



The CPA. Never Underestimate The Value.®

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January 2015

2015 Tax Filing Season-Change in Procedure

This year we are going to do things a little different due to tax law changes and additional filing requirements instituted by the IRS for 2014. We are sending you our engagement letter, business checklist and instructions. This year we will not prepare a return where the checklists are not completed and the backup documentation for your business is not provided.

This packet is to assist you in compiling the information needed to prepare your business tax returns. I have enclosed information regarding requirements related to travel and entertainment expenses, I would encourage you to review these for mileage logs and receipt retention.

In 2009 the IRS issued guidance on penalties for non-preparation of 1099's. The guidance although directed to me as the preparer of the return effectively disallows a deduction on a return if 1099's should have been prepared. With that said I will require you to verify that you have prepared all applicable 1099's, this is now a positive statement disclosed on all business tax forms. If you have questions regarding these forms please let us know, but you will need to make sure these are prepared.

In 2010 the health care bill (Affordable Care Act) was passed and some provisions of this law may impact your business. A copy of the main provisions and time line for implementation is located on our website (www.arbowcpa.com). Tax credits are available for small business' that provide health insurance for their employees. Affiliated companies (companies with common ownership) and those companies with more than 50 employees must provide health insurance for their employees. Penalties for non-compliance is referred to as the "shared responsibility" is \$2000 per employee for non-coverage and \$3,000 per employee for inadequate or unaffordable coverage and the employee gets coverage under the state or federal exchange.

The IRS is training auditors regarding worker classification issues. You must weigh the control issues to make this determination of employee vs. independent contractors. If you have questions regarding these classification issues please call, we can lead you to further materials in regards to these matters

Effective January 1, 2011 the IRS will not allow payments for payroll or business income tax to be reported on form 8109 and paid to your bank. You need to be enrolled in the EFTPS system; enrollment is obtained at www.eftps.gov or call 1-800-555-4477. The state of Oregon generally follows the same rules and to use their electronic payment system see www.oregon.gov/DOR/ESERV/index.shtml

New for 2011 was a form 1099K. This form will report your credit card collections as a component of sales. Reporting of this information on your tax return has been delayed but the form 1099K is sent by your credit card processor to the IRS. Audits of this component of income have now been started.

January 2015

January 1, 2014 new rules exist for deduction for materials and supplies and capitalization of assets. The deduction is taken at purchase only if the amount does not distort income otherwise it is when consumed. New regulations exist for repairs vs. improvement with a \$500 (per item) limitation for capitalization. The rules are complicated regarding materials, supplies, restoration, repairs, and capital improvements if you want further details we can provide the IRS background. Effective January 1, 2014 the §179 deduction for expensing equipment was limited to \$25,000, down from \$500,000 in 2013 and bonus depreciation ended in 2013, however a late tax bill signed in the last days of December approved an extension for the \$500,000 179 deduction and bonus depreciation through 2014 however the \$25,000 amount for 2015 is the current law. NOTE: YOU MUST ADOPT THE SAFE HARBOR RULES EFFECTIVE NO LATER THAN JANUARY 2014 AND A CHANGE OF ACCOUNTING POLICY MUST BE COMPLETED WITH YOUR TAX RETURN FOR 2014 TO PROTECT YOU IN THE FUTURE BASED ON IRS REQUIREMENTS.

Reporting requirements exist for foreign bank and financial accounts on form TD F 90-22.1 with an aggregate value over \$10,000 at anytime during the year even if they do not generate income (forms due each year by June 30). Form 8938 Foreign Financial Assets Disclosure for foreign assets exceeding \$50,000 which is required to be filed with your tax return. Form 8621 is due if you are a shareholder in a foreign investment company. If you think any of these might apply or you have other interests in trusts or investment in foreign countries please let us know so we can file the appropriate forms as the penalties for non-compliance are significant. These rules apply to individual, business, trusts and estates.

Attached is a checklist of questions designed to help think about and review information that I may need to prepare your returns. When you come in to drop off the information or when coming for your appointment please bring with you debt agreements and interest statements for loans. If you are using QuickBooks, a backup of your data files (make sure we know the version you are using and passwords for access- note we do not retain these copies after the preparation of the tax returns). If you receive any 1099/1098 forms please provide them with your tax information. Bring in your adopted Safe Harbor Policy for Capitalization of assets and the new repair and material standards.

