



DAVID M. MULDOWNNEY, JR.  
CERTIFIED PUBLIC ACCOUNTANTS

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### INDIVIDUAL TAX RETURN ENGAGEMENT LETTER

We appreciate the opportunity to work with you. This letter is to specify the terms of our engagement, clarify the nature and extent of the services we will provide, and confirm an understanding of our mutual responsibilities.

We will prepare your 2017 federal and applicable state individual income tax returns based on the returns you filed last year. If you would like to add any additional forms or services to this engagement, please use the *Comments or Additional Requests* space provided.

Certain individuals may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the U.S. Department of the Treasury. Failure to comply with the filing requirements may result in significant civil and criminal penalties. Unless otherwise specifically agreed in writing, we will not prepare, file, or provide assistance with this form. If you would like to add Form 114 to this engagement, please use the *Comments or Additional Requests* space provided below.

It is your responsibility to provide all the information required to prepare your returns. We may provide you with an organizer or checklist of information required for the returns, and you represent that the information you provide will be accurate and complete to the best of your knowledge. We will not audit or otherwise verify the information provided, although we may ask for clarification if the information appears to be incorrect, inconsistent, or incomplete. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover errors or other irregularities, should any exist. **You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign and file them.**

Taxpayers are required to maintain all the documents that form the basis of income, deductions, credits and payments shown on the return. In addition, some items have specific substantiation requirements set forth by the IRS (e.g., auto, meals & entertainment, and charitable contributions over \$250, etc.). If you have any questions as to the type of records required, please ask us for advice in that regard. Your signature on this letter confirms that we have advised you of the record keeping requirements.

We will use our judgment to resolve questions in your favor where the tax law is unclear or where there are conflicts between the taxing authorities' interpretation of the law and what seem to be other supportable positions. There may be situations where we are required by law to disclose a position on a tax return. We are not attorneys; therefore, we cannot provide you with a legal opinion on various tax positions. We can, however, advise you of the consequences of different positions. We will adopt whatever position you request on your returns so long as it is consistent with our professional standards and ethics. In the event, however, that you ask us to take an unsupported tax position or refuse to make any required disclosures, we reserve the right to withdraw from the engagement without completing or delivering the tax returns. Such withdrawal would complete our engagement and you agree to pay our fees based on time expended at our standard rates plus all out-of-pocket expenses through the date of withdrawal.

Your returns may be selected for examination or audit by tax authorities. In the event of such governmental tax examination, we would be pleased to represent you under the terms of a separate engagement.

The engagement does not include any services not specifically identified above. We may need to perform additional accounting or research services incidental to the preparation of your tax returns. These incidental services will be billed with your tax return, at our standard rates.

Your returns will be required to be filed electronically with the IRS. We will provide you with a copy of your final returns for review prior to electronic transmission. The IRS requires that you sign an e-file authorization form indicating that you have

reviewed the return, it is correct to the best of your knowledge, and you authorize us to submit it electronically. We cannot transmit any return until we have the appropriate signed authorizations. E-filing of state returns vary by tax authority. If e-file is not available, paper copies will be provided for you to sign and mail.

The filing deadline for the tax returns is April 17, 2018. To meet this filing deadline, the information needed to complete the returns should be received in this office no later than March 23, 2018. If we receive your information after this date, we will make every effort to complete your returns without an extension, but will give priority service to clients who submitted information before that date. This means an extension may be filed on your behalf, depending on our workload. If an extension of the time is required, any tax due with these returns must be paid with that extension. Any amounts not paid by the filing deadline may be subject to interest and late payment penalties. **No extensions will be filed unless we have sufficient data to estimate your tax liability.**

Our minimum fee for these services is \$350. The actual cost for your tax preparation will be based upon the complexity of your information and/or the amount of time required at our standard billing rates plus out-of-pocket expenses. Amounts not paid within 30 days will be charged interest at a rate of 1% per month (12% per year). We accept cash, checks made payable to "David M. Muldowney, Jr., CPA", and all major credit cards.

You may terminate this engagement at any time. Should you do so, however, you remain liable for all unpaid fees as discussed above. We reserve the right to withdraw from this engagement at any time because of unpaid fees, the guidance of our professional standards, or for any other reason. We will notify you in advance of any decision by us to withdraw, and will take all reasonable steps to assist in the orderly transfer of your tax services. Otherwise, this engagement will be considered complete upon acceptance of your e-filed returns by the tax authorities. In the event that your returns are not e-filed, you will have final responsibility for mailing your returns to the applicable taxing authorities.

