Cloister Group
ACCOUNTANTS + ADVISORS + TAXES

Great Service Makes Cents.

Hello – The tax season is here. To help you take advantage of all possible tax-saving opportunities, we've enclosed our *Income Tax Checklist*. This version includes new questions for the 2020 tax year. Please complete as thoroughly as possible and return to us.

COMPLETING THE INCOME TAX CHECKLIST IS HELPFUL IN REDUCING YOUR TAX LIABILITIES.

If needed, a more comprehensive version is available by request.

IMPORTANT REMINDERS:

- Sign and return the included *Client Engagement Agreement*.
- **New Clients** – Please provide all family birthdates, copies of Social Security cards, and also provide a complete copy of last year's tax return.
- If you made estimated tax payments, please provide amounts and dates paid.
- Please do not provide smartphone pictures; however, the *Adobe Scan* (Mobile PDF Scanner) app may be used if you wish to capture documents via smartphone.
- If you expect to receive investment-related 1099/K1 forms, please wait until you have all forms before submitting materials to us. They may arrive as late as March.

TAX LAW CHANGES:
Charitable Donations – It is important that you provide total charitable donations information even if your deductions will not be itemized.

IF YOU OWN A BUSINESS OR RENTAL PROPERTY:
Provide QuickBooks or other accounting file used to record revenue, expenses, assets, and liabilities. Include your Dec. 31 bank statement, accounts payable/receivable, and inventory information (as applicable). PDF worksheets are available on our website.

DELIVERY OF INFORMATION:
Please refer to the 'New Safety Practices' page provided for specific details.

IMPORTANT DEADLINES AND EXTENSION ISSUES:
April 1, 2021, is the final date in which information will be accepted to assure a timely filing of your tax return. Returns received later may require filing for an extension. If you need us to file an extension for you, you must alert us!

PAYMENT FOR SERVICES:
Invoice payment is due upon receipt. We accept VISA and MasterCard if desired. If you have any financial hardship, please let us know in advance. We can establish a payment plan.

Do you know someone who might benefit from our services? We would appreciate your personal referral. *Thank you for choosing Cloister Group!*

Lancaster 245 Butler Avenue + Suite 102 + Lancaster PA 17601 + 717-209-7130
Akron 359 South 7th Street + Akron PA 17501 + 717-859-5555

NEW SAFETY PRACTICES:

In order to keep both clients and staff as safe as possible while the pandemic continues during tax season, please follow these temporary new safety-minded guidelines when working with Cloister Group. These procedures will be in effect until further notice.

SUBMITTING TAX INFORMATION OPTIONS:

- Drop off at either office with minimal in-person contact. **Mask-wearing and social distancing is required** in order to enter the building. If dropping off before or after office hours, you can still use convenient drop boxes. (Box will be accessible as long as the building's lobby doors are not locked for overnight security.)
- Appointments to meet in person will be accepted only if absolutely required. Most interactions will be handled by phone or by video conference (Zoom, Meetings, etc.).
- Mail in via postal or shipping service.
- Use *Sharefile*, our secure online portal.

OFFICE HOURS:

After 30 years of dedicated service at our Akron office, Linda has retired. (We appreciate your many years of service, Linda!) That means our Akron location will have new office hours in effect from January 4 through April 15:

- **Akron Office** **--** 359 South 7th Street, Akron, PA 17501
  Hours: Mon 1pm-5pm, Wed 8am-5pm, Fri 1pm-430pm, Sat 830am-12pm
- **Lancaster Office** **--** 245 Butler Avenue, Suite 102, Lancaster, PA 17601
  Hours: Weekdays 8am–5pm, Saturdays 830am-12pm

RETURNING YOUR TAX DOCUMENT OPTIONS:

- We can mail documents back to you via the postal service.
- You can pick up completed returns without an in-person appointment.
- If you need to review any returns, an appointment may scheduled. Please call us.
- Documents may be returned digitally via *SafeSend Returns*. This new free web-based option is not required, but is available for those who prefer to use it. Ask for details.

Thank you for helping us all remain as safe as possible. We appreciate your understanding, your cooperation, and your business!

ENGAGEMENT AGREEMENT

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IMPORTANT: THIS AGREEMENT MUST BE SIGNED AND RETURNED WITH YOUR TAX PACKET.

Our Responsibilities
Cloister Group, sole practitioner, will be responsible for preparing your Federal, State and Local Income Tax Returns, as well as next year's quarterly tax estimates, if applicable. We will complete these returns using the information you provide to us. For your convenience, we will file your returns electronically at no additional charge.

