

Hello – The tax season is here already. To help you take advantage of tax-saving opportunities, we've enclosed our *Income Tax Checklist*. Please complete thoroughly and return to us -- it helps to reduce your tax liabilities. (A comprehensive version is available by request.)

REMINDERS:

- Sign and return the included *Client Engagement Agreement*.
- 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.
- **New Client?** Please provide all family birthdates, copies of Social Security cards, and also provide a complete copy of last year's tax return.

OFFICE HOURS – January 29, 2024, through April 15, 2024:

- **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 10am-12pm

DEADLINE FOR MATERIALS / EXTENSIONS:

If you require an extension, you must notify us via email by April 1. Returns we receive after April 1 will automatically be considered for extension. Additionally, taxes are to be paid by April 15, or penalties and interest may apply.

PAYMENT FOR SERVICES:

Invoice payment is due upon receipt. We accept most major credit cards. If you have any financial hardship, please let us know in advance. We can establish a payment plan.

VIRTUAL CURRENCY / CRYPTO CURRENCY / BITCOIN

The Virtual Currency question is on Page 1 of Form 1040 and must be answered by all taxpayers. Essentially, the question is: *At any time during the year, did you receive as a reward, award, or payment for property or services; or sell, exchange, gift, or otherwise dispose of a digital asset?* Virtual currency is treated as an asset for tax purposes. Therefore, if you have such transactions, you must let us know. See Page 2 on our Income Tax Checklist.

DO I HAVE TO FILE A RETURN?

The current standard deduction is \$13,850 for single filers. Single taxpayers who who earned less than \$13,850 this year would not have to file a federal tax return; however, Pennsylvania and the local tax office require an income tax return for earnings over \$1, even if no tax is due.

ESTIMATED TAX PAYMENTS

It is very important that you keep track of any estimated tax payments you make, to which government entity, how much, and the date sent. We need you to provide this information clearly and concisely. See the top of page 2 on our Income Tax Checklist.

(continued on next page)

FORM 1099-K: PAYMENT CARD & THIRD-PARTY NETWORK TRANSACTIONS

The IRS has delayed the reporting requirement of payments of \$600 or more through payment cards and third-party networks for the sale of goods, including personal goods. The existing 1099-K reporting threshold of \$20,000 in payments from over 200 transactions remains in effect. If you receive a Form 1099-K, please include in the data you submit to us.

IF YOU OWN A BUSINESS OR RENTAL PROPERTY

Provide QuickBooks or other accounting file used to record revenue, expenses, assets, and liabilities. Include your December 31 bank statement, credit card statements, loan/mortgage statements, accounts payable/receivable, and inventory information (as applicable).

PDF worksheets are available on our website.

DOCUMENT SMARTPHONE IMAGES VS. PDF SCANS

Please do not provide standard smartphone pictures of any documents. Images are not clear enough to read reliably. Use *free* mobile PDF scanning apps (such as *Adobe Scan* or similar mobile apps) if you wish to capture documents acceptably with a smartphone.

SUBMITTING DOCUMENTS OPTIONS:

- Drop off documents at either Cloister Group office. A secure outdoor drop box is available anytime at our Akron office. At the Lancaster office, you can use the secure drop box before or after hours as long as the building's lobby doors are not locked for overnight security.
- Appointments to meet in person will be accepted only if deemed necessary. Most interactions may be handled by phone or by video conference (Zoom, Meetings, etc.).
- Mail in via postal or shipping service.
- Use *Sharefile*, our secure online portal.

PLEASE INDICATE YOUR RETURN PREFERENCE ON THE TOP OF PAGE 1 OF OUR INCOME TAX CHECKLIST. OPTIONS INCLUDE:

BY MAIL - You can receive paper documents via US Postal Service or overnight shipping service (fee applies). Your packets will include Form 8879 e-file authorization forms, which you must sign and return to us to authorize us to e-file on your behalf.

PICK UP - We will notify you that your completed return is ready pick up. You may pick up with or without an appointment anytime during our regular office hours. You can sign the e-file authorization forms, and pay the invoice at that time.

EMAIL DIGITAL COPIES - We can return digital copies of your return and all items via email. This option will not apply in all situations due to security or authentication reasons. Please let us know if you are interested, and we can determine the best option.

If you have questions on anything, please contact us. Thank you for choosing Cloister Group. We look forward to serving you this season!

ENGAGEMENT AGREEMENT



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

2023 INCOME TAX CHECKLIST



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:

Electronic PDF? Mail? Pick up?

CONTACT PERSON: Who could best help with questions?

Taxpayer Spouse

Personal Information

Preferred contact method: Phone Email

TAXPAYER:

SPOUSE:

Name: _____

Occupation: _____

Preferred Phone: _____ Mobile Home

_____ Mobile Home

Email: _____

Street Address: _____

City: _____ State: _____ Zip: _____

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 primary home, 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 2023, do you want the excess applied to estimated taxes needed for 2024? 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 check here if all banking info is the same as last year.)

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 4/18/23	/ /	\$ _____	/ /	\$ _____	/ /	\$ _____
2Q due 6/15/23	/ /	\$ _____	/ /	\$ _____	/ /	\$ _____
3Q due 9/15/22	/ /	\$ _____	/ /	\$ _____	/ /	\$ _____
4Q due 1/16/24	/ /	\$ _____	/ /	\$ _____	/ /	\$ _____

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? (If yes, provide Form 1099A or 1099C.) Yes No

Did you have Payment Card and Third-Party Network Transactions (ie, eBay, Paypal, etc.) totalling \$20,000 or more from over 200 transactions? If yes, please provide all 1099-K forms you received. Yes No

Virtual (Crypto) Currency

At any time during this year, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency (ie, Bitcoin, NFT, etc.)? If yes, please provide details. Yes No

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 health insurance subsidy, provide Form 1095-A that will be mailed to you from the government.

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 incur 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): _____

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			
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

Amount Donated: \$ _____ Payroll Deductions (if any): \$ _____

Please provide receipts for non-cash contributions of goods given 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. Yes No

Energy Credits

Did you receive any credits for e-vehicle, solar power, purchases, or home improvements? If YES, please provide details. Yes No

Taxpayer Tip: If you own a business, own rental property, or take a minister's housing allowance, please ask about our free worksheets available to help you prepare records properly – and minimize your tax liability!