2018

JAMES J. TOWEY, P.C.
Information Summarizer
For Mary Kay Sales

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CLIENT: ___________________

E-mail Address:

Taxpayers

Home ____________________@_________

Work ____________________@_________

GENERAL INFORMATION

Full Legal: First Name ***MI*** ***Last Name*** ***SS#*** ***Occupation***

Taxpayer (T) ____

Spouse(S) __________________ ____ ______________ ______________ __________________

Address ____

City, State, Zip ____

Home Phone ________________ Work Phone (T) ______________ Work Phone (S) ____________

Cell Phone (T) _______________________ (S) ________________________________

Fax (T) ____________________________ (S) ________________________________

Birthdates (T) ______________ (S) _______________________

Filing Status (Please circle appropriate selection):

1.) Single
2.) Married Filing Jointly
3.) Married Filing Separately
a. Former Spouse Name ________________
b. Former Spouse SS# __________________

4.) Head of Household
Non-dependent's Name __________
5.) Qualifying Widow(er)
Year spouse died ________________

Dependents:

Full Name	***Date of Birth***	***SS#***	***Relationship***	***# of Months a resident – 2018***
______________	______________	______________	______________	______________
______________	______________	______________	______________	______________
______________	______________	______________	______________	______________
______________	______________	______________	______________	______________
______________	______________	______________	______________	______________
______________	______________	______________	______________	______________
______________	______________	______________	______________	______________

James J Towey, P C
James J Towey, CPA

Tax Return Preparation, Consulting and Accounting Services
2018 ENGAGEMENT POLICY STATEMENT

Dear Client:

We appreciate the opportunity of serving you and advising you regarding your income taxes and/or accounting needs. To ensure a complete understanding between us, we are setting forth the pertinent information about the services that we propose to provide for you.

Tax Work:
We will prepare your federal and state income tax returns based on information you furnish to us. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify some of it. In order to timely file your tax returns, we need all required information no later than 20 days prior to the tax filing deadline. You may be required to request an extension if we do not receive all required information by the above date.

We will use our judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretation of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You represent that there is adequate substantiation to support deductions for any expenses claimed on the return. **You are ultimately responsible for the accuracy of your return and should review it carefully before signing it.**

You should retain all the documents, canceled checks, and other data which form the basis of income and deductions. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will request a retainer before performing such services.

If there is an error on the return resulting from incorrect information supplied by you, or due to your subsequent receipt of amended or corrected tax forms (W-2's, 1099's, K-1's), you are responsible for the payment of any additional taxes which would have been properly due on the original return(s), along with any interest and penalties charged by the IRS.

Accounting and Consulting:

Our services come in the form of a tax return, financial statement, letter, report preparation, along with consultations, meetings or phone calls. Our fees are based upon several factors. We have spent many years becoming very knowledgeable and educated in tax and accounting matters. In addition, we are required to continue our education annually to maintain our licenses. When you contact us it is because you need our knowledge and assistance with something, this is when our time becomes billable. If you call our office with a "general" question that we can quickly answer, we consider this a courtesy service and you will not be billed for our time. Phone calls requiring research, business or personal planning, tax compliance, etc. will be billed in accordance with our billing policy.

Billings:

Any estimate we give is based upon information you **initially** provide to us. Actual fees may vary as circumstances change and/or new corrected information is made available. All fees and costs incurred to prepare your income tax returns are due and payable before the returns are released from our office.

You will receive a full paper or pdf of your return. Any additional copies will incur a service charge of $30.00. We reserve the right to hold the completed returns until your account is paid in full. **An E-file authorization signature is required before any tax return can be electronically filed or released.**

If your return is for a closely held corporation, partnership, limited liability company, or other entity, the person signing that return agrees to be personally liable for our fees if the entity does not pay. Finance Charges will accrue at 1.5% per month after 45 days of the invoice date. Uncollected invoices will be subject to submittal with collections and incur a collection fee plus Finance Charges.

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Payments:

We reserve the right to require retainers at our discretion.

Accounts unpaid for 60 days will require that we cease rendering service until your account is brought current. In the event we stop work or withdraw from this engagement as a result of your failure to pay on a timely basis for services rendered, we shall not be liable for any damages/penalties incurred as a result of our ceasing to render services.

