

To our tax clients,

While it has brought its fair share of challenges, we hope that 2020 has been a good year for you.

Legislators have been preoccupied with other business and thus, few changes were made to tax law. Virtually all the provisions of the sweeping tax reform that took effect in 2019 remain unchanged, except for several figures that have been adjusted for inflation.

The Internal Revenue Service continues to increase its requirements on us as tax preparers. We appreciate your patience as we adjust our procedures to comply.

As in prior years, **we are not allowed to automatically file income tax extensions on your behalf.** If you want us to file an extension for you, you must complete federal form 4868 and give it to us. *Because of this limitation, we recommend self-filing extensions online.* Government websites generally offer this option for taxpayers free of charge.

**Regulations require that we receive written permission to disclose confidential information to anyone other than you.** We have prepared blank consent forms available at our office. *These regulations are strenuous and thus we recommend that you disclose your information rather than referring third parties to us for such purposes.*

Please contact us with any questions and concerns and we will provide timely and accurate information for your tax needs. ***Please read and sign the other forms enclosed with this letter and return them to us.***

We look forward to serving you this year and appreciate you choosing us as your tax preparers.

Sincerely,

*Killen & Associates*  
Killen & Associates  
Certified Public Accountants, PA  
Charleston, South Carolina

December 31, 2020

## POLICIES FOR THE 2020 TAX SEASON

### Our Office

Our address is:

*Killen & Associates, CPAs, PA  
21-B Gamecock Avenue  
Charleston, SC 29407*

Our office hours are:

*Monday through Wednesday 9:30 to 5:00  
Thursday 9:30 to 3:00  
(closed 12:00 to 1:30 for lunch every day)*

### Tax Preparation

Our policies for income tax preparation remain the same as in past years. We make every effort to complete returns for those whose information is in our office by **February 25<sup>th</sup>**, *but we make no guarantees*. If you have not received all necessary data prior to this date, we urge you to bring in what you have *by February 25<sup>th</sup>* and then add to your file as other information becomes available.

### Engagement

For your convenience we are enclosing an engagement letter that gives us permission to prepare your returns. *Please sign and return this with your tax package. We will not begin working on your returns until the engagement letter is signed.* If you feel you need to discuss anything in detail, please call for an appointment. Keep in mind that our available appointment times are limited and are often booked in advance early in the tax season.

### Electronic Filing

By law, South Carolina requires us to file all returns electronically when possible, unless the client specifically elects to file by another means. Electronic filing is free and *will be the default filing method for all returns. We are required to have signed authorization prior to electronically filing your returns.*

### Privacy

Federal law prevents us from providing a client's tax return or tax information to anyone other than the client without specific consent in writing. **Ad hoc letters will not suffice.** *We have forms available in our office for this purpose.*

### Extensions

**PLEASE NOTE:** We are not allowed to automatically file income tax extensions on your behalf. If you want us to file an extension for you, you must complete federal form 4868 and give it to us. *Because of this, we recommend self-filing extensions online.* Government web sites generally offer this option for taxpayers free of charge.

### Payment

*Payment for services is due when services are rendered unless prior arrangements have been made.* We are now able to accept credit cards.

### After April 15<sup>th</sup>

We prepare to work long hours during January through mid-April; however, during the remainder of the year tax returns are completed as scheduling permits. ***Please do not procrastinate. We cannot guarantee completion of income tax returns by extension deadlines for those who fail to meet our February 25<sup>th</sup> requirement.***

I have read and understand these policies.

\_\_\_\_\_  
CLIENT SIGNATURE

\_\_\_\_\_  
DATE

THIS CONTRACT IS SUBJECT TO MANDATORY AND BINDING ARBITRATION UNDER THE RULES OF THE SOUTH  
CAROLINA ARBITRATION ACT 15-48-10 ET SEQ.

Dear Client,

We are pleased to provide you with the professional services describe. 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 2020 federal and state individual income tax returns from information you provide. Our services are not intended to determine whether you have filing requirements in other tax jurisdictions than the one(s) you have informed us of. If you would like to add any additional forms or services to this engagement, please use the *Comments or Additional Requests* space provided below.

Certain individuals may be required to electronically file Form 114, Report of Foreign Bank and Financial Accounts (FBAR) with the US 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 will provide you with an organizer 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.

Your returns will be required to be filed electronically with the IRS and states. 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. If e-file is not available, paper copies will be provided for you to sign and mail.

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.