If the foregoing is in accordance with your understanding, please sign in the spaces indicated below and return to us, along with your tax information.

If you have any questions, please do not hesitate to contact us. We appreciate the opportunity to work with you.

Very truly yours,

David M. Muldowney, Jr., CPA

**Accepted by:**

\_\_\_\_\_  
Taxpayer printed name

\_\_\_\_\_  
Spouse printed name (if applicable)

\_\_\_\_\_  
Taxpayer signature & Date  
(parent, if return is for a child under 18)

\_\_\_\_\_  
Spouse signature & Date  
(***required*** for joint returns)

**IF WE HAVE AN E-MAIL ADDRESS ON FILE, YOUR TAX RETURNS WILL BE UPLOADED TO OUR CLIENT PORTAL. IF YOU WOULD PREFER A PAPER COPY MAILED TO YOUR HOME, PLEASE CHECK HERE**

Comments or additional requests:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



DAVID M. MULDOWNEY, JR.  
CERTIFIED PUBLIC ACCOUNTANTS

## What We Need

- Income

- Wages, salaries, tips, etc. Provide all W-2's and your final 2017 paystub or Form 1099-MISC
- Interest – taxable/non-taxable (Form 1099-INT)
- Dividends (Form 1099-DIV)
- Sales of stocks, bonds, or other securities (Form 1099-B)
- Alimony
- Do you have an interest in, or signing privileges for a foreign bank, securities, or trust account?
- Refunds, credits, or offsets of state and local income taxes (Form 1099-G must be obtained on-line)
- Business income and expense schedules
- IRA, pension, or annuity distributions (Form 1099-R)
- Unemployment (Form 1099-G-must be obtained on-line) or Social Security benefits (Form SSA-1099).
- Real estate rental or royalties
- K-1's from partnerships, S corporations, LLC's, Estates and Trusts
- Sale/purchase of real estate – copies of closing documents, cost basis, improvements made during your ownership and Form 1099-S, if received.
- Any other income

- Deductions

- Out of pocket costs for medical, dental, prescriptions, and eyeglasses (separately identify any premiums paid for coverage)
- Real estate and other taxes paid
- Mortgage interest & mortgage insurance premiums (Form 1098)
- Charitable contributions.
  - Cash - all contributions substantiated by a cancelled check (letter for individual contributions of \$250 or more), bank statement or credit card statement
  - Non-cash – contributions totaling >\$500 – please provide details of donation (who, what, where, when, and dollar amount)
- Sales tax paid on motor vehicles, boats, airplanes, homes, or home building materials
- Casualty Loss – cost of items less insurance proceeds, subject to limitations
- Unreimbursed teaching supplies paid by elementary and secondary school teachers

- Educational expenses incurred by you, your spouse, or dependents attending college or other post-secondary educational institution.
  - *Provide Form 1098-T received from the institution*
  - *Student loan interest*
- Unreimbursed employee expenses:
  - Business travel
  - Hotel room charges
  - Meals & entertainment costs
  - Transportation costs
  - Job-specific clothing – uniforms, safety glasses, etc.
  - **Note:** you should keep a record of date, time, location, amount & business purpose of expense

- **Miscellaneous**

- A list of all federal and state estimated taxes paid in 2017. Please note that a final payment may have been made in January 2018.
- We should be made aware of all gifts to individuals over \$14,000, as well as other monetary gifts to trusts or 529 plans.
- Amounts contributed to an IRA, Roth IRA, SEP, Keogh, or Simple accounts
- We will prepare your 2018 estimates (if needed), based on your income and withholdings/payments from 2017. If you anticipate a significant change, please advise us so that we can make the necessary adjustments. This will minimize the possibility of an underpayment penalty by the taxing authorities.

- **Conclusion**

We rely on you to provide us with complete and accurate tax return information. The above information is a **general** overview of items used to prepare your tax return(s). If you have additional items and are not sure of its relevance, please include the information/document with an explanation. In most circumstances, it is sufficient to mail, upload to your portal, or drop off your tax documents.

As always, if you have any questions or feel it is necessary to meet with one of our accountants, please call our office @ 732-431-4332 as early as possible to secure a convenient appointment.