The client has ten (10) days from the invoice date, to voice any objections or questions regarding the invoice or any portion or element thereof. After the ten (10) day period all invoices shall constitute acceptance of the invoice as submitted and payment in full will be expected within the required time frame. Any courtesy billing adjustments given are honored for fourteen (14) days. After fourteen (14) days, the invoice must be paid at the full rate and the courtesy adjustment shall be null and void. Any Non-Sufficient Funds check will be charged an additional $50 fee.

Either party may terminate this agreement upon giving a (10) days written notice. Should this agreement be terminated prior to completion of services, we will prepare a final bill showing the total fees incurred for services rendered. This amount will be due and payable upon presentation.

Please be advised that certain communications involving tax advice between you and our firm may be privileged and not subject to disclosure to the IRS. If you disclose the contents of those communications to anyone, or turn over information about those communications to the government, you may be waiving this privilege. To protect your rights, please consult with us or your attorney prior to disclosing any information about our tax advice.

If, after reading this letter, you agree to the terms and conditions set forth herein, please sign below and return this letter.

We again would like to express our appreciation for this opportunity to serve you.

Yours very truly,

James J Towey, CPA

Acknowledgment

Having read and fully understood the engagement letter, I/we agree to engage James J Towey, P C in accordance with the terms indicated. I/we understand the returns and/or Accounting services are to be prepared from information I/we provide and that the final responsibility for a complete and accurate return/services rests with me/us. It is also my/our responsibility to review and understand the information on the returns prior to signing and filing them.

____
Date

____
____
Print Name (Taxpayer) Company Name (if applicable)

____
Signature

____
Print Name (Spouse)

____
Signature

We must have a signed Engagement Policy Statement signed and in our records before we can commence on work requested.

We may terminate our representation of you if you insist that we pursue objectives that we consider imprudent, unprofessional, or unethical or if we feel further representation is not warranted for personal reasons. Regardless of the reason for termination, you are obligated to pay for services provided and costs incurred through the date of termination.

WAGES AND INCOME

WAGES (W-2'S) CONTRACT WORKER INCOME (1099-MISC), SEE PAGE 6!
(ATTACH FORMS TO THE APPROPRIATE PAGE)

PLEASE NOTE: List, in the appropriate spaces below, the items that apply.

W-2's: If you have Federal Income Taxes and Social Security Taxes withheld from your wages <u>please attach ALL copies of your IRS forms W-2 below and list here</u>:

Employer	Gross Wages	Federal Withholding	Social Security	State Withholding	Medicare	401K

INTEREST AND DIVIDEND INCOME*: If you have interest or dividend income from savings accounts, CD's, money market funds, etc.****, <u>please attach copies of the year end statement and list here:</u> <u>(1099-INT, 1099-DIV)</u>***

Institution	Amount

OTHER INCOME

1099's: If you received an IRS form 1099 for ANY other reason, <u>please attach ALL copies of your forms 1099 below</u>. Included would be 1099-A, 1099-B, 1099-G, 1099-MISC, 1099-OID, 1099-PATR, and 1099-S.

Institution	

1099-R: If you receive payments from a pension plan or IRA, <u>please attach ALL copies of IRS forms 1099-R below and list here</u>:

Institution	Gross Pension	Taxable Pension	Federal Withholding

List of ALL Foreign-owned Assets (whether income producing or not)

Institution	Description	Income	Foreign Tax Paid

HEALTH INSURANCE – 2018

WERE YOU AND YOUR FAMILY COVERED BY A HEALTH INSURANCE PLAN IN 2018? YES _________ NO __________

IF YES, WAS IT OBTAINED FROM THE GOVERNMENT EXCHANGE/MARKETPLACE OR FROM A CORPORATE PLAN OR INSURANCE COMPANY REPRESENTATIVE? _____________________________

IF OBTAINED FROM THE GOVERNMENT MARKETPLACE, DID YOU RECEIVE FORM 1095-A? YES________ NO_________. IF AVAILABLE, PLEASE PRESENT THIS COPY TO THE TAX PREPARER.

DOES THE PLAN COVER ALL IN THE HOUSEHOLD? YES _________ NO __________

If NO, DID ANY DEPENDEDEDENTS OWN THEIR OWN INDIVIDUAL POLICY? YES_____, NO_______.

