

**BIWAN & BIWAN, SC**  
**825 SOUTH TAYLOR DRIVE**  
**SHEBOYGAN, WI 53081**  
**920-452-2255**

**ALL TAXPAYERS MUST SIGN THE ENGAGEMENT LETTER BEFORE WE CAN BEGIN PREPARING YOUR TAX RETURNS!**

, WI

Dear Client:

This Client Organizer is designed to help you gather tax information needed to prepare your 2009 personal income tax return. We have preprinted certain information from your 2008 personal income tax return to help you complete the organizer with minimal time and effort.

In your Client Organizer, all social security numbers and bank account numbers have been replaced with asterisks (\*\*\_\*\_\*\_\*\*\*\*) and (\*\*\*\*1234) to protect your privacy and personal information . If you need to change or update a social security number or bank account information, please contact our office. **When you receive your completed tax return(s), please review all social security numbers and bank account information for accuracy. Report any discrepancies to this office immediately.**

Enter 2009 information on the Client Organizer sheets provided. If any information does not apply to you or is incorrect, please draw a line through it or make the necessary corrections.

The Client Questionnaire asks about pertinent tax items necessary for preparing the most accurate tax return possible. Please answer all applicable questions and attach a statement when necessary for additional information not provided in the Client Organizer. **The client questionnaire must be completed before we can start processing your return.**

Please complete the table below and include the documents with this organizer when you return it to our office:

<u>Quantity</u>	<u>Document</u>
_____	Completed checklist
_____	Forms W-2 wages, salaries and tips
_____	Forms W-2G gambling winnings
_____	Forms 1099-INT interest income
_____	Forms 1099-DIV dividend income
_____	Forms 1099-PATR taxable distributions received from cooperatives
_____	Forms 1099-OID original issue discount
_____	Forms 1099-MISC miscellaneous income
_____	Forms 1099-R retirement income
_____	Forms 1099-G unemployment compensation or state tax refunds
_____	Forms 1099-B stock sales
_____	Forms 1099-SSA social security income
_____	Forms 1099-LTC Long-term care and accelerated death benefits
_____	Brokerage statements showing investment transactions for stocks, bonds, etc.
_____	Closing statements from the sale or purchase of real estate including residence
_____	Voided check for account where refunds should be direct deposited

\_\_\_\_\_ Schedule K-1 showing income from partnerships, S corporations, estates and trusts  
\_\_\_\_\_ Form 1098 Statements supporting deductions for mortgage interest  
\_\_\_\_\_ Statements supporting real estate taxes paid in 2009  
\_\_\_\_\_ Forms 1098-T tuition expenses  
\_\_\_\_\_ Forms 1098-E student loan interest  
\_\_\_\_\_ Forms 5498-SA and/or 1099-SA for Health Savings Accounts (HSA's)

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We also would like you to bring in the following items:

- Any tax notices sent to you by the IRS or other taxing authority.
- A copy of your income tax return from last year, **if not prepared by this office.**

### **2009 1040 Income Tax Annual Engagement Letter**

Biwan & Biwan, S.C. is pleased to provide you with professional tax services. This engagement letter embodies the entire agreement regarding the services to be rendered by our firm to you. 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. The Internal Revenue Service imposes penalties on taxpayers, and on us as return preparers, for failure to observe due care in reporting for income tax returns. 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 are pleased to be selected to prepare your 2009 **Federal and resident state(s)**, if applicable, income tax returns from information you will furnish us. We will not audit or otherwise verify the data you submit, although it may be necessary to ask for clarification of some of the information. We may furnish you with an organizer and checklist to guide you in gathering the necessary information. **We are responsible for preparing only the returns listed specifically in this letter. If you have taxable activity in a state other than that specifically listed you are responsible for providing our firm with all information necessary to prepare any additional applicable state(s) or local income tax returns as well as informing us of the applicable states.** Any additional state income tax returns will be prepared as a separate engagement. If you have income tax filing requirements in a given state but do not file that return there could be possible adverse ramifications such as an unlimited statute of limitations, penalties etc. If you would like us to investigate to determine each state where you have an income tax filing requirement please inform us.

