



Memorandum

To: Clients, Friends, Family & Associates of Pro@ctive CPA
From: Mark Wyssbrod, Managing Member
Date: January 7, 2013
Re: Annual Registration & Business Checklist

In this memorandum you will receive information about:

- Annual registration reminder for the Secretary of State
- Annual checklist to assist you in closing your business's books

Please contact me should you have any questions.

Annual Registration Reminder

Businesses must register in states they were created in and conduct business in. The annual registration for the state they were created in keeps the legal entity (Inc. or LLC) "alive". If a business is conducting business in another state it is considered a "foreign" entity and may be required to register with the Secretary of State.

For Georgia companies and foreign companies conducting business in Georgia you can renew your annual fee at the Georgia Secretary of State website <http://www.sos.ga.gov/corporations/> and click on the "Renew your Annual Registration Online" link.

Please contact us should you have any questions at (770) 664-8583.

Annual Business Checklist for Tax Return

In order for Pro@ctive CPA to be efficient when closing our clients' books in order to prepare the tax returns we have created a general checklist. For a personalized checklist, please contact us. Please be certain to conduct a physical inventory count on December 31 and to write down your vehicle odometer reading on December 31.

- Please provide a copy of your December bank statement(s) and reconciliation(s)
- Please provide a copy of your Accounts Receivable Summary at December 31st
- Please provide a detail of your inventory at December 31st
 - Please be certain to take a physical inventory count
- Please provide a detail of your fixed assets account detail
 - Review to ensure all additions are accounted for
 - Provide a list of fixed assets you no longer have
- Please provide a copy of your Accounts Payable Summary at December 31st



- Please provide a copy of your credit card statements for December (potentially closing mid-January of the next year) and reconciliations
- Please provide a copy of your December sales and use tax return
 - Use tax is for remitting sales tax on items you purchased out of state and did not remit any sales tax on (internet purchases, catalogs, etc.)
- Please provide a copy of all December loan statements
- Please provide a copy of all loan documents with related parties (owners, family, etc.)

- Please provide a copy of all distribution documents
 - If not documented the IRS can reclassify as compensation subject to Self-employment taxes (Social Security & Medicare)
- Please provide a copy of your annual payroll tax returns
 - W-3
 - W-2
 - Form 940
 - Quarterly Forms DOL-4
- Please provide a copy of any 1099s issued
 - If you paid any individual over \$600 (accumulatively) during the year you are required to issue them a 1099
 - Other rules are required for interest, dividends, rents, etc.
- Please provide your total mileage and business mileage for all vehicles related to your business
 - Corporate owned vehicles
 - Leased vehicles
 - Personal owned vehicles
 - We recommend writing down your odometer reading on December 31st
 - Please provide a copy of your mileage log by vehicle
- Please provide a copy of all charitable donation letters
 - Mandatory for deduction for all donations > \$250 as the IRS will disallow
- Please have your accounting system up to date for when we close the books
- Additional information may be required

Please contact us should you have any questions at (770) 664-8583.

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.