and city if applicable (call us to determine),
12. \_\_\_ Information on any changes in ownership, stock holding, locations or number of stores
13. \_\_\_ All Forms 1099-K received, and
14. \_\_\_ All Forms 1099-Misc received.

Sincerely,



M. E. Richey, CPA