If you have any debt cancelled, reduced or foreclosed this year we have another packet of information that you need to complete. You may receive a 1099-C (cancellation of debt) or 1099-A (Abandonment) forms but even without that form you are required to file the information with your tax returns. Please call and we will send you the checklist and required information; additionally I will need to meet with you personally to discuss this matter.

We expect a busy year and are asking that you help us to make your appointment productive and the preparation of the tax returns as smooth as possible. I would appreciate your calling prior to coming to the office as we may be busy with other clients who deserve privacy and personal attention. We will try to accommodate your request as quickly as possible and Emily can let you know when we expect to have an open office if you just need to drop off or pickup. Finally, due to tax law changes, increases in software costs, and electronic filing fees, my fees for your returns will be higher than in the previous years. We will be asking that all return fees are paid on delivery of the returns this year. We attempt to keep our fees low and one of the ways we do that is to avoid the extra cost of billing and collections.

We are looking forward to seeing all of you again.

Sincerely,

Jana S. Arbow, CPA



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January 2015

We are pleased to provide you with the professional services described below. This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. We will perform our services in accordance with the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants.

Scope of Engagement

We will prepare the following federal and state income tax returns for you for the year ended 2014.

We will not prepare any tax returns except those identified above without your written authorization to do so. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify some of the information.

Client Responsibilities

We will provide you with questions for business entities to help you gather and document the information we will need to prepare your income tax returns. It is your obligation to complete the questions.

You are responsible for determining you state or local tax filing obligations with any state or local tax authorities, including, but not limited to, income, franchise, sales, use and property taxes. If upon reading the completed questions, it comes to our attention that you may have an obligation to file additional income tax returns, we will notify you of this in writing and ask you to contact us. If you ask us to prepare these returns, we will confirm this in a letter and detail the additional charges for this service.

You should retain all documents that provide evidence and support for your reported income and deductions on your returns. You are responsible for the adequacy and accuracy of all such documents. You may need to provide these documents to a taxing authority to substantiate the accuracy and completeness of the returns.

The original filing due dates for your income tax returns are March 17th for corporations and April 15th for partnerships. It may become necessary to apply for an extension of the filing deadline if there are unresolved tax issues or delays in processing, or if we not receive all of the necessary information from you on a timely basis. If you are unable to complete and return the tax organizer with other required documentation by February 20th to allow for the timely preparation of your tax returns, you must contact

us and request that we apply for an extension of the filing deadline on your behalf. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations. Additionally, extensions may affect your liability for penalties and interest or compliance with government or other deadlines. We will only file extensions for customers who have requested that we do so. If you have not contacted us by the due date of the return we will not file an extension on your behalf. If you need an extension filed please contact our office to make those arrangements. We are available to discuss this matter with you at your request at our regular hourly fee should the need arise.

Unless we are otherwise advised, you confirm that expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses are supported by necessary records required by the Internal Revenue Service (IRS). At your request, we are available to answer your questions and advise you on the types of records required.

Please note that any person or entity subject to the jurisdiction of the United States (includes individuals, corporations, partnerships, trusts, and estates) having a financial interest in, or signature or other authority over, bank accounts, securities, or other financial accounts having a value exceeding \$10,000 in a foreign country, shall report such a relationship. Filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial account(s). For example, a corporate-owned foreign account would require filings by the corporations and by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

If you and/or your entity have a financial interest in any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare for TD-F-90-22.1 required by the U.S. Department of the Treasury. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required disclosure statements.

In addition, the Internal Revenue Service under IRC Section 6038(a) requires information reporting with respect to certain foreign corporations (Form 5471) and describes the information required to be reported on this form, which is due when your income tax return is due, including extensions. Therefore, if you are an officer, director, or shareholder in a foreign corporation, you may be required to file Form 5471. IRC Section 6038(b)(1) provides for a monetary penalty of \$10,000 for each Form 5471 that is filed after the due date of the income tax return (including extensions) or that does not include complete and accurate information as defined under the regulations. By your signature below, you accept responsibility for informing us if you are an officer, director, or shareholder in a foreign corporation and you agree to provide us with the information necessary to prepare the appropriate Form 5471. We assume no liability for penalties associated with late filed Form 5471.