Our fees for these services will be based upon the amount of time required at our standard billing rates, plus out-of-pocket expenses. Payment is to be made when returns are completed. Checks should be made payable to "Killen & Associates".

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

You agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the county of Charleston, SC, by Barnwell Whaley Patterson & Helms, LLC, according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to SC law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

If you have any questions, please do not hesitate to contact us. We want to express our appreciation for this opportunity to work with you.

*Killen & Associates*  
Killen and Associates  
Certified Public Accountants, PA  
Charleston, South Carolina

Taxpayer: \_\_\_\_\_

SIGNATURE DATE

Spouse: \_\_\_\_\_

SIGNATURE DATE

[illegible]

2020

Income Tax Organizer

**Killen**  
& Associates CPAs, PA

21-B Gamecock Avenue  
Charleston, SC 29407

Voice: (843) 571-5502

Fax: (843) 571-2348

[killencpa.com](http://killencpa.com)

Jerry Killen – [jerry@killencpa.com](mailto:jerry@killencpa.com)  
Charlotte Killen – [charlotte@killencpa.com](mailto:charlotte@killencpa.com)  
Scott Killen – [scott@killencpa.com](mailto:scott@killencpa.com)

*This booklet is designed to help you accumulate information accurately in preparation for filing your income tax returns.*

2020 Tax Organizer									
Personal and Dependent Information									
Personal Information									
Name					SSN	Has IP PIN	Date of birth		
Taxpayer									
Spouse									
Street address, city, state, and ZIP									
Occupation					Daytime phone	Evening phone	Cell phone		
Taxpayer									
Spouse									
Taxpayer email									
Spouse email									
<u>Marital Status at end of 2020</u>				<u>Other information</u>		<u>Taxpayer</u>		<u>Spouse</u>	
Married				Are you blind?		Yes	No	Yes	No
Married filing separately				Are you disabled?		Yes	No	Yes	No
Single				Are you a full-time student?		Yes	No	Yes	No
Widow(er)      If spouse died in 2020 enter the date of death      _____				Do you want \$3 to go to the Presidential Election Campaign Fund?		Yes	No	Yes	No
At any time during 2020 did you receive, sell, send, exchange, or acquire any financial interest in any virtual currency?								Yes	No
Dependent Information									
First and last name SSN		Has IP PIN	Relationship	Months in home	Date of birth	Disabled	Full-time student	Childcare Expenses	
List dependents required to file a return _____									
COVID-19 Implications									
Yes      No									
Did you receive an Economic Impact Payment (EIP)?									
If "Yes," provide Notice 1444 from the IRS.									
Did you experience economic loss due to COVID-19 (loss of job, closed business, etc.)?									
Were you unemployed for any portion of the year due to COVID-19?									
Did you continue to receive wages from your employer even if you were unable to work?									
Did you receive a distribution from a retirement plan (401K, IRA, etc.) due to COVID-19?									
If you own a farm or business, did you continue to pay any employee while they were not working?									
If you own a farm or business, did you delay withholding FICA taxes from any employee's pay?									
If you own a farm or business, did you receive a Paycheck Protection Program (PPP) loan?									
If "Yes," was the loan forgiven or have you applied for forgiveness? _____									
If you own a farm or business and were unable to work due to COVID-19, would you have qualified for sick or family leave if employed by someone other than yourself?									

## Additional Taxpayer Information

Name:

SSN:

### Estimates

	Date paid	Federal Amount	Date paid	Resident state Amount	Date paid	Resident city Amount
Overpayment applied from 2019						
First quarter						
Second quarter						
Third quarter						
Fourth quarter						
Additional payments						

### Account Information for Deposits or Withdrawals

Name of bank	Bank routing number	Bank account number	Type of account		Use this account for	
			Checking	Savings	Deposits	Withdrawals

### Identification Information

#### Taxpayer

Type of photo ID      Driver's license      State-issued photo ID

Driver's license or state-issued photo ID number \_\_\_\_\_

State the driver's license or state-issued photo ID was issued in \_\_\_\_\_

Issue date of the driver's license or state-issued photo ID \_\_\_\_\_

Expiration date of the driver's license or state-issued photo ID \_\_\_\_\_

#### Spouse

Type of photo ID      Driver's license      State-issued photo ID

Driver's license or state-issued photo ID number \_\_\_\_\_

State the driver's license or state-issued photo ID was issued in \_\_\_\_\_

Issue date of the driver's license or state-issued photo ID \_\_\_\_\_

Expiration date of the driver's license or state-issued photo ID \_\_\_\_\_

Income

Name:SSN:

Wages & Salaries

Provide all copies of Form W-2

Employer name	2020 federal wages

Retirement

Provide all copies of Form 1099-R

Payer name	2020 distribution

Did you take a distribution from an IRA and give it to an organization eligible to receive tax-deductible contributions?

