

Nancy L Lawrence EA

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Souderton, PA

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On behalf of myself, Sandie, Becky, and the entire staff, we would like to thank you for your continued patronage and for the confidence you place in us from year to year. Please note:

- 1) To make sure that we have the most current and accurate information; we are asking that you take a few minutes and fill our tax questionnaire. There are many new questions relating to Covid-19 that we will need answered this year. It is also important that we have **updated email addresses**, phone numbers, mailing addresses and bank information-please note those changes on the questionnaire.
- 2) Read and sign the engagement letter which explains your responsibilities along with our responsibilities to you.
- 3) Please enclose the completed questionnaire and the signed engagement letter with your tax information that you are supplying to us.
- 4) No returns will be efiled until the Efile Signature Forms are signed and payment has been made in full for the tax preparation.
- 5) **April 1, 2022** is our cutoff date for appointments and drop off's. Any tax information dropped off after that date may have to be placed on extension.

Tax Law Changes for 2021

The new stimulus laws contain tax breaks designed for the individual taxpayer.

1) Charitable Contributions-

If you don't itemize deductions for 2021, you may deduct up to \$300 (\$600 if Married Filing Jointly) on your 2021 tax return for cash contributions made to most charitable organizations.

Fill in the amount given to charities on Page 3 of the questionnaire so that we have this amount to use when preparing your tax return this year.

2) Energy Saving Improvements-

If you made energy saving improvements to your home in 2021, you might be able to claim a tax credit for that improvement. Qualifying upgrades include energy-efficient windows, exterior doors, insulation, particular roofs, heating and air conditioning systems and water heaters.

3) Stimulus Payments-

There was a third round of Economic Impact Payments (EIP) which started in March 2021 through December 2021. You may be eligible to claim a recovery rebate credit on your 2021 Federal tax return if you did not get the third EIP or less than the full amount.

We need the full amount received to reconcile the third payment. Provide us with Notice 1444C or write the amount received on Page 2 of the questionnaire if the notice is not available.

4) Advance Child Tax Credits (CTC)-

Advance CTC payments were paid monthly from July through December 2021. These payments were estimates of your 2021 CTC, generally based on your 2020 tax return. In January, the IRS will send Letter 6419, which provides the total amount of the advance CTC payments that were disbursed to you during 2021.

Provide us with Letter 6419 so that we can accurately reconcile the advance payments with your 2021 tax return. In absence of this letter, fill in the amounts received on Page 4 of the questionnaire.

5) Child Tax Credit-

For 2021, the child tax credit (CTC) increased from \$2000 to \$3000 for each child under 18, or \$3600 for each child under the age of 6. This extra amount is reduced when income exceeds a certain threshold.

6) Child and Dependent Care Credit-

For 2021, the child and dependent care credit increased significantly and is fully refundable even if you have no tax liability. The dollar limit for eligible expenses is now \$8000 for one child and \$16000 for two or more qualifying children. This is up from \$3000 for one child and \$6000 for two or more children.

We look forward to working with you this year.

Nancy, Sandie, Becky and Staff Admin's-Gina, Kathy, and Tom

**Nancy Lawrence, EA
28 N 3rd St
Souderton, PA 18964
215-799-2332**

ENGAGEMENT LETTER

Thank you for selecting Nancy Lawrence EA Tax Office to assist you with your tax affairs.

This letter is to confirm and 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 prepare your 2021 (or previous years) federal, state and local income tax returns you request, using information which you provide to us. We may ask for clarification of some items, but we will not audit or otherwise verify the data you submit. We've enclosed a questionnaire to help us gather the information required for a complete return. If you use the questionnaire, it will help avoid overlooking important information and contribute to the efficient preparation of your tax returns.

It is your responsibility to provide the information required for preparation of complete and accurate returns. You should keep all documents, cancelled checks, and other data that support your reported income and deductions. They may be necessary to prove accuracy and completeness of the returns to a taxing authority. You should have substantiation for all deductions that require strict documentation such as charitable contributions, travel and entertainment expenses, and for business usage of automobiles. You bear the full responsibility for the income tax returns and therefore, you should review them carefully.

Our work will not include any procedures to discover misrepresentations, fraud, illegal acts, theft, or other irregularities. The only accounting or analysis work we will do is that which is necessary for preparation of your income tax returns.

We must use our judgement 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. In order to avoid penalties, we will apply the "more likely than not" reliance standard to resolve such issues.

The law also imposes penalties when taxpayers understate their tax liability. If you have concerns about such penalties, please call us.

Your returns may be selected for audit by a taxing authority. In the event of a tax examination, we can arrange to be available to represent you. Such representation will be a separate engagement for which an additional engagement letter will be provided to you. Fees and expenses for defending the returns will be invoiced in accordance with terms we agree on for that engagement. Please inform us immediately of any notices from any tax agency. In preparing your return, we are not responsible for a taxing authority's assessment of underpayment penalties or interest where this action resulted from erroneous, incomplete, inaccurate, or misrepresented information provided by you, to us.