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 info@muldowneycpa.com

**2017 Form 1040 Questionnaire**

Please check the appropriate box and include all necessary details and documentation.

	Yes	No
<b>Personal Information</b>		
Did your marital status change during the year?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, explain: _____		
Did your address change from last year?	<input type="checkbox"/>	<input type="checkbox"/>
Can you be claimed as a dependent by another taxpayer?	<input type="checkbox"/>	<input type="checkbox"/>
Did you change any bank accounts, or did routing transit numbers (RTN) and/or bank account number change for existing bank accounts that have been used to direct deposit (or direct debit) funds from (or to) the IRS or other taxing authority during the tax year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you receive an Identity Protection PIN (IP PIN) from the IRS or have you been a victim of identity theft? If yes, attach the IRS letter.	<input type="checkbox"/>	<input type="checkbox"/>
Did you reside in or operate a business in a Federally declared disaster area? The Federally declared disaster areas include hurricane and tropical storm victims in Georgia, Florida, Puerto Rico, the Virgin Islands and parts of Texas, Louisiana and South Carolina, as well as wildfire victims in California.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Dependent Information</b>		
Were there any changes in dependents from the prior year?	<input type="checkbox"/>	<input type="checkbox"/>
If yes, explain: _____		
Do you have any children under age 19 or a full-time student under age 24 with unearned income in excess of \$2,100?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have dependents who must file a tax return?	<input type="checkbox"/>	<input type="checkbox"/>
Did you provide over half the support for any other person(s) other than your dependent children during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay for child care while you worked, looked for work, or while a full-time student?	<input type="checkbox"/>	<input type="checkbox"/>
Did you pay any expenses related to the adoption of a child during the year?	<input type="checkbox"/>	<input type="checkbox"/>
If you are divorced or separated with child(ren), do you have a divorce decree or other form of separation agreement which establishes custodial responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>
Did any dependents receive an Identity Protection PIN (IP PIN) from the IRS or have they been a victim of identity theft? If yes, attach the IRS letter.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Purchases, Sales and Debt Information</b>		
Did you start a new business or purchase rental property during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you sell, exchange, or purchase any assets used in your trade or business?	<input type="checkbox"/>	<input type="checkbox"/>
Did you acquire a new or additional interest in a partnership or S corporation?	<input type="checkbox"/>	<input type="checkbox"/>
Did you sell, exchange, or purchase any real estate during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you purchase or sell a principal residence during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you foreclose or abandon a principal residence or real property during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you acquire or dispose of any stock during the year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you take out a home equity loan this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you refinance a principal residence or second home this year?	<input type="checkbox"/>	<input type="checkbox"/>
Did you sell an existing business, rental, or other property this year?	<input type="checkbox"/>	<input type="checkbox"/>

- Did you lend money with the understanding of repayment and this year it became totally uncollectable?
- Did you have any debts canceled or forgiven this year, such as a home mortgage or student loan(s)?
- Did you purchase a qualified plug-in electric drive vehicle or qualified fuel cell vehicle this year?

### Income Information

- Did you have any foreign income or pay any foreign taxes during the year, directly or indirectly, such as from investment accounts, partnerships or a foreign employer?
- Did you receive any income from property sold prior to this year?
- Did you receive any unemployment benefits during the year?
- Did you receive any disability income during the year?
- Did you receive tip income not reported to your employer this year?
- Did any of your life insurance policies mature, or did you surrender any policies?
- Did you receive any awards, prizes, hobby income, gambling or lottery winnings?
- Do you expect a large fluctuation in income, deductions, or withholding next year?

### Retirement Information

- Are you an active participant in a pension or retirement plan?
- Did you receive any Social Security benefits during the year?
- Did you make any withdrawals from an IRA, Roth, myRA, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan?
- If yes, were any withdrawals due to a Federally declared disaster?
- Did you receive any lump-sum payments from a pension, profit sharing or 401(k) plan?
- Did you make any contributions to an IRA, Roth, myRA, Keogh, SIMPLE, SEP, 401(k), or other qualified retirement plan?