If you have assets from a foreign country, you may be required to file form TD F 90-22.1 Report of Foreign Bank and Financial Accounts by June 30, 2010. The penalties for failure to file this return can be significant. Please contact us if you need more information or need help with this filing requirement. This would be undertaken as a separate engagement.

The initial filing due date for your tax return is April 15, 2010. We expect to begin the preparation of your returns upon receipt of the completed 2009 tax organizer, checklist and all tax documents requested either in the organizer or by our office. All taxpayers must sign the engagement letter before we can begin preparing your tax returns. Our services will be concluded upon delivery to you of your 2009 federal and resident state(s) tax returns for your review and filing with the appropriate taxing authorities.

You agree that in the event your return cannot be completed by the due date, it may become necessary for us to apply to extend the due date. Extensions are required when we do not receive information needed to prepare a return on a timely basis. Applying for an extension of time to file does NOT extend the time to pay your tax but it 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 deadlines. We are available to discuss this matter with you at your request at our regular hourly fee should the need arise.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions. If you have any questions as to the type of records required, please ask us for advice in that regard. **It is your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities.** We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. We will rely, without further verification, upon information you provide to us from 3rd parties including, but not limited to, K1's, 1099's, 1098's, receipts and similar items.

Our work in conjunction with the preparation of your income tax returns does not include any procedures designed to discover defalcations or other irregularities, should any exist.

We do not administer any retirement plans, cafeteria plans or HSA's. Employer matching, eligibility, and other plan requirements are the responsibility of the employer.

Our fee does not include responding to inquiries or examination by taxing authorities. However, we are available to represent you and our fees for such services are at our standard rates and would be covered under a separate engagement letter. If your returns would be selected for review by the taxing authorities, any proposed adjustments by the examining agent are subject to certain rights of appeal. If an assessment results due to preparer error, you are responsible for the additional tax and any interest that may be due.

We will use our professional judgment in preparing your returns. Whenever we are aware that there is a possibility that an applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (i.e., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request on your return, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the Internal Revenue Service should later contest the position taken, there may be an assessment of additional tax, plus interest and penalties. We assume no liability for any such additional penalties or assessments.

It is our policy to keep records related to this engagement for four years after which they are destroyed. Physical deterioration or catastrophic events may shorten the time during which our records will be available. However, we do not keep any original client records, so we will return those to you at the completion of services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the internet. Such communications may include information that is confidential to you. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

From time to time during our relationship, you may seek our advice with regard to potential

investments. We are not investment advisors. Accordingly, we suggest that you seek the advice of qualified investment advisors appropriate to each investment being considered. We will not advise you regarding the economic viability or consequences of an investment or whether you should or should not make a particular investment.

Our fee will be billed at our regular hourly rates for the persons performing the work (currently \$100-\$185 per hour), plus computer charges and out-of-pocket expenses. All invoices are due and payable upon presentation.

We reserve the right to suspend or terminate our work in the event we do not receive timely payment of our invoices. This suspension or termination of our work may cause you to fail to meet deadlines imposed by governments, lenders or other third parties or may result in other adverse consequences and is a proper consequence of nonpayment of our invoices. Should payment not be made in a timely manner and Biwan & Biwan, S.C. is required to pursue collection efforts, you will be responsible for all costs of collection, including reasonable attorneys' fees, plus interest at 1.5% per month on the unpaid overdue balance.

If the foregoing fairly sets forth your understanding, please sign the enclosed copy of this letter in the space indicated. If there are other accounting/tax services you would like us to perform, please inform us by noting so at the end of the returned copy of this letter.