ARE ANY DEPENDENTS IN YOUR HOUSEHOLD REQUIRED TO FILE A TAX RETURN FOR 2018? YES___________ NO _____________

INCOME OR LOSS FROM MARY KAY COSMETICS

When did this business start? _______________ # of months operated in 2018 _______________________

INCOME:

Gross Product Sales at retail (including sales taxes!)

$______________________________________

(This is the total money collected by you from the sale of cosmetics to your customers)

Director's & Recruiting Commissions $____________________

(Attach Mary Kay 1099M, 1099K & income advisory statement)

Prizes and Awards ***(attach Mary Kay 1099 & income advisory statement)*** $____________________

Other Income $____________________

EXPENSES:

Section 1 Inventory in your possession @ **12/31/17 (WHOLESALE)** $__________________

Total Section 1 Purchases in 2018 **(WHOLESALE)** __________________

Total Section 2 Purchases in 2018 __________________

Total Sales Taxes paid on Section 1 & 2 in 2018 ___________________

Total Freight & Handling paid on Sections 1 & 2 orders in 2018 ___________________

Section 1 Inventory in your possession @ **12/31/18 (WHOLESALE)** ___________________

AUTO: (Following information required for EACH car you used in your business).

Date Acquired ______________Cost (if purchased) $________________ Type of Car ____________________

Total of miles vehicle driven in 2018 ____

Mary Kay miles driven in 2018 ____

Commuting miles driven in 2018 ____

Gas ________________________________ Loan Interest ________________________________

Repairs & Maintenance __________________ Lease Payments _____________________________

Insurance ______________________________ License & Inspection _______________________

Other ____

(please attach your Income Advisory Statement)

OFFICE IN THE HOME:

Date Residence Acquired ___________________________ Cost (if purchased) $ _ ____________________

Number of Rooms in Residence __________________________ Mary Kay rooms ____________________

Square Footage in Residence ____________________________ Mary Kay Square Footage _____________

Interest on Mortgage $________________________________ Utilities $________________________

Rent paid $____ Insurance $_____________________

Taxes paid $____ Repairs $_________________________

INCOME OR LOSS FROM MARY KAY COSMETICS (continued)

Improvements ___________________________________ (Date bought) ______________________

Homeowners Association Dues _________________________

FURNISHINGS & EQUIPMENT:

Description ___________________________$_______________ (Date bought) ______________________

Description ___________________________$_______________ (Date bought) ______________________

Description ___________________________$_______________ (Date bought) ______________________

OTHER EXPENSES:

Advertising/Website ___________________________

Returns & Allowances _______________________

Commissions Paid __________________________

Preferred Customer Program ___________________

Insurance (Product) _____________________

Interest (Credit Cards and bank loans – business only) ____

Legal & Accounting ________________________

Meeting Costs _____________________________
(After reimbursements)

Office Expenses ___________________________

Contract Labor ___________________________

Long Distance Phone ________________________

Business Phone _____________________________

Cellular Phone _____________________________

Fax Line _____________________________

Postage __________________________________

Tolls and Parking ___________________________

Uniforms and Cleaning ______________________

Internet Carrier Expense ____________________

Leadership Conference ______________________

Career Conference __________________________

Career Breakfasts __________________________

Rent (Meeting Rooms, etc.) ___________________
(After reimbursements)

Repairs ___________________________________

Contract Labor _____________________________

Supplies __________________________________

SE Health INS Premium Pay __________________

Travel (out of town) _____________________________

Meals & Entertainment _______________________

Wages & Salaries ____________________________

Hostess Credits (Section 1 wholesale) __________________

Client Gifts (Section 1 wholesale) _____________________

Personal Use (Section 1 wholesale) ____________________

Demo's and Supplies (Section 1 wholesale) _____________

Obsolescence (Section 1 wholesale) ____________________

Online Software Fees ____________________

Bank Fees ___________________________________

Merchant/CC Fees ___________________________

Unit Prizes and Awards _______________________

Training Costs ______________________________

Seminar ___________________________________

Printing & Reproduction _____________________

Miscellaneous & Other____

____

____

OTHER INCOME

	Taxpayer	**Spouse**
Did you receive **ALIMONY** from a prior spouse in 2018?	$__________	$_________
Did you receive **UNEMPLOYMENT COMPENSATION** in 2018? (Please attach Form 1099-G below)	$__________	$_________
Did you receive **SOCIAL SECURITY BENEFITS** in 2018? (Please attach SSA-1099's)	$__________	$_________
Did you receive any **GAMBLING WINNINGS?** **(Attach Form W-2G)** in 2018?	$__________	$_________