### Education Information

- Did you, your spouse, or your dependents attend a post-secondary school during the year, or plan to attend one in the coming year?
- Did you have any educational expenses during the year on behalf of yourself, your spouse, or a dependent? If yes, attach any Form(s) 1098-T and receipts for qualified tuition and related expenses
- Did anyone in your family receive a scholarship of any kind during the year? If yes, were any of the scholarship funds used for expenses other than tuition, such as room and board?
- Did you make any withdrawals from an education savings or 529 Plan account?
- Did you make any contributions to an education savings or 529 Plan account?
- Did you pay any student loan interest this year?
- Did you cash any Series EE or I U.S. Savings bonds issued after 1989?
- Would you like a worksheet to aid in the completion of a Free Application for Federal Student Aid (FAFSA) with the U.S. Department of Education?

### Health Care Information

- Did you have qualifying health care coverage, such as employer-sponsored coverage or government-sponsored coverage (i.e. Medicare/Medicaid) for your family? "Your family" for health care coverage refers to you, your spouse if filing jointly, and anyone you can claim as a dependent. If yes, attach any Form(s) 1095-B and/or 1095-C you received.
- Did anyone in your family qualify for an exemption from the health care coverage mandate? Examples of exemptions include (but are not limited to) certain non-citizens, members of a health care sharing ministry, members of Federally-recognized Indian tribes, and exemptions requested from the Marketplace. If yes, attach the Exemption Certificate Number (ECN) or type of exemption.

- Did you enroll for lower cost Marketplace Coverage through healthcare.gov under the Affordable Care Act? If yes, attach any Form(s) 1095-A you received.
- Did you enroll for lower cost Marketplace Coverage through healthcare.gov under the Affordable Care Act and share a policy with anyone who is not included in your family?
- Did you make any contributions to a Health savings account (HSA) or Archer MSA?
- Did you receive any distributions from a Health savings account (HSA), Archer MSA, or Medicare Advantage MSA this year?
- Did you pay long-term care premiums for yourself or your family?
- Did you make any contributions to an ABLE (Achieving a Better Life Experience) account? If yes, attach any Form(s) 5498-QA you received.
- Did you receive any withdrawals from an ABLE (Achieving a Better Life Experience) account? If yes, attach any Form(s) 1099-QA you received.
- If you are a business owner, did you pay health insurance premiums for your employees this year?
- Did you receive any Health Coverage Tax Credit (HCTC) advance payments? If yes, attach any Form(s) 1099-H you received.

### Itemized Deduction Information

- Did you incur a casualty or theft loss or any condemnation awards during the year?
- If yes, did the loss occur in a Federally declared disaster area?
- Did you pay out-of-pocket medical expenses (Co-pays, prescription drugs, etc.)?
- Did you make any cash or noncash charitable contributions (clothes, furniture, etc.)?
- If yes, please provide evidence such as a receipt from the donee organization, a canceled check, or record of payment, to substantiate all contributions made.
- Did you donate a vehicle or boat during the year? If yes, attach Form 1098-C or other written acknowledgment from the donee organization.
- Did you pay real estate taxes for your primary home and/or second home?
- Did you pay any mortgage interest on an existing home loan? If yes, attach any Form(s) 1098 you received.
- Did you incur interest expenses associated with any investment accounts you held?
- Did you have an expense account or allowance during the year?
- Did you use your car on the job, for other than commuting?
- Did you work out of town for part of the year?
- Did you have any expenses related to seeking a new job during the year?
- Did you make any major purchases during the year (cars, boats, etc.)?
- Did you make any out-of-state purchases (by telephone, internet, mail, or in person) for which the seller did not collect state sales or use tax?

### Miscellaneous Information

- Did you make gifts of more than \$14,000 to any individual?
- Did you utilize an area of your home for business purposes?
- Did you engage in any bartering transactions?
- Did you retire or change jobs this year?
- Did you incur moving costs because of a job change?
- Did you pay any individual as a household employee during the year?
- Did you make energy efficient improvements to your main home this year?
- Did you receive a distribution from, or were you a grantor or transferor for a foreign trust?
- Did you have a financial interest in or signature authority over a financial account such as a bank account, securities account, or brokerage account, located in a foreign country?
- Do you have any foreign financial accounts, foreign financial assets, or hold interest in a foreign entity?
- Did you receive correspondence from the State or the IRS?
- If yes, explain: \_\_\_\_\_

Do you have previous years of tax returns that are either unfiled or filed with  
unpaid balances due?

 

Do you want to designate \$3 to the Presidential Election Campaign Fund? If you  
check yes, it will not change your tax or reduce your refund.

 

**Signature** \_\_\_\_\_

**Date** \_\_\_\_\_