YesNo

Form 1099-Misc and Form 1099-NEC Income

Provide all copies of Forms 1099-MISC and 1099-NEC

Payer name	2020 amount





## Sale of Capital Assets

Name: \_\_\_\_\_

SSN:

**Sale of Capital Assets (not reported on Form 1099-B)**

Provide all brokerage statements

[illegible]

## Installment Sale Income

Description of property: \_\_\_\_\_

Date acquired Date sold

2020

### Prior years

Selling price . . . . .

Mortgages assumed . . . . .

Cost of property sold . . . . .

Depreciation allowed . . . . .

Commissions and expense of sale . . . . .

Gross profit percentage . . . . .

Interest received . . . . .

Principal payments received . . . . .

Property was sold to a related party ☐

## Other Income and Adjustments

Name:

SSN:

## Other Income

	2020 Taxpayer	2020 Spouse
Scholarships or grants not reported on Form W-2 . . . . .		
State income tax refund (attach Forms 1099-G) . . . . .		
Social Security Benefits (attach Forms 1099-SSA) . . . . .		
Railroad Retirement Benefits (attach Forms 1099-RRB) . . . . .		
Alimony received		
Divorce or separation date _____ Amount _____		
Unemployment compensation (attach Forms 1099-G) . . . . .		
Unemployment compensation repaid in 2020 . . . . .		
Gambling winnings (attach Forms W2-G) . . . . .		
Alaska Permanent Fund . . . . .		
ABLE distributions . . . . .		
Other income: _____		
_____		
_____		

## Adjustments

	2020 Taxpayer	2020 Spouse
Educator expenses (If you are an educator, enter the amount you paid for classroom supplies) . . . . .		
Contributions made to a Health Savings Account (HSA) . . . . .		
Contributions made to a Self-Employed Pension plan (SEP) . . . . .		
Payments made for Self-Employed Health Insurance for you, your spouse, or dependents . . . . .		
Alimony paid		
Name _____		
SSN _____ Divorce or separation date _____		
Name _____		
SSN _____ Divorce or separation date _____		
Contributions made to an Individual Retirement Account (IRA) . . . . .		
Contributions made to a Roth IRA . . . . .		
Interest paid on a student loan . . . . .		
Other adjustments: _____		

## Job-related Moving Expenses

Select this box and complete the fields below if you are a member of the Armed Forces on active duty, and moved due to a military order for a permanent change of station.

2020

Number of miles from old home to old workplace . . . . .	
Number of miles from old home to new workplace . . . . .	
Expense to move household goods and personal effects and lodging expenses while traveling to your new home (Do not include cost of meals) . . . . .	

## Schedule C - Profit or Loss from Business

Name:

SSN:

## General Business Information

Business name \_\_\_\_\_ Employer ID number \_\_\_\_\_

Professional product or service \_\_\_\_\_

Business address, city, state, ZIP \_\_\_\_\_

This business started or was acquired during 2020      Yes      No      Payments of \$600 or more were paid to an individual who is not your employee for services provided for this business

This business was disposed of during 2020      Yes      No      You filed Forms 1099 for the individuals

## Income

2020

2020

Gross receipts or sales . . . . . \_\_\_\_\_ Other income . . . . . \_\_\_\_\_

Returns &amp; allowances . . . . . \_\_\_\_\_ \_\_\_\_\_

## Expenses

2020

2020

Advertising . . . . . \_\_\_\_\_ Travel . . . . . \_\_\_\_\_

Car &amp; truck expenses . . . . . \_\_\_\_\_ Total meals . . . . . \_\_\_\_\_

Commissions &amp; fees . . . . . \_\_\_\_\_ Utilities . . . . . \_\_\_\_\_

Contract labor . . . . . \_\_\_\_\_ Wages . . . . . \_\_\_\_\_

Depletion . . . . . \_\_\_\_\_ Other expenses (list) \_\_\_\_\_

Employee benefit programs . . . . . \_\_\_\_\_ \_\_\_\_\_

Insurance (other than health) . . . . . \_\_\_\_\_ \_\_\_\_\_

Interest - mortgage . . . . . \_\_\_\_\_ \_\_\_\_\_

Interest - other . . . . . \_\_\_\_\_ \_\_\_\_\_

Legal &amp; professional services . . . . . \_\_\_\_\_ \_\_\_\_\_

Office expenses . . . . . \_\_\_\_\_ \_\_\_\_\_

Pension &amp; profit sharing plans . . . . . \_\_\_\_\_ \_\_\_\_\_

Rent or lease (vehicles, machinery, &amp; equipment) . . . . . \_\_\_\_\_ \_\_\_\_\_