You have final responsibility for your income tax returns. Check them carefully for accuracy before you sign them.

CPA Firm Responsibilities

We will use our judgment to resolve questions in your favor where a tax law is unclear if there is reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., IRS and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the current codes and regulations and their interpretations. If the IRS or state tax authorities should later contest the position taken, there may be an assessment of additional tax, interest, and penalties. We assume no liability for any such additional tax, interest, and penalties or other fees and assessments.

Our work in connection with your income tax returns does not include any procedures designed to discover fraud, thefts, or other irregularities, should any exist.

Our engagement does not include tax planning services, which are available as a separate engagement. During the course of preparing the tax returns identified above, we may bring to your attention certain available tax saving strategies for you to consider as possible means of reducing your income taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to any such recommendations, as the responsibility for implementation remains with you, the taxpayer.

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request that we assist you in responding to such inquiry. In that event, we would be pleased to discuss providing assistance to you under the terms of a separate engagement letter for that specific purpose.

Timing of the Engagement

We expect to begin the preparation of your returns upon receipt of the completed organizer and all tax documents requested either in the organizer or by our office. Our services will be concluded upon delivery to you of your tax returns for your review and filing with the appropriate taxing authorities.

Penalties

Federal, state and local taxing authorities impose various penalties and interest charges for non-compliance with tax law, including for example, failure to file or late filing of tax returns and underpayment of taxes. You as the taxpayer remain responsible for the payment of all taxes, penalties, and interest charges imposed by taxing authorities.

The law imposes a penalty equal to 20% of the underpayment of tax where taxpayers make a substantial understatement of their tax liability. A C Corporation has a substantial understatement if the understatement for the year exceeds the greater of 10% of the tax liability or \$10,000. A taxpayer may qualify for the substantial authority exception by showing that the company reasonably believes that the tax treatment of an item is more likely than not the proper tax treatment if:

- The taxpayer analyzes the pertinent facts and authorities and, in reliance on that analysis, reasonably concludes in good faith that there is a greater than 50% likelihood that the tax treatment of the item will be upheld if challenged by the IRS; or the taxpayer reasonably relies

in good faith on the opinion of a professional tax advisor's conclusion that there is substantial authority on the tax treatment of an item.

- The relevant facts affecting the item's tax treatment were adequately disclosed on Form 8275 or 8275-R, attached to the return, and there was reasonable basis for the position.

You agree to advise us if you wish to disclose a tax treatment on your return. You may request our assistance to identify or perform further research to ascertain if there is "substantial authority" for the position proposed to be taken on the tax items in your returns. If you so request, we would be pleased to discuss providing this additional service to you under the terms of a separate engagement letter.

The law also imposes substantial penalties on taxpayers and preparers for failure to disclose "reportable transactions." Reportable transactions are potentially abusive transactions identified by the IRS whose primary purpose is tax avoidance. You agree to advise us of any reportable transactions identified under tax law and regulations. You agree that it is solely your decision to disclose any reportable transactions in the returns that we prepare for you. You agree to pay all fees and expenses incurred if you do not permit us to complete the returns.

Privacy Disclosure Notice

Your signature below grants the preparer above permission to send you a tax organizer, newsletters, tax planning documentation and other matters related to you. This also permits the preparer to utilize a third party software intermediary to process your e-file tax returns.

The tax return information that will be disclosed:

- Specific Tax advice or tax planning information for 2015
- Information from the preparation of your 2013 tax returns.
- The third party software intermediary will assimilate your 2014 tax return into the required format for electronic submission of your business tax returns to the Internal Revenue Service and the appropriate state tax filing agency.

Federal law requires this consent form be provided to you. Unless authorized by law, we cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

You are not required to complete this form. If we obtain your signature on this form by conditioning our services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent is valid for one year.

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.

Consent is valid until January 15, 2016

Fees and Billings

Our professional fee for these services is based upon the complexity of the work to be performed and our professional time to complete the work. Additionally, this fee is dependent on the availability, quality, and completeness of your records. You agree that you will deliver all records requested by our staff to complete this engagement on a timely basis. In the event your records are not submitted in a timely manner or are incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact you to discuss the matter and the anticipated delay in completing our engagement prior to rendering further services.