Although we may ask for clarification regarding certain information, we will not be verifying any details. If your returns are later selected for review or audit by a taxing authority, we can be available to assist or represent you if you desire. Fees for such services, if any, can be agreed upon at that time.

Your Responsibilities
It is your responsibility to provide all necessary information related to income and deductions. Except where noted on the Income Tax Checklist provided, you DO NOT need to submit all related documentation to us; however, you must keep these records to substantiate claims. We advise clients to keep these documents stored safely for at least 4 years.

Filing your returns by the appropriate deadline is ultimately your responsibility, so it is important that you respond to all tax preparation inquiries in a timely manner.

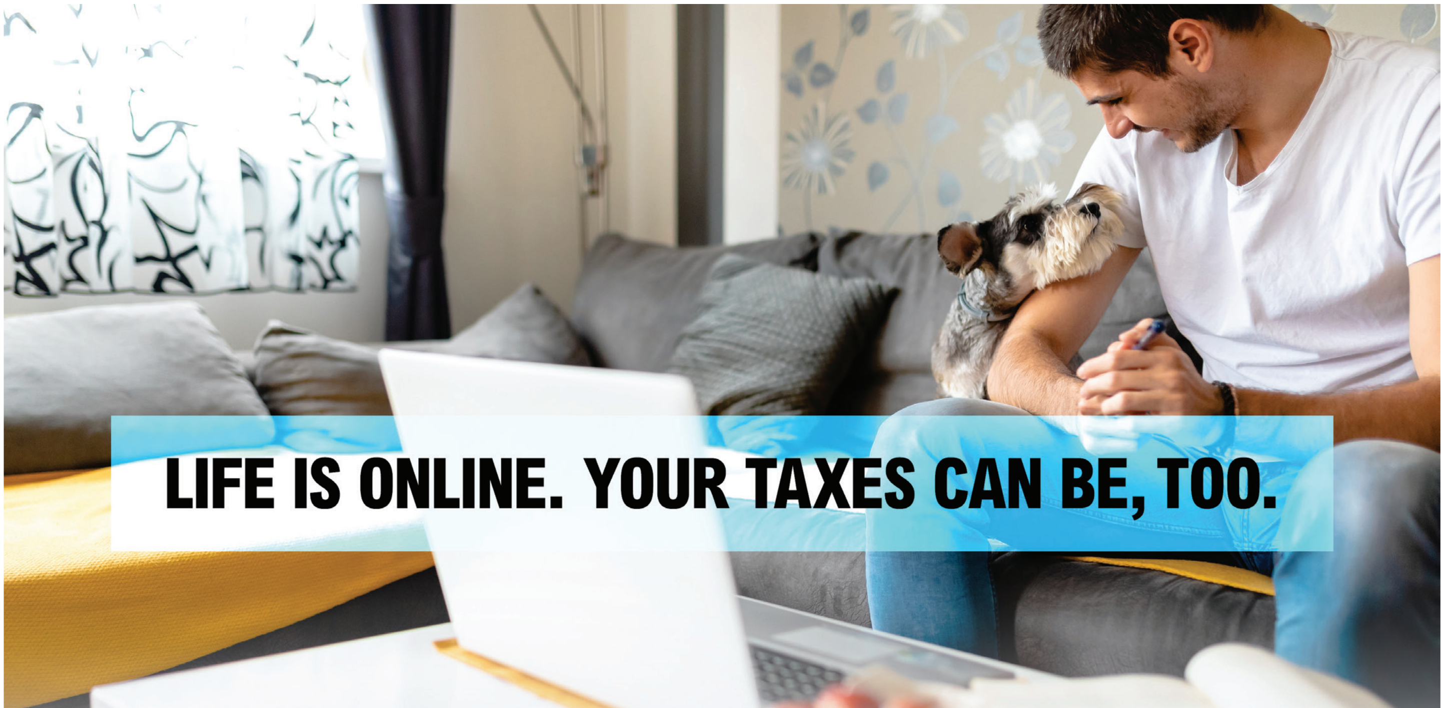
It is your responsibility to pay our invoices and your tax liabilities, if any, on a timely basis.

Expectations
We will complete your return with the level of competence expected of a tax professional following the laws governing your returns. Taxing authorities expect returns to be filed accurately and on time. You have the right to file your return in a manner that will result in the lowest legal tax liability.

Fees
Our fees for preparation of your returns are based upon our standard billing rates, plus out-of-pocket expenses, if any. Our invoices are due and payable upon receipt.

Acceptance
If this is in agreement with your understanding of our engagement, please sign and return.

Accepted by:	X______________________________	X______________________________
	Taxpayer Signature	Spouse Signature
	______________________________	______________________________
	Print Name Clearly	Print Name Clearly
	______________________________	______________________________
	Date	Date



LIFE IS ONLINE. YOUR TAXES CAN BE, TOO.