Rent (other business property) . . . . . \_\_\_\_\_ \_\_\_\_\_

Repairs &amp; maintenance . . . . . \_\_\_\_\_ \_\_\_\_\_

Supplies . . . . . \_\_\_\_\_ \_\_\_\_\_

Taxes &amp; licenses . . . . . \_\_\_\_\_ \_\_\_\_\_

## Cost of Goods Sold

2020

2020

Inventory at beginning of year . . . . . \_\_\_\_\_ Materials &amp; supplies . . . . . \_\_\_\_\_

Purchases . . . . . \_\_\_\_\_ Other costs . . . . . \_\_\_\_\_

Cost of personal use items . . . . . \_\_\_\_\_ Inventory at end of year . . . . . \_\_\_\_\_

Cost of labor . . . . . \_\_\_\_\_ \_\_\_\_\_

## Expenses Related to Business

Name: \_\_\_\_\_

SSN: \_\_\_\_\_

### Auto Expense

Name of business vehicle is used for \_\_\_\_\_

Description of vehicle \_\_\_\_\_ Date vehicle was placed in service \_\_\_\_\_

Yes No

Yes No

This vehicle is available for use during off-duty hours

There is evidence to support your deduction

Another vehicle is available for personal use

The evidence is written

### Mileage

Number of miles the vehicle was driven during 2020

Business . . . . . \_\_\_\_\_

Commuting . . . . . \_\_\_\_\_

Other . . . . . \_\_\_\_\_

### Expenses

Garage rent . . . . . \_\_\_\_\_ Repairs . . . . . \_\_\_\_\_

Gas . . . . . \_\_\_\_\_ Tires . . . . . \_\_\_\_\_

Insurance . . . . . \_\_\_\_\_ Tolls . . . . . \_\_\_\_\_

Licenses . . . . . \_\_\_\_\_ Lease addback . . . . . \_\_\_\_\_

Oil . . . . . \_\_\_\_\_ Other expenses \_\_\_\_\_

Parking fees . . . . . \_\_\_\_\_ \_\_\_\_\_

Rental fees . . . . . \_\_\_\_\_ \_\_\_\_\_

Interest . . . . . \_\_\_\_\_ \_\_\_\_\_

Property tax . . . . . \_\_\_\_\_ \_\_\_\_\_

### Business Use of Home

Name of business home is used for \_\_\_\_\_

What is the total square footage of your home that was used regularly and exclusively for business \_\_\_\_\_

What is the total square footage of your home \_\_\_\_\_

For daycare facilities not used exclusively for business, complete the following questions

How many days during the year was the area used \_\_\_\_\_

How many hours per day was the area used \_\_\_\_\_

The daycare facility was in operation for the entire year

### Expenses

#### Office expenses

#### Home expenses

Mortgage interest . . . . . \_\_\_\_\_

Real estate taxes . . . . . \_\_\_\_\_

Excess mortgage interest . . . . . \_\_\_\_\_

Excess real estate taxes . . . . . \_\_\_\_\_

Insurance . . . . . \_\_\_\_\_

Rent . . . . . \_\_\_\_\_

Repairs &amp; maintenance . . . . . \_\_\_\_\_

Utilities . . . . . \_\_\_\_\_

Other expenses . . . . . \_\_\_\_\_

In the "Office expenses" column,  
enter those expenses that  
pertain exclusively to your office;  
in the "Home expenses" column,  
enter those expenses that  
pertain to the entire dwelling.