We will bill you for our professional fees, expenses and out-of-pocket costs as of the date we deliver our work product to you. Payment is due at delivery, (Please refer to our policies and procedures).

Very truly yours,

Jana S. Arbow, CPA

Approved:

Company Name

Authorized Officer's Signature

Title

Date

Jana Arbow, CPA LLP

225 SW Scalehouse Loop #103, Bend, OR 97702
(541) 389-4975 / (541) 389-4998 fax

Miscellaneous Questions for Business / Entity Tax Returns For Tax Year 2014

If any of the following items pertain to you business, please check the appropriate box and provide additional information if necessary. Please provide the following documentation: Copies of Forms W-3 and W-2 for Officers, 1099's for rent to a Shareholder/Officer, Form 1096 and 1099/1098's that your company has issued. All series 1099/1098's that have been issued to your company. If using QuickBooks, provide a backup copy or accountants copy and the version of QuickBooks you are using along with your logon and password. If not using QuickBooks, please provide a detailed copy of a Balance Sheet and Income Statement.

Company Name: _____

Entity Type: S-corp C-corp Partnership HOA Other: _____

Address: _____

City State Zip: _____

Business Phone number: _____

Federal Tax ID# - EIN: _____

State Tax Business ID#: _____

Date Business Began: _____

Date of S-Election: _____

Total # of Shares Corp has issued: _____

Email: _____

Name of Responsible Party: _____

Title: _____

Address: _____

Phone #: _____

Email address: _____

Number of
Shareholders/Partners/Members: _____

Provide Name, social security number, and address for each Shareholder, Partner and Member on a separate form

State Entity Registered in: _____

State Entity is Doing Business in: _____

QuickBooks Version: _____

QuickBooks User ID: _____

Password: _____

COMPANY INFORMATION

YES NO

Did your entity status change during the year? If so, provide documentation and explanation. _____

Did entity ownership change during the year? If so, provide documentation and explanation. _____

YES NO

Did the business make any payments this year that would require you to file Form(s) 1099?

Did you prepare all appropriate 1099's for your company this year?

Do you employ 50 or more employees?

Do you own an interest in any other business entity that has employees?

Did you prepare Forms W-2 and W-3 for your company this year? If yes, provide copy of W-3 and any Officer's W-2.

Did your address change during the year?

Could you be considered a controlled group tax return for this year (s-corp and c-corp)? This is more than one corporation controlled by one owner.

Did you prepare corporation or organizational minutes for the year?

Do you have an accountable reimbursement plan?

Do you have a cafeteria plan for medical, child care or any other employee payroll deduction program? If yes, did you file the appropriate Form 5500 report and individual reports for the prior year and have plan documents reviewed for recent law changes? ____Yes ____No

Do you have a pension plan or money purchase plan in place? If yes, did you review and amend this plan for recent tax law changes? ____Yes ____No Did you file the appropriate Form 5500 return for this? ____Yes ____No

Did you pay for officer's health insurance during the year? If yes, did you report it on the W-2? ____Yes ____No

Did you provide Health Care Coverage for your employees (no officers) during the year?

Did you physically do business in any other state besides Oregon during the year? If yes, what state. _____

Did you have any foreign income or pay any foreign taxes?

Did you receive money from any other sources, taxable or non-taxable? If yes, please provide documentation.

Do you have an interest in any other Limited Liability Companies (LLC), Limited Liability Partnerships (LLP), Partnerships, or S-Corporations?

PURCHASES, SALES AND DEBT

YES NO

Did you trade in, purchase or dispose of any business assets (furniture, equipment, vehicles, real estate, etc.), or convert any personal assets to business use?

Would you like to have all small equipment written off in full the first year if allowed and needed (Sect 179 expense)?

YES NO

Did you buy or sell any stocks, bonds or other investment property this year? Specify the sale of any collectibles (e.g., artwork, gems, stamps, coins) and any qualified small business stock. Please provide documentation.