In recognition of the relative risks and benefits of this agreement to both the client and the accounting firm, the client and the accounting firm have discussed and have agreed on the fair allocation of risk between them. As such, the client agrees, to the fullest extent permitted by law, to limit the liability of the accounting firm to the client for any and all claims, losses, costs and damages of any nature whatsoever, so that the total aggregate liability of the accounting firm to the client shall not exceed the accounting firm's total fee for services rendered under this agreement. The client and the accounting firm intend and agree that this limitation apply to any and all liability or cause of action against the accounting firm, however alleged or arising, unless otherwise prohibited by law. Both parties agree that there is a one-year limitation period to bring a claim against us for errors and omissions. The one-year period will begin upon the date of the tax professional's signature on the tax returns covered by this engagement letter.

We want to express our appreciation for this opportunity to be of service to you.

### **Biwan & Biwan, S.C. Privacy Policy**

CPAs, like all providers of personal financial services, are now required by law to inform their customers of their policies regarding privacy of customer information. CPAs have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, we have always protected your right to privacy.

#### **Types of Nonpublic Personal Information We Collect**

Information we receive from you on tax preparation organizers, worksheets, Federal and State tax reporting forms, and from other documents we use in tax preparation or other financial and related services. Information about your transactions with us, our affiliates, and others, and information we may receive from outside agencies such as banks and brokerage houses.

#### **Parties to Whom We Disclose Information**

For current and former customers, we do not disclose any nonpublic personal information

obtained in the course of our practice except as required or permitted by law. Permitted disclosures include: providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you, requirements to comply with Federal, state or local laws and licensing rules, requirements to disclose information in response to legal subpoenas, items you permit or request us to disclose, as authorized by you, information, which you authorize us to disclose to electronically file your tax return, and information, which you authorize us to disclose that discloses that you are our customer, without disclosure of financial or other personal information. In all such situations, we stress the confidential nature of information being shared.

**Protecting the Confidentiality and Security of Current and Former Customers' Information**

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards. Our off site shredding contractor handles our confidential documents in bulk for destruction in a secure facility. The contractor is bonded and bound by the same confidentiality laws as our firm.

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Please call if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

We appreciate the opportunity to serve you. Please date and sign below to acknowledge your agreement with and acceptance of your responsibilities and the terms of this engagement. **It is our policy to initiate services after we receive the executed engagement letter.** If any provision of this agreement is declared invalid or unenforceable, no other provision of this agreement is affected and all other provisions remain in full force and effect.

Sincerely,

BIWAN & BIWAN, SC

Sign your Name: \_\_\_\_\_

Date: \_\_\_\_\_

I have read, understand and accept the conditions of the engagement letter discussed above and the privacy policies attached hereafter.

IRS CIRCULAR 230 DISCLOSURE REQUIREMENT: IRS Circular 230 requires us to notify you that any tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that may be imposed by law.