## Income or Loss from Partnerships, S corporations, and Fiduciaries

Name: \_\_\_\_\_

SSN:

## Partnerships, S corporations, Estates and Trusts

Provide all copies of Schedule K-1 and attachments

[illegible]

## Schedule A - Itemized Deductions

Name: \_\_\_\_\_

SSN: \_\_\_\_\_

**Medical and Dental Expenses**

Health insurance premiums (paid by you) . . . . . \_\_\_\_\_

Long-term care premiums (you) . . . . . \_\_\_\_\_

Long-term care premiums (your spouse) . . . . . \_\_\_\_\_

Long-term care premiums (dependents) . . . . . \_\_\_\_\_

Mileage driven for medical purposes . . . . . \_\_\_\_\_

Medical & dental expenses

    Doctor, dental, etc . . . . . \_\_\_\_\_

    Prescription medicines . . . . . \_\_\_\_\_

    Insulin . . . . . \_\_\_\_\_

    Glasses & contacts . . . . . \_\_\_\_\_

    Hearing aids . . . . . \_\_\_\_\_

    Braces . . . . . \_\_\_\_\_

    Medical equipment & supplies . . . . . \_\_\_\_\_

    Hospital services . . . . . \_\_\_\_\_

    Laboratory services . . . . . \_\_\_\_\_

    Nursing services . . . . . \_\_\_\_\_

    Other . . . . . \_\_\_\_\_

**Taxes Paid**

State and local income taxes . . . . . \_\_\_\_\_

Sales tax . . . . . \_\_\_\_\_

Real estate taxes . . . . . \_\_\_\_\_

Personal property taxes . . . . . \_\_\_\_\_

Other taxes (list)

\_\_\_\_\_

\_\_\_\_\_

**Interest Paid**

Mortgage interest paid (attach Form 1098) . . . . . \_\_\_\_\_

    Some of your home mortgage loan was not  
    used to buy, build, or improve your home

Mortgage interest paid to an individual . . . . . \_\_\_\_\_

Paid to:

    Name \_\_\_\_\_

    Address \_\_\_\_\_

    City, State, ZIP \_\_\_\_\_

    SSN \_\_\_\_\_

Mortgage insurance premiums . . . . . \_\_\_\_\_

Investment interest . . . . . \_\_\_\_\_

**Charitable Contributions**

Donations to charity	Cash	Noncash	Amount
Church . . . . .			_____
Boy or Girl Scouts . . . . .			_____
Goodwill . . . . .			_____
Red Cross . . . . .			_____
Salvation Army . . . . .			_____
United Way . . . . .			_____
Veterans . . . . .			_____
Hospital . . . . .			_____
University . . . . .			_____
Other . . . . .			_____
Miles driven for charitable purposes			_____

**Other Miscellaneous Deductions**

Amortizable bond premiums . . . . . \_\_\_\_\_

Federal estate tax . . . . . \_\_\_\_\_

Gambling losses . . . . . \_\_\_\_\_

Impairment-related work expenses . . . . . \_\_\_\_\_

Claim repayments . . . . . \_\_\_\_\_

Unrecovered pension investments . . . . . \_\_\_\_\_

Loss from other activities from Schedule K-1 . . . . . \_\_\_\_\_

Ordinary loss debt instrument . . . . . \_\_\_\_\_

Excess deduction on termination . . . . . \_\_\_\_\_

**Job Expenses & Certain Miscellaneous Deductions**

Necessary job expenses you paid that were not reimbursed by your employer

    Safety equipment, tools, & supplies . . . . . \_\_\_\_\_

    Uniforms . . . . . \_\_\_\_\_

    Protective clothing (shoes, hardhats, glasses, etc.) . . . . . \_\_\_\_\_

    Dues to professional organizations . . . . . \_\_\_\_\_

    Books & subscriptions . . . . . \_\_\_\_\_

    Other . . . . . \_\_\_\_\_

Union dues . . . . . \_\_\_\_\_

Tax preparation fees . . . . . \_\_\_\_\_

Other nonpersonal expenses related to taxable income

    Safe deposit box fees . . . . . \_\_\_\_\_

    Investment expenses not entered elsewhere . . . . . \_\_\_\_\_

    Other . . . . . \_\_\_\_\_

Home equity interest . . . . . \_\_\_\_\_



Other Information

Name:

SSN:

Child and Other Dependent Care Expenses

Name of care provider	Address	SSN or EIN	Amount paid

Education Expenses

Provide all copies of Form 1098-T

Student name

Type of expense

Amount

Student name

Type of expense

Amount


Student name

Type of expense

Amount

Student name

Type of expense

Amount


Student name

Type of expense

Amount

Student name

Type of expense

Amount


State Use Tax	
Name:	SSN:
<p>How much did you spend on untaxed out-of-state purchases?</p>	