Did you buy or sell any stocks, bonds or other investment property this year? Specify the sale of any collectibles (e.g., artwork, gems, stamps, coins) and any qualified small business stock. Please provide documentation.

Did you have any business debts discharged in a bankruptcy? If yes, please provide documentation.

Did you have any debts cancelled or forgiven?

Did anyone owe you money which had become uncollectible? If yes, was there a promissory note? _____
Did you charge interest? _____ Did you try to collect the debt? _____
What date did the debt become uncollectible? _____

ESTIMATED TAXES (for C-Corps)

YES NO

Did you apply an overpayment of 2013 taxes to your 2014 estimated tax (instead of being refunded)?

If you have an overpayment of 2014 taxes, do you want the excess applied to your 2015 estimated tax (instead of being refunded)?

Do you expect your 2015 taxable income to be substantially different from 2014?

MISCELLANEOUS

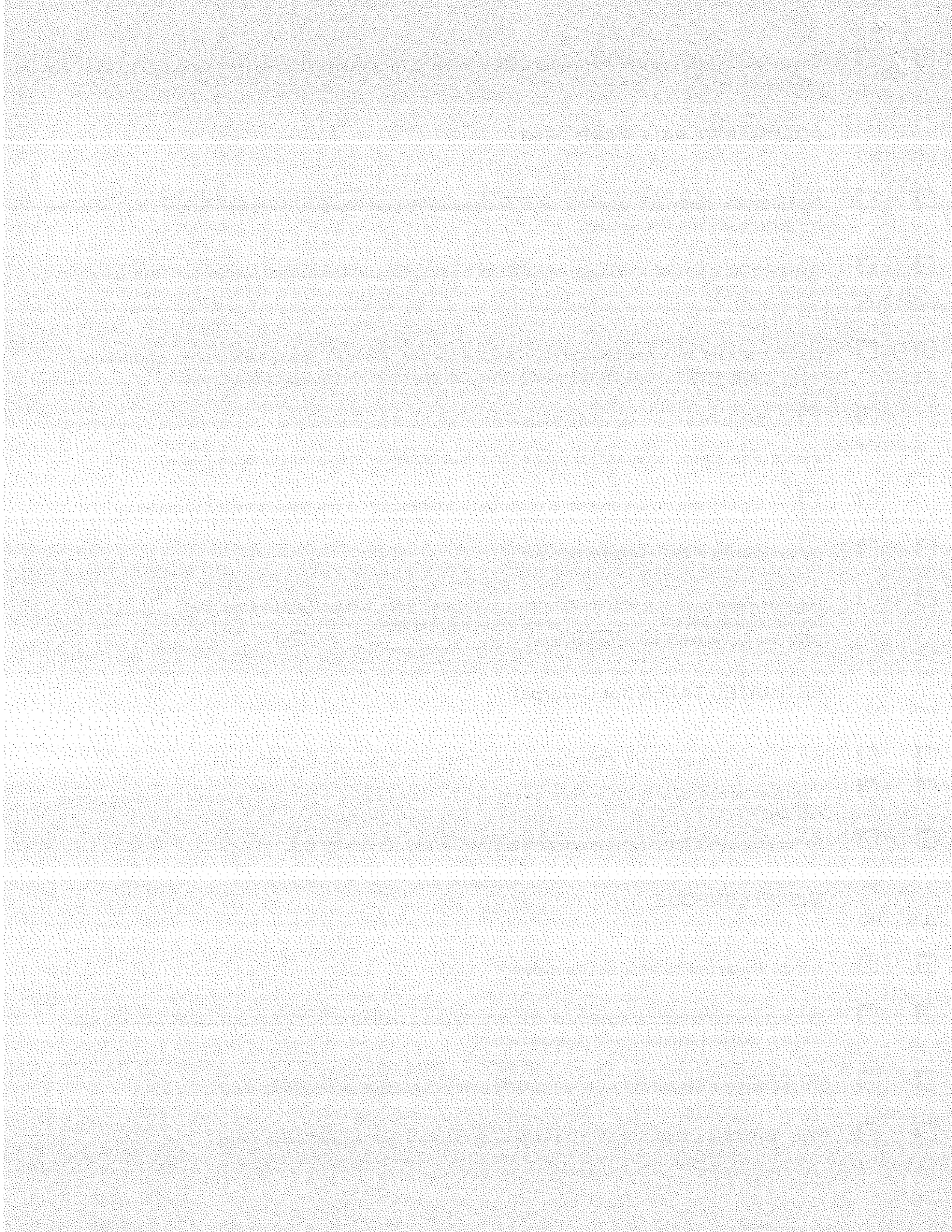
YES NO

May the IRS discuss this return with the preparer?

Did you have an interest in or signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?

Did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

Were you notified or audited by either the Internal Revenue Service or the State taxing agency?



If you are taking any kind of an **auto deduction**, please be advised that this area is being heavily audited. Your mileage logs should include the date, miles driven and purpose. In addition, you must have the beginning and ending odometer readings for the year. If you cannot provide this documentation, your deduction will be disallowed.

Reporting requirements exist for **foreign bank and financial accounts** on form TD F 90-22.1 with an aggregate value over \$10,000 at any time during the year even if they do not generate income (forms due each year by June 30). New this year is Form 8938 Foreign Financial Assets Disclosure for foreign assets exceeding \$50,000 which is required to be filed with your tax return. Form 8621 is due if you are a shareholder in a foreign investment company. If you think any of these might apply or you have other interests in trusts or investment in foreign countries please let us know so we can file the appropriate forms as the penalties for non-compliance are significant. These rules apply to individual, business, trusts and estates.

The IRS has issued guidance and penalties for the non-preparation of Forms 1099. The guidance effectively disallows a deduction on your tax return if you should have prepared Form 1099 and did not. They have also issued higher penalties (\$200 per 1099 plus 28% backup withholding) for non-issuance of Form 1099 and also not having a current Form W-9 on file. The IRS is training auditors regarding worker classification issues. Please read the following IRS Employee vs. Independent Contractor Tips to help you decide if you are classifying correctly.

Employee vs. Independent Contractor Seven Tips for Business Owners

IRS Summertime Tax Tip 2010-20

As a small business owner you may hire people as independent contractors or as employees. There are rules that will help you determine how to classify the people you hire. This will affect how much you pay in taxes, whether you need to withhold from your workers paychecks and what tax documents you need to file.

Here are seven things every business owner should know about hiring people as independent contractors versus hiring them as employees.

1. The IRS uses three characteristics to determine the relationship between businesses and workers:

- **Behavioral Control** covers facts that show whether the business has a right to direct or control how the work is done through instructions, training or other means.
- **Financial Control** covers facts that show whether the business has a right to direct or control the financial and business aspects of the worker's job.
- **Type of Relationship** factor relates to how the workers and the business owner perceive their relationship.

2. If you have the right to control or direct not only what is to be done, but also how it is to be done, then your workers are most likely employees.

3. If you can direct or control only the result of the work done -- and not the means and methods of accomplishing the result --then your workers are probably independent contractors.

4. Employers who mis-classify workers as independent contractors can end up with substantial tax bills. Additionally, they can face penalties for failing to pay employment taxes and for failing to file required tax forms.

5. Workers can avoid higher tax bills and lost benefits if they know their proper status.

6. Both employers and workers can ask the IRS to make a determination on whether a specific individual is an independent contractor or an employee by filing a Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding, with the IRS.

7. You can learn more about the critical determination of a workers status as an Independent Contractor or Employee at IRS.gov by selecting the Small Business link. Additional resources include IRS Publication 15-A, Employer's Supplemental Tax Guide, Publication 1779, Independent Contractor or Employee, and Publication 1976, Do You Qualify for Relief under Section 530? These publications and Form SS-8 are available on the IRS website or by calling the IRS at 800-829-3676 (800-TAX-FORM).

I acknowledge that the above questions have been answered to the best of my ability.