Introducing SafeSend Returns

In response to inquiries about managing tax needs safely during the pandemic, the Cloister Group will be implementing a new digital service called **SafeSend Returns** -- offered FREE to our clients who choose to use it.

It's a convenient service that allows us to save your processed tax returns digitally. No more papers or pocket folders to pick up or mail back to you. You can access records securely online and download your documents.

SafeSend Returns is an intuitive application that provides an easy step-by-step experience. So if you have email and Internet access, plus a printer when needed, you can use **SafeSend Returns** this season.

Great New Benefits:

No need to risk your health with in-person meetings.

Up to 7 years of data will be stored and accessible to you.

There's less paper and document storage hassles.

PLUS manage quarterly estimated tax payments conveniently.

For more information on **SafeSend Returns** and how Cloister Group will implement this FREE service for you, please contact us. We are here to guide you and help make easier work of filing taxes.

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cloistergroupcpa.com

2020 INCOME TAX CHECKLIST

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THANK YOU FOR CHOOSING US! How did you hear about us? ______________________

ENGAGEMENT LETTER: Did you sign and return the engagement letter provided with your tax-year organizer? ☐ Yes ☐ No, please send one.

COMPLETED TAXES: Should documents be returned via: ☐ SafeSend Returns? ☐ Mail? ☐ Pick up?

CONTACT PERSON: Who could best help with questions? ☐ Taxpayer ☐ Spouse

Personal Information

Preferred contact method: ☐ Phone ☐ Mobile ☐ Email

	TAXPAYER:	**SPOUSE:**
Name:		
Occupation:		
Phone No.:		
Mobile No.:		
Email:		

Current Address: ______________________

Township: ______________________ School District: ______________________

Changes Since Last Year

Check here if details are all the same as last year > ☐

Did your marital status change, or were there any changes in dependants? Please note changes:

New Child? Name: ____________ M/F Birthday: ____________ SS#: ____________
(Please provide a copy of the SSN card.)

Marriage? Name: ____________ Date: ____________ SS#: ____________
(Please provide a copy of the SSN card.)

Move? Previous Address: ____________ Date of Move: ____________

If any dependant(s) filed his/her own return, did he/she mark the return to indicate that "someone else can claim him/her as a dependant"? ☐ Yes ☐ No

Did you buy/sell real estate, or refinance your current address, during the year? ☐ Yes ☐ No
(If yes, provide Settlement Sheet.)

Please list any other issues you think we should consider as part of your tax filing preparation:

____

Refunds

If you have an overpayment of taxes for 2020, do you want the excess applied to estimated taxes needed for 2021? ☐ Yes ☐ No, request refund.

If you request a refund, do you want the refund direct deposited? ☐ Yes ☐ No

If yes, bank name is: ______________________ Account Type: ☐ Checking ☐ Savings

Account#: ______________________ Routing#: ______________________

(For accuracy, you may wish to provide a voided paper check, or you may check here ☐ if all banking info is the same as last year.)

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Estimated Taxes Paid

If you paid any **estimated quarterly taxes**, it is important to detail all quarterly payments made:

	FEDERAL TAX		STATE TAX		LOCAL TAX	
	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount
1Q due 7/15/20	/ /	$	/ /	$	/ /	$
2Q due 7/15/20	/ /	$	/ /	$	/ /	$
3Q due 9/15/20	/ /	$	/ /	$	/ /	$
4Q due 1/15/21	/ /	$	/ /	$	/ /	$

List other amounts paid, if applicable: ______

Foreign Matters

Did you or your spouse work outside the US, or pay any foreign taxes? ☐ Yes ☐ No

Did you or your spouse own, or have signature authority over, a financial account in a foreign country (bank account, securities account, or other financial account)? ☐ Yes ☐ No

Did you or your spouse own any "specified foreign assets" with an aggregate value greater than $50,000? ☐ Yes ☐ No

For reporting purposes, such assets include any depository, custodial, or other financial account maintained by a foreign financial institution, foreign-issued stock or securities, foreign-issued financial instruments or contracts held for investment, or any interest in a foreign entity. You do NOT need to include assets held in a custodial account with a US financial institution.

