



## Robert C. Alario

Certified Public Accountants, PC

75 North Main Street, Leominster, MA 01453

[www.robotalario.com](http://www.robotalario.com)

TELEPHONE  
978-534-1999  
FAX  
978-534-0499

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TO: Corporate Clients

FROM: Robert C. Alario, CPA

RE: Corporate Tax Return for 2011

The due date to file a Corporate Tax Return with a December 31, 2011 year-end is March 15, 2012. **We would like you to provide us with your tax information as soon after year-end as possible to enable us to complete your tax return by the due date.**

**Enclosed is an engagement letter with the understanding of the tax services we are to provide to your company. Please read and sign the enclosed engagement letter and return to us with your information to prepare your tax returns. If you have any questions please call our office.**

If you use QuickBooks® as your accounting system, we would like a disc with the accountant's review copy (you do not need to print it). This will enable us to obtain the necessary information for the tax return, and, to make year-end adjusting entries for you. Please label your disk with your company name, the QuickBooks® version you are using, as well as any password needed to access the file.

In addition to the QuickBooks® disc, we will need:

1. All bank statements for January 1, 2011 through December 31, 2011.
2. Value (at cost) of ending inventory as of December 31, 2011.
3. List of all new assets purchased during the year, including date of purchase and how they were paid, cash, loan, leased, etc. (include leased vehicles).
4. List of all assets sold or traded during the year, including date of sale, selling price and/or trade-in value.
5. Balances as of December 31, 2011 for all loans outstanding including date of loan, original amount borrowed, interest rate, number of payments, amount of monthly payment, and bank or organization borrowed from.
6. Quarterly Payroll tax returns - Form 941, State unemployment, Federal unemployment, State withholding for the period January 1, 2011 through December 31, 2011.
7. If there has been any change in stock ownership or changes in allocations of profit or loss, please provide us with such information.
8. If you use a vehicle or equipment for off-highway business use, we will need the number of gallons of gas or diesel fuel used in the year. There is a tax credit for federal taxes paid on fuel used in off-highway business use (if you paid the federal tax at the pump).
9. Please provide us with any address changes of the business and of the shareholders.
10. If your business performs services in multiple states we will need sales and wages broken down by each state.

Additional questions:

1. **Do you provide health insurance coverage to your employees? If yes, then there may be a credit for health insurance premiums paid for your employees. Please call us for more information on this credit so that we can calculate if your Company can benefit from this credit.**
2. **A general business tax credit is available for wages paid to workers hired between 2/4/10 – 12/31/10 and who have worked for 52 consecutive weeks since then. Please let us know if you had any employees that this applies to and who they are so that we can calculate this credit for you.**
3. Did you purchase an Alternative motor vehicle in 2011 (hybrid, alternative fuel, fuel cell, advanced lean burn technology)? If so, please provide details.

If you are not using QuickBooks®, or not using all of the features of QuickBooks®, please be sure you provide us with the following, in addition to the above:

1. Total sales for the year January 1, 2011 – December 31, 2011.
2. Total cash received for the year from all sources, (i.e. sales, loans from banks, loans from shareholders, sales of equipment, etc). This should tie back to deposits made to the bank.
3. Total of all expenses paid for the year broken down by category, (i.e. materials, supplies, taxes, wages, shareholder fringe benefits, shareholder distributions etc). We will also need a detailed breakdown of the taxes paid between sales tax, excise tax, property tax, payroll tax, federal corporate tax, state corporate tax and any other taxes paid. Meal expenses for the year should be separately stated.
4. Reconciled cash balances as of December 31, 2011 for all corporate bank accounts.
5. List of all Accounts Receivable as of December 31, 2011, (i.e. money owed to you from sales that you made before December 31, 2011 that was not collected by December 31, 2011).
6. List of all Accounts Payable as of December 31, 2011 broken down by categories, (i.e. bills for goods and services relating to the year ending December 31, 2011 that were not paid by December 31, 2011).
7. If you have any tax deferred plans (i.e. 401K plan) please provide annual 5500 report.

If you could provide the above information to our office as soon as possible, it would be greatly appreciated. If your business is a Sub-Chapter S Corporation, we must complete the corporate return before your personal return.

If we have not received all your information or if we are unable to complete your corporate return by March 1, 2012, we will apply for an extension of time to file your return. If you are a Sub-Chapter S Corporation, your personal tax return will also require an extension. With the application for extensions, checks must be enclosed to cover any tax liability. We are able to extend the time to file your return but not the time to pay the tax due.

If we find it necessary to extend your tax returns, you will either receive the extension forms in the mail to sign and mail out, or you will be contacted to pick them up from our office. If you have any questions, please call me.

Thank you for the opportunity to assist you in meeting your tax compliance obligations.