# **WE CAN NOT PREPARE YOUR RETURN WITHOUT THIS CHECKLIST!**

**Please check the appropriate box and include all necessary details!**

<b>Personal Information</b>	<b>Yes</b>	<b>No</b>
Did your marital status change during the year? If yes, explain: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did your address change from last year? If so, did your residency change?	<input type="checkbox"/>	<input type="checkbox"/>
Can you be claimed as a dependent by another taxpayer?	<input type="checkbox"/>	<input type="checkbox"/>
Did anyone who is not your dependent live with you more than 6 months?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Did you change the bank account used to direct deposit your refund?</b>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Dependent Information</b>		
Were there any changes in dependents from the prior year? If yes, explain: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did any of your dependants file their own return on which they claimed themselves?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have any children under age 19 or a full-time student under age 24 with unearned income in excess of \$1,900?	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay for childcare while you worked or looked for work? If yes, provide the provider's name, address, social security number and amount paid.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Income Information</b>		
Did you receive any income from property sold prior to this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive a payment from a pension, profit sharing or 401(k) plan?	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any withdrawals from an IRA, Keogh, SIMPLE, SEP or other retirement account?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive any disability income or unemployment compensation during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you have any additional income not previously disclosed, including tips?	<input type="checkbox"/>	<input type="checkbox"/>
Did you exercise or sell any stock options?	<input type="checkbox"/>	<input type="checkbox"/>
Did any of your life insurance policies mature, or did you surrender any policies?	<input type="checkbox"/>	<input type="checkbox"/>
Did you engage in any bartering transactions?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive or pay alimony/separate maintenance (not child support)? If yes, amount \$_____	<input type="checkbox"/>	<input type="checkbox"/>
Have you received a punitive damage award or an award for damages other than for physical injuries or illness?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Foreign Income</b>		
Did you have any foreign income or pay any foreign taxes (not included in your brokerage accounts) during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Were you a grantor or transferor for a foreign trust, have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Deduction Information</b>		
Did you contribute to a Health Savings Account (HSA)? If yes, (single or family) deductible \$_____ contributions \$_____ withdrawals used for medical expenses \$_____ other expenses \$_____	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay health insurance premiums (post tax) for yourself and/or your family? If yes, dollar amount for the year _____ To whom paid _____	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay long-term health care premiums for yourself or your family?	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any COBRA health care coverage continuation premiums?	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay 2008 or 2009 real estate taxes on your principal residence in 2009? If so, list exactly what was paid and bring in your real estate tax bills. _____	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you have evidence to substantiate ALL charitable contributions?</b>	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any noncash charitable contributions (clothes, furniture, vehicles, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
Did you incur a casualty or theft loss during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you have any unreimbursed employee expenses?	<input type="checkbox"/>	<input type="checkbox"/>
Did you use your car on the job, for other than commuting?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have contemporaneous records maintained for the business use of auto?	<input type="checkbox"/>	<input type="checkbox"/>
Did you work out of town for part of the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you make any major purchases during the year (cars, boats, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>
Did you purchase classroom materials while employed in a school system?	<input type="checkbox"/>	<input type="checkbox"/>

<b>Purchases, Sales and Debt Information</b>	<b>Yes</b>	<b>No</b>
Did you start a new business or purchase rental property during the year?	p	p
Did you sell or dispose of an existing business, rental, or other property this year?	p	p
Did you have any debts, cancelled, forgiven, foreclosed upon or refinanced during the year?	p	p
Did you acquire a new or additional interest in an LLC, partnership or corporation?	p	p
Did you sell, exchange, or purchase any real estate during the year? (send closing statement)	p	p
Did you purchase/sell a principal residence during the year? (Provide HUD statement)	p	p
Did you acquire or dispose of any stock during the year? (send original cost basis, sale price, and dates)	p	p
IF YES, would any sale be considered a wash sale?	p	p
Did you have any worthless stock during the year?	p	p
Did you take out a home equity loan or line-of-credit this year? (send closing statement)	p	p
Did you refinance a principal residence or second home this year? Provide details on what the proceeds of the loan were used for.	p	p

**Retirement Account Information**

If you receive Social Security Income, did you receive an economic stimulus (tax rebate) payment from the IRS for \$250.00?	p	p
Did you convert an existing IRA to a Roth IRA during 2009?	p	p
Did you make any annuity contributions during the year?	p	p
Have you ever made a non-deductible IRA contribution?	p	p
Have you, or do you want to contribute to an (Roth) IRA for 2009 calendar year, due by 4/15/10?	p	p
Did you or your spouse turn age 70 1/2 during the year and have money in an IRA or other retirement account without taking any distribution?	p	p

**Miscellaneous Information**

Did you make gifts of more than \$13,000 to any individual?	p	p
Did you receive correspondence from the State or the Internal Revenue Service? If yes, explain: _____	p	p
Did you pay a household employee more than \$1,500 for services performed in your home during the year? (Does not include contractors)	p	p
Do you expect significant changes in income, expenses or dependents for 2010? If yes, explain: _____	p	p

**Education Information**

Did you pay any tuition and/or required fees for post-secondary education? If yes, provide the 1098-T received and separate amounts paid for tuition, room & board and books. What year in school were these expenses for? _____	p	p
Did you pay student loan interest during the year?	p	p
Did you contribute to a 529 College Savings Plan? If yes, what state plan? _____	p	p
Did you contribute to the Wisconsin Edvest Program?	p	p
Did you contribute to a Coverdell education savings account?	p	p
Did you make any withdrawals from an education savings/529 Plan account?	p	p
Did you cash any Series EE or Series I U.S. Savings bonds issued after 1989?	p	p
Did your college student receive any taxable scholarships?	p	p