Our fee for preparation of your tax return is based on a per form/per schedule basis. All invoices are due and payable upon receiving completed taxes. Payment can be made by cash, check or credit card. For your convenience, we accept American Express, MasterCard, Visa and Discover.

Should a tax return require revision after completion through no fault of our firm, revision fees will apply. Any tax return requiring revision due to a legitimate preparation error will be revised at no charge.

We will retain copies of records you supplied to us, along with our work papers for your engagement, for a period of four years. After four years, our work papers and engagement files will be destroyed. You should retain your tax return and all supporting documentation for seven years. All of your original records will be returned to you at the end of this engagement. You should keep the original records in secure storage.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign the enclosed copy of this letter in the space indicated.

We appreciate your confidence in us.

Nancy L Lawrence, EA Tax office

Accepted By: _____

Accepted By: _____

Date: _____

Client Questionnaire

Please check the appropriate boxes and include all necessary details.

NEW CLIENTS ONLY - Fill in all applicable information
***EXISTING CLIENTS* - Make any changes below as necessary**

Taxpayer
Name _____ SS# _____ DOB _____ Occupation _____

Spouse
Name _____ SS# _____ DOB _____ Occupation _____

Dependent
Name _____ SS# _____ DOB _____

Dependent
Name _____ SS# _____ DOB _____

Dependent
Name _____ SS# _____ DOB _____

Address _____

Home# _____ Cell# _____ Work# _____

E-Mail Address _____

Personal Information

YES NO

Did your marital status change during the year?

If yes, explain: _____

Date of change: _____

Did your address change from last year?

New Address: _____

Date Moved: _____

Can you be claimed as a dependent by another taxpayer?

Bank Information

Did you change any bank accounts that have been used for direct deposit (or direct debit) with the IRS or other taxing authority during the tax year?

If yes, provide Bank Name _____

Routing# _____ Account # _____

Checking _____ or Savings _____

NEW CLIENT ONLY- if you owe taxes, do you want to have your payment directly debited from your savings or checking account to the IRS or state?

If yes, provide Bank Name _____

Routing# _____ Account # _____

Checking _____ or Savings _____

NEW CLIENT ONLY- if you are due a refund, do you want to have your refund directly deposited into your checking or savings?

If yes, provide Bank Name _____

Routing# _____ Account # _____

Checking _____ or Savings _____

Dependent Information

YES NO

- Were there any changes in dependents from the prior year? YES NO
- If yes, explain: _____
- Do you have any children under 19 or a full time student with UNEARNED income (such as interest, dividends, capital gains) in excess of \$2200? YES NO
- Did you incur any adoption expenses? YES NO
- Did you pay for child care while you worked, looked for work, or while a full-time student? YES NO
- If divorced or separated with child(ren), do you have a divorce decree or other form of separation agreement which establishes custodial responsibilities? YES NO

COVID-19 Information

- Did you receive the third Economic Impact Payment (EIP) stimulus payment? YES NO
- If yes, amount(s) received: PAYMENT #3 _____
- Provide Notice 1444-C.
- Did you receive a Paycheck Protection Program (PPP) loan? YES NO
- If yes, did you apply for PPP loan forgiveness? YES NO
- If you are self-employed, were you unable to perform your self-employed activities due to coronavirus related care you needed? YES NO
- If you are self-employed, were you unable to perform your self-employed activities due to coronavirus related care you provided to your child(ren) under the age of 18? YES NO
- If you are self-employed, were you unable to perform your self-employed activities due to coronavirus related care you provided to another? YES NO

Business Information

- Did you start a new business or purchase rental property during the year? YES NO
- Did you sell an existing business, rental, or other property during the year? YES NO

Investment Information

- Did you acquire or dispose of any stock during the year? YES NO
- If yes, we need dates of purchase and cost basis information, include 1099B forms.

Real Estate Information

- Did you sell, exchange, or purchase any real estate during the year? YES NO
- If yes, provide settlement statements from the sale and/or purchase. (HUD1/Closing Disclosure Statement) Include 1099S, if required.
- Did you refinance a principal residence or second home this year? YES NO
- If yes, provide the settlement statement. (Closing Disclosure)
- Do you have a Home Equity Loan or Line of Credit? YES NO
- If yes, was the entire loan used to buy, build or substantially improve your primary residence? YES NO

Cryptocurrency

- Did you have any sales or other exchanges of virtual currencies (including from an air drop or hard fork) or used virtual currency to pay for goods or services? YES NO

Income Information

- Did you receive any disability income during the year? YES NO
- Did any of your life insurance policies mature, or did you surrender any policies? YES NO
- Did you cash any Savings Bonds? YES NO
- Did you exercise or receive stock options? YES NO
- Did you receive unemployment compensation? Provide 1099G YES NO
- Did you receive cancellation of debt? Provide 1099C or 1099A YES NO
- Did you receive tip income not reported to your employer this year? YES NO
- If yes, please provide amount: _____
- Did you receive any awards, prizes, hobby income, gambling or lottery winnings? YES NO
- Did you receive any income considered to be nonemployee compensation? YES NO
- Did you receive alimony? Provide total received _____ YES NO
- Did you pay any alimony? Provide total paid _____ YES NO