Signature _____ Date _____

Printed _____ Name _____ and _____ Title _____

Company _____ Name _____

BULLET POINTS

<p>Changes to Pension Plan Contributions for 2015</p> <p>Maximum Contributions:</p> <table border="0"> <tr> <td>Age: under 50</td> <td>Age: 50+</td> </tr> <tr> <td>IRAS: 5,500</td> <td>6,500</td> </tr> <tr> <td>401K 18,000</td> <td>24,000</td> </tr> <tr> <td>403B 18,000</td> <td>24,000</td> </tr> <tr> <td>408P(Simple) 12,500</td> <td>15,500</td> </tr> <tr> <td>457 18,000</td> <td>24,000</td> </tr> </table> <p>Please take time to review your plan with the plan administrator for changes in compliance regulations.</p> <p>Roth 401K & 457 contributions by participants are now permitted in some plans with rollover provisions.</p> <p>Solo 401K plans are now allowed for small businesses with no employees (See the link for more information at our website).</p>	Age: under 50	Age: 50+	IRAS: 5,500	6,500	401K 18,000	24,000	403B 18,000	24,000	408P(Simple) 12,500	15,500	457 18,000	24,000	<p>CAFETERIA PLANS</p> <p>If you provide vehicle, medical and/or daycare for your employees to enjoy pre-tax dollar benefits, remember to review plan documents for employee notifications and tax filings.</p> <p>There are new provisions for "simple" cafeteria plans effective after 12-31-2010</p> <p>1099's</p> <p>Due in the mail by Feb. 28th and electronically by March 31st. All Recipients must have them by March 31st.</p>	<p>SOCIAL SECURITY TAXABLE WAGE BASE FOR 2015:</p> <p>\$118,500</p> <p>MILEAGE PER-DIEM RATE</p> <p>2014: \$0.56</p> <p>2015: \$0.575</p> <p>OREGON UNEMPLOYMENT TAXABLE WAGE BASE FOR 2015: \$35,700</p> <p>OREGON MINIMUM WAGE FOR 2015: \$9.25</p> <p>Make sure that your computerized payroll systems are updated to these amounts.</p>
Age: under 50	Age: 50+													
IRAS: 5,500	6,500													
401K 18,000	24,000													
403B 18,000	24,000													
408P(Simple) 12,500	15,500													
457 18,000	24,000													
<p>EARLY DISTRIBUTIONS OR ROLLOVERS:</p> <p>If you plan to make early distributions or rollovers please contact us or your financial advisor prior to doing it.</p>	<p>Please read instructions regarding proper filing methods- The IRS is becoming more stringent with these filing regulations.</p> <p>Call us for information about these requirements.</p>													

How To Prove Certain Business Expenses

If you have expenses for:		THEN you must keep records that show details of the following elements:			
Amount	Time	Place or Description	Relationship	Business Purpose and Business	
Cost of each separate expense for travel, lodging and meals, incidental expenses may be totaled in reasonable categories such as taxis, daily meals for traveler, etc.	Dates you left and returned for each trip and number of days spent on business	Destination or area of city, town, or other designation).	Relationship: N/A	Purpose: Business purpose for the expense of the business benefit gained or expected to be gained.	Travel
Cost of each separate expense. Incidental expense such as taxis, telephones, etc., may be totaled on a daily basis.	Date of entertainment. (Also see Business Purpose.)	Name and address of location of place of entertainment. Type of entertainment if not otherwise apparent. (Also see Business Purpose.)	Relationship: Business purpose for the expense of the business benefit gained or expected to be gained. For entertainment, the nature of the business discussion or activity. If the entertainment was directly before or after a business discussion: the date, place, nature, and duration of the business discussion and the identities of the persons who took part in both the business discussion and the entertainment activity.	Purpose: Business purpose for the expense of the business benefit gained or expected to be gained. For entertainment, the nature of the business discussion or activity. If the entertainment was directly before or after a business discussion: the date, place, nature, and duration of the business discussion and the identities of the persons who took part in both the business discussion and the entertainment activity.	Entertainment
Cost of the Gift	Date of the Gift	Description of the Gift	Relationship: Occupations or other information (such as names, titles, or other designations) about the recipients that shows their business relationship to you. For entertainment, you must also prove that you or your employee was present if the entertainment was a business meal.	Purpose: Business purpose for the expense.	Gifts
Fair Market Value as of Date of Gift.					
Cost of each separate expense. For car expense, the cost of the car and any improvement, the date you started using it for business, the mileage for each business use and the total miles for the year.	Date of the expense. For car expense, the date of the use of the car.	Your business destination	Relationship: N/A	Purpose: Business purpose for the expense.	Transportation