**Credit Information**

Did you pay any expenses related to the adoption of a child during the year?	p	p
Did you purchase a hybrid (gas/electric) vehicle? If yes, list make, model and year.	p	p
Did you purchase a NEW (not previously owned) car, truck or motorcycle in 2009?	p	p
Did you make any energy efficient improvements to your main home in 2009?	p	p

**Wisconsin Information**

Did you make any out-of-state purchases (by telephone, internet, mail, in person) that the seller did not collect state sales or use tax?	p	p
Did you pay rent? If yes, \$_____ Was heat included? Y or N?	p	p

	Yes	No
<b>Business Farm and Rental Unit Owners</b>		
Do you have anything different this year?	p	p
Did you materially participate in the operation of the business during the year?	p	p
Did you start a new retirement plan this year?	p	p
Do you have contemporaneous records maintained for the business use of auto?	p	p
Do you have any independent contractors? If yes did you file 1099s? Y N	p	p
Did you purchase or construct any equipment or buildings during the year?	p	p
Did you make any large repairs during the year?	p	p
Were any assets sold, retired or converted to personal use during the year?	p	p
Are you or your spouse eligible to be covered under an employer's health plan at another job? If yes, for how many months? _____	p	p
Did you use gasoline or special fuels for business or farm purposes (other than for a highway vehicle) during the year?	p	p
Do you have inventory at the end of the year? If so, how much \$ _____	p	p
Did you pay your child in the course of your trade or business?	p	p
<b>Bring a copy of your LLC Annual Report</b> filed with the WI Dept of Financial Inst.	p	p

Personal Information

Filing (Marital) status code (1 = Single, 2 = Married filing joint, 3 = Married filing separate, 4 = Head of household, 5 = Qualifying widow(er)) [1]
Mark if you were married but living apart all year [2]
Taxpayer Spouse
Social security number [3] [4]
First name [5] [6]
Last name [7] [8]
Occupation [9] [10]
Designate \$3.00 to the presidential election campaign fund? (1 = Yes, 2 = No, 3 = Blank) [11] [13]
Mark if legally blind [14] [15]
Mark if dependent of another taxpayer [16] [17]
Taxpayer with income less than 1/2 support age 18 or 19 - 23 full-time student? (Y, N) [18]
Date of birth [21] [22]
Date of death [23] [24]
Work/daytime telephone number/ext number [25] [26] [27] [28]
Home/evening telephone number [29] [30]
Do you authorize us to discuss your return with the IRS? (Y, N) [31]

Present Mailing Address

Address [35]
Apartment number [36]
City, state postal code, zip code [37] WI [38] [39]
In care of addressee [40]

Dependent Information

(\*Please refer to Dependent Codes located at the bottom)

Table with 8 columns: First Name, Last Name, Date of Birth, Social Security No., Relationship, Months lived in your home, Dep Codes, Care expenses paid for dependent. Includes header row and multiple empty rows for data entry.

Name of child who lived with you but is not your dependent [42]
Social security number of qualifying person [43]

Dependent Codes

- \*Basic 1 = Child who lived with you
2 = Child who did not live with you
3 = Other dependent
4 = Claimed under pre-1985 agreement
5 = Qualifying child for Earned Income Credit only
6 = Children who lived with you, but do not qualify for Earned Income Credit
7 = Children who lived with you, but do not qualify for Child Tax Credit
8 = Children who lived with you, but do not qualify for Child Tax Credit or Earned Income Credit
\*\*Other 1 = Student (Age 19 - 23)
2 = Disabled dependent
3 = Dependent who is both a student and disabled
\*\*\*Months 77 = Reported on odd year return
88 = Reported on even year return
99 = Not reported on return