Did you or your spouse receive a distribution from, or were you grantor of, or transferor to, a foreign trust? ☐ Yes ☐ No

Income

Please indicate and provide any of the following documents you may have received:

- ☐ Employment (W-2)
- ☐ Interest (1099-INT)
- ☐ Dividends (1099-DIV)
- ☐ Tax Refunds (1099-G)
- ☐ Investment Sales (1099-B)
- ☐ IRA Distributions (1099-R)
- ☐ Pensions (1099-R)
- ☐ Partnerships K-1
- ☐ S-Corp K-1
- ☐ Estate/Trusts K-1
- ☐ Unemployment (1099-G)
- ☐ Social Security (SSA)
- ☐ Gambling Income (W2G)
- ☐ Other Income ______

Did you have any credit card or other debt cancelled, forgiven or refinanced? ☐ Yes ☐ No
(If yes, provide Form 1099A or 1099C.)

Did you have any cryptocurrency-related (Bitcoin, etc.) transactions? ☐ Yes ☐ No

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Child/Dependent Care Credit

Please provide a statement from your child care provider which lists the provider's name, address, tax identification number, and amount paid per child.

Healthcare Information

If you received a healthcare subsidy, you must provide Form 1095-A.

Health Savings Account (HSA) – In order to take advantage of HSA deductions, please provide Distribution Form 1099-SA and/or Contribution Form 5498.

Education Expenses

Please provide Form 1098-T issued by the student's school. In order to take advantage of education expense deductions/credits, **you must provide this form.**

$__________________ Contributions to Educational IRA, 529 Plan, or Qualified Tuition Plan (Provide Form 1099-Q)

$__________________ Interest Paid on Student Loans

Employee's Expenses

For Business Expenses NOT Reimbursed by Employer (State & Local Taxes Only)

This section is **FOR EMPLOYEES ONLY** who incure business-related expenses. If you are a Small Business Owner, do not complete this section. Instead, please provide Quickbooks data, or contact us and request our emailable PDF entitled "Small Business Worksheet".

IMPORTANT: These expenses must be required for, and related to, your employment. It is highly likely that authorities will ask you to provide documentation to support claimed expenses. Be sure to keep your records in order.

Taxpayer	Spouse		Taxpayer	Spouse	*Other Expenses (Describe):*
$_______	_______	Union Dues	$_______	_______	____________________
$_______	_______	Professional Insurance, Licenses	$_______	_______	____________________
$_______	_______	Tools, Equipment, Supplies	$_______	_______	____________________
$_______	_______	Uniforms (Incl. Cleaning), Boots, Shoes	$_______	_______	____________________
$_______	_______	Work Tuition, Books, Conferences	$_______	_______	____________________

Vehicle Information – Supporting journal records should be written and/or have receipts.

Total Annual Miles Driven: ____________________

Total Business-Related Miles (excluding to & from work): ____________________

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Deductions

Please complete the following expense details to help us determine if you will benefit more by Itemizing Deductions or by taking advantage of the Federal Standard Deduction.

Medical Expenses (If any of your medical, dental, or other insurance expenses are deducted from your paycheck, please provide your final paystub for the year.)

	Health	Dental	Medicare	Long-Term Care	Health Sharing
Insurance Premiums Paid :	$________	$________	$________	$________	$________

	Prescriptions	Doctors/Dentists	Medical Equipment/Supplies
Other Medical Expenses:	$________	$________	$________

(Please DO NOT provide any collected receipts to us for your included medical expenses.)

Taxes Paid	Spring/County	Fall/School		Total Annual
Residence Real Estate:*	$________	$________	OR	$________
Vacation Real Estate:	$________	$________	OR	$________
Investment Property:	$________	$________	OR	$________
Sales Tax on Large Purchases	$________			

*Paid tax receipts will be required for any *PA Property Tax Rebate* claim.

Interest Paid (Provide Form 1098 provided by your financial institution)

$________ Mortgage Interest

$________ Home Equity Interest > How borrowed funds were used? ________

$________ Premium Paid on Mortgage Insurance

Did you pay interest to any private individual for which Form 1098 was not issued? ☐ Yes ☐ No

If yes, provide: Name ________ Amount Paid: $________

Address ________ SS# ________

Charitable Contributions

$________ Religious Organizations $________ Payroll Deductions

$________ Other: ________

Please provide receipts for non-cash contributions of goods to organizations such as Goodwill.

IRA Distributions

Did you roll over an IRA's Required Minimum Distribution (RMD) directly to a charitable organization? If YES, please provide details of these transactions. ☐ Yes ☐ No

According to CARES Act, did you elect to NOT take your Required Minimum Distribution (RMD) in 2020? ☐ Yes ☐ No

Did you take a COVID-19 related Required Minimum Distribution (RMD) in 2020? ☐ Yes ☐ No

Economic Stimulus Funds

If your household received any CARES Act stimulus payments in 2020, please list the amounts received:

Taxpayer: $_____ Spouse: $_____ Dep1: $_____ Dep2: $_____ Dep3: $_____ Dep4: $_____