Did you receive **ANY OTHER INCOME FROM ANY OTHER SOURCE** not already previously listed on this or prior pages? (Please list below)

____	$_________	$_________
____	$_________	$_________
____	$_________	$_________
____	$_________	$_________
____	$_________	$_________

(PLEASE ATTACH REPORTING NOTICES FROM AGENCIES OR COMPANIES FOR ALL ITEMS LISTED ON THIS PAGE IN THE SPACE BELOW).

OTHER ITEMS

ADJUSTMENTS TO INCOME

	Taxpayer	Spouse
ALIMONY paid to a prior spouse in 2018? Prior spouse SS# ___________________	$_________	$________
IRA contribution in 2018?	$_________	$________
ROTH IRA contribution in 2018?	$_________	$________
Contribution to a **Medical Savings Account (MSA)** In 2018 (Employee Only)	$_________	$________
Student Loan Interest paid in 2018 (Form 1098T)	$_________	$________
Were/are you a participant in a company-sponsored Pension or Profit Sharing Plan in 2018? (Yes/No)	_________	________
Did you incur **a PENALTY FOR EARLY WITHDRAWAL** from a savings account or Certificate of Deposit from a financial institution in 2018?	$_________	$________
<u>**If you are/were self-employed**</u>: Contribution to a **KEOGH, SEP, SIMPLE, Small 401K**? Or **PROFIT SHARING PLAN** in 2018? ***(Please indicate what type)***	$_________	$________

As an Employee did you pay for your own **HEALTH INSURANCE** in 2018?
Amount = $_________________

i. ESTIMATED TAX PAYMENTS

Did you make estimated quarterly payments for the 2018 tax year ***(if state taxes paid, please list alongside federal).***

Date Due	Date Actually Paid	Federal / State	
04/15/18	_______________	__________	_________
06/15/18	_______________	__________	_________
09/15/18	_______________	__________	_________
01/15/19	_______________	__________	_________

Did you elect to apply refunds due from the 2017 tax return to 2018? If so, how much?
$__________

If you are due a refund on your 2018 tax return, do you wish to have it refunded to you? _____ (Yes/No), or, applied to your 2019 estimated payments? ______ (Yes/No)

ii. ELECTRONIC FILING

Please attach a copy of a voided check on the account for refund (or payment). Upon acceptance for electronic filing, you can expect your refund/payment to be credited /debited directly to your bank account from the United States Treasury.

ITEMIZED DEDUCTIONS

MEDICAL:

Pharmaceuticals, medicines (no over-the-counter) $________ ________
Doctors, Dentists, etc. $_________________
Insurance Premiums (out-of-pocket, no employer-paid) $________________

Medical-related Mileage in 2018
____

TAXES: Limit of $10,000

State and local income taxes or Sales Taxes (take the greater of the two)
$________________

Real estate taxes on your residence $________________

Real estate taxes on other property you own (**Not** rental property) $________________

INTEREST*: (Please attach your year-end mortgage statement and Forms 1098 here).*

Mortgage interest on your residence (1st and 2nd liens) $________________

If paid to an individual, please list:

Name____

Address____

City, State & ZIP____

Social Security #____

Points paid on the purchase of a residence $________________

Points paid on the refinancing of an existing residence $________________
(Please attach closing statement here)
Interest paid on investment-related loans $________________
(Margin accounts, etc.)

CHARITABLE CONTRIBUTIONS:

Paid in cash or by check (attach document as proof of contribution).
If over $250.00 to any one organization, please list:

Name___________________________________ Amount $________________

Address__________________________________

City, State & ZIP___________________________

Non-cash contributions such as Salvation Army, Goodwill, etc. $____________________

If over $250.00, please list: ***(YOU MUST HAVE A RECEIPT)***
Name__________________________________ EIN ______________________________

Address____

City, State & ZIP____

Description of Donated Property: ____
____

Date of Contribution ________________Date Acquired _____________Donor's Cost ________________

Fair Market Value at Date of Gift: $___________________ How Acquired _________________________

Method used to determine Fair Market Value? ____

CASUALTY OR THEFT LOSSES:

Did you sustain a Loss classified as a Major or Qualified Disaster? ________ (if no, move forward)
$____________________

If so, please describe in detail here or, on a separate worksheet outline your itemized losses (Insurance Form?)______________________ ____
____
____

CHILD & DEPENDENT CARE EXPENSE

PERSON(S)/ORGANIZATIONS PROVIDING CARE:

Name	Address, City, State & ZIP	SS# or Federal ID#	Amount Paid
____________________	___________________________	____________________	$______________
____________________	___________________________	____________________	$______________
____________________	___________________________	____________________	$______________
____________________	___________________________	____________________	$______________

Number of Qualifying Dependents _____________________

NOTE:
ADDRESS AND SOCIAL SECURITY NUMBER/FEDERAL ID NUMBER IS MANDATORY ON DAY CARE PROVIDERS!

RENTAL OR ROYALTY PROPERTY INCOME & EXPENSE

	Property A	***Property B***	***Property C***
Address	________________	________________	________________
City, State & ZIP	________________	________________	________________
RENTAL INCOME	**$**______________	**$**______________	**$**______________
ROYALTY INCOME	______________	______________	______________
<u>EXPENSES</u>:			
Advertising	______________	______________	______________
Auto & Travel	______________	______________	______________
Cleaning & Maintenance	______________	______________	______________
Commissions’	______________	______________	______________
Insurance	______________	______________	______________
Legal & Prof. Fees	______________	______________	______________
Mortgage Interest	______________	______________	______________
Repairs	______________	______________	______________
Supplies	______________	______________	______________
Prop Taxes	______________	______________	______________
Utilities	______________	______________	______________
Wages and Salaries	______________	______________	______________
HOA Dues	______________	______________	______________
Other (describe)	______________	______________	______________
____________________	______________	______________	______________
DATE PROPERTY ACQUIRED	________________	________________	________________
COST BASIS	$______________	$______________	$______________

SALE OF INVESTMENT ASSETS

If you sold stock, bonds, or other types of investments, ***please attach ALL pages of the year end summary statement from your brokerage firm(s) below. In addition, please provide the date purchased and your cost basis in those assets sold:***
PLEASE LIST & ATTACH ALL FORMS 1099-B TO THIS DOCUMENT!

Description	**Date Acquired**	**Date Sold**	**Net Selling Price**	**Cost or Basis**
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$
			$	$

SALE OF RESIDENCE IN 2018

***OLD RESIDENCE*:**

Cost basis of old residence sold (includes original purchase price, closing costs, and all improvements since purchase). $____________________

Date old residence purchased ______________________

Date old residence sold ___________________________

Sale price of old residence $_______________________

Did you owner-finance the new buyer (Yes/No) ___________ If Yes, How Much? ____________________

Expenses of sale (commissions, closing costs, etc.) $____________________

Fixing-up Expenses prior to sale of old residence $____________________

***NEW RESIDENCE*:**

Are you a First-time homebuyer? ____________

Did you purchase a new residence in 2018? _________ What date did you purchase this residence? ____________

What is the purchase price of the new residence? $________________

PLEASE ATTACH A COPY OF THE CLOSING PAPERS FROM BOTH THE PURCHASE AND SALE OF THE OLD RESIDENCE AND THE PURCHASE OF THE NEW RESIDENCE (if applicable)

DISTRIBUTIONS FROM PARTNERSHIPS, "S" CORPORATIONS, & TRUSTS

If you received a Form K-1 from Partnerships, "S" Corporations, or Trusts in which you have an interest, ***please attach ALL pages of those K-1's and list below:***

Education Tuition & Notes

If you or a dependent were enrolled in an institution of higher education and tuition, fees and lab expenses were incurred, please list below:

Student's Name:	________________	________________
Qualified Education Expenses		
Tuition	***$*** ________________	***$*** ________________
Fees	________________	________________
Labs	________________	________________
Grants, Scholarships	________________	________________
Freshman, Soph. or higher	________________	________________

Please accompany this information with the Form 1098 T received from the Institution(s) of Higher Learning!