

2020
JAMES J. TOWEY, P.C.
Information Summarizer
For Mary Kay Sales

11555 Beamer Road, Suite 100
Houston, TX 77089
(281)484-5561 (Tel.)
(281)481-0987 (Fax)
pcjtt76@gmail.com (E-mail)
www.jamestoweycpa.com

CLIENT: _____

E-mail Address:

Taxpayers

Home _____ @ _____

Work _____ @ _____

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) _____

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

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

[illegible]

James J Towey, P C
James J Towey, CPA

Tax Return Preparation, Consulting and Accounting Services
2020 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 \$35.00. 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.

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 \$60 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 (W-2'S) CONTRACT WORKER INCOME (1099-MISC), SEE PAGE 6!
(ATTACH FORMS TO THE APPROPRIATE PAGE)

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

[illegible][illegible]

OTHER INCOME

1099's: If you received an IRS form 1099 for ANY other reason, please attach ALL copies of your forms 1099 below. 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, please attach ALL copies of IRS forms 1099-R below and list here:

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 – 2020

WERE YOU AND YOUR FAMILY COVERED BY A HEALTH INSURANCE PLAN IN 2020? 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 DEPENDENTS OWN THEIR OWN INDIVIDUAL POLICY? YES _____, NO _____.

ARE ANY DEPENDENTS IN YOUR HOUSEHOLD REQUIRED TO FILE A TAX RETURN FOR 2020? YES _____ NO _____

INCOME OR LOSS FROM MARY KAY COSMETICS

When did this business start? _____ # of months operated in 2020 _____

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 @ 12/31/19 (WHOLESALE)

\$ _____

Total Section 1 Purchases in 2020 (WHOLESALE)

Total Section 2 Purchases in 2020

Total Sales Taxes paid on Section 1 & 2 in 2020

Total Freight & Handling paid on Sections 1 & 2 orders in 2020

Section 1 Inventory in your possession @ 12/31/20 (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 2020 _____

Mary Kay miles driven in 2020 _____

Commuting miles driven in 2020 _____

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

Returns & Allowances _____ Repairs _____

Commissions Paid _____ Contract Labor _____

Preferred Customer Program _____ Supplies _____

Insurance (Product) _____ SE Health INS Premium Pay _____

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

Legal & Accounting _____ Travel (out of town) _____

Meeting Costs _____ Meals & Entertainment _____
(After reimbursements)

Office Expenses _____ Wages & Salaries _____

Contract Labor _____ Hostess Credits (Section 1 wholesale) _____

Long Distance Phone _____ Client Gifts (Section 1 wholesale) _____

Business Phone _____ Personal Use (Section 1 wholesale) _____

Cellular Phone _____ Demo's and Supplies (Section 1 wholesale) _____

Fax Line _____ Obsolescence (Section 1 wholesale) _____

Postage _____ Online Software Fees _____

Tolls and Parking _____ Bank Fees _____

Uniforms and Cleaning _____ Merchant/CC Fees _____

Internet Carrier Expense _____ Unit Prizes and Awards _____

Leadership Conference _____ Training Costs _____

Career Conference _____ Seminar _____

Career Breakfasts _____ Printing & Reproduction _____

Miscellaneous & Other _____

OTHER INCOME

	<u>Taxpayer</u>	<u>Spouse</u>
Did you receive UNEMPLOYMENT COMPENSATION in 2020? (Please attach Form 1099-G below)	\$ _____	\$ _____
Did you receive SOCIAL SECURITY BENEFITS in 2020? (Please attach SSA-1099's)	\$ _____	\$ _____
Did you receive any GAMBLING WINNINGS ? (Attach Form W-2G) in 2020?	\$ _____	\$ _____

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

_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

Did you receive Stimulus Payments from the IRS?

First Stimulus Payment \$ _____

Second Stimulus Payment \$ _____

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

OTHER ITEMS

ADJUSTMENTS TO INCOME

	<u>Taxpayer</u>	<u>Spouse</u>
IRA contribution in 2020?	\$_____	\$_____
ROTH IRA contribution in 2020?	\$_____	\$_____
Contribution to a Medical Savings Account (MSA/HSA) In 2020 (Employee Only)	\$_____	\$_____
Student Loan Interest paid in 2020 (Form 1098T)	\$_____	\$_____
Were/are you a participant in a company-sponsored Pension or Profit Sharing Plan in 2020? (Yes/No)		
Did you incur a PENALTY FOR EARLY WITHDRAWAL from a savings account or Certificate of Deposit from a financial institution in 2020?		
	\$_____	\$_____
<u>If you are/were self-employed:</u>		
Contribution to a KEOGH, SEP, SIMPLE, Small 401K? Or PROFIT SHARING PLAN in 2020? (Please indicate what type)	\$_____	\$_____
As an Employee did you pay for your own HEALTH INSURANCE in 2020?		
Amount =	\$_____	

i. ESTIMATED TAX PAYMENTS

Did you make estimated quarterly payments for the 2019 tax year (*if state taxes paid, please list alongside federal*).

Date Due	Date Actually Paid	Federal / State
07/15/20	_____	_____
07/15/20	_____	_____
09/15/20	_____	_____
01/15/21	_____	_____

Did you elect to apply refunds due from the 2019 tax return to 2020? If so, how much?
\$_____

If you are due a refund on your 2020 tax return, do you wish to have it refunded to you? _____ (Yes/No),
or, applied to your 2021 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 2020

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 _____

<p><i>NOTE:</i></p> <p><i>ADDRESS AND SOCIAL SECURITY NUMBER/FEDERAL ID NUMBER IS MANDATORY ON DAY CARE PROVIDERS!</i></p>
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RENTAL OR ROYALTY PROPERTY INCOME & EXPENSE

	<i>Property A</i>	<i>Property B</i>	<i>Property C</i>
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	\$ _____	\$ _____	\$ _____

Depreciation Schedule – Attach yes ____ no ____

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
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$

			\$	\$
			\$	\$

			\$	\$
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SALE OF RESIDENCE IN 2019

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 2020? _____ 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:*

\$ _____ \$ _____

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.