	YES	NO
If there are alimony payments paid and or received, was the divorce or separation agreement executed after Dec 31, 2018?	<input type="checkbox"/>	<input type="checkbox"/>
Date divorce was finalized: _____		

Foreign Income/Taxes

Did you have any foreign income or pay any foreign taxes during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you have a financial interest in or signature authority over a financial account such as a bank, securities, or brokerage accounts located in a foreign country?	<input type="checkbox"/>	<input type="checkbox"/>
Did you have any foreign financial accounts, foreign financial assets, or hold interest in a foreign country?	<input type="checkbox"/>	<input type="checkbox"/>

Retirement Income Information

Did you receive Social Security Benefits? Provide SSA1099	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive any payments from a pension or profit sharing plan?		
If yes, check off type: Pension___, Profit Sharing___ and provide 1099R(s)	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any withdrawals from an IRA or Roth IRA?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, check off type IRA___, Roth IRA___		
If yes, were any withdrawals due to a Federally declared disaster or COVID-19?	<input type="checkbox"/>	<input type="checkbox"/>
If you received any qualified disaster retirement plan distributions, did you repay any of the distributions in 2021?	<input type="checkbox"/>	<input type="checkbox"/>
Provide form(s) 1099-R		
Did you make any contributions to an IRA or Roth IRA?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, check off type IRA___, Roth IRA___ and provide statement(s) showing contribution amount(s)		

Education Information

Did you have any college expenses during the year on behalf of yourself, your spouse, or a dependent? If yes, provide form(s) 1098-T	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any withdrawals from an education savings/529 Plan account?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, provide form(s) 1099Q		
Did you contribute to a 529 plan or educational IRA?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, please provide name and amount contributed for each child(ren)		

Did you make any student loan interest payments during the year? Provide 1098E	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any contributions or withdrawals from an ABLE account?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, provide form(s) 5498SA and 1099QA		

Itemized Deduction Information

Do you make any monetary charitable contributions?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, provide total amount contributed throughout the year _____		
Did you make any noncash charitable contributions (clothes, furniture, vehicles, etc)	<input type="checkbox"/>	<input type="checkbox"/>
If value is <\$500 provide Fair Market Value of Goods donated _____		
If value is >\$500 provide documentation:		
Name of Organization _____		
Date(s) of donation _____		
List of Items Donated _____		
Value of Items Donated _____		
Did you donate a vehicle or boat during the year? If yes, provide form(s) 1098-C	<input type="checkbox"/>	<input type="checkbox"/>
Did you incur any cost for your job, for which you were not reimbursed, such as union dues, uniforms, license fees, liability insurance or small tools?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, provide type of expenses and amounts of each _____		

Did you incur expenses as an elementary or secondary educator?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, provide amount spent _____		

Advanced Child Tax Credits

If not supplying us with Letter 6419 from IRS detailing advanced child tax credits received, enter amounts received by month:

July _____ Oct _____
Aug _____ Nov _____
Sept _____ Dec _____

Estimated Taxes

Did you make any estimated taxes for this tax year?
If so, please provide amounts by quarter:

YES NO

Apr 15, 2021 June 15, 2021 Sept 15, 2021 Jan 15, 2022
Fed 1st Qtr _____ 2nd Qtr _____ 3rd Qtr _____ 4th Qtr _____
PA 1st Qtr _____ 2nd Qtr _____ 3rd Qtr _____ 4th Qtr _____
Local 1st Qtr _____ 2nd Qtr _____ 3rd Qtr _____ 4th Qtr _____

Healthcare Information

Did you buy your insurance on the exchange? If yes, provide form(s) 1095-A Health Savings Accounts-

Did you receive any distributions or make any contributions into an HSA? If yes, provide form(s) 1098SA and 5498SA

Miscellaneous Information

Did you make gifts of more than \$15,000 to any individual?

Did you incur moving costs because of a permanent change of station as a member of the Armed Forces on active duty?

Did you receive correspondence from the State or the Internal Revenue Service? If yes, explain or include with your tax documents.

Do you want to designate \$3 to the Presidential Election Campaign Fund? Checking yes will not change your tax or reduce your refund.

Did you make energy efficient improvements to your main home this year?

Tax Documents Required

Provide the following as necessary:

- Forms W-2 for wages, salaries and tips
- All 1099's for Interest, dividends, retirement income, misc income, Social Security, gambling winnings, cancellation of debt income, etc.
- Brokerage statements showing investment transactions for stocks, bonds, etc.
- Sch K-1's from Partnerships, Corporations, Estates and Trusts
- Statements supporting deductions for mortgage interest, Real Estate taxes, charitable contributions, etc.
- Copies of settlement statements regarding the sale, purchase or refinance of real property. (HUD1's)
- Identity Protection PIN (IP PIN) from the IRS for yourself, spouse or dependent

If you have any additional questions, please state below: