

# FRANKLIN & FRANKLIN, PA

CERTIFIED PUBLIC ACCOUNTANTS

3320 SISKEY PARKWAY, SUITE 102 ~ MATTHEWS, NC 28105 ~ TEL: 704-845-1195 ~ FAX: 704-845-1194

www.franklincpas.net

## TAX QUESTIONNAIRE

This tax questionnaire can be filled out and submitted to us with the necessary documents attached. Once we receive it, we will review it with you and then prepare your tax return. We will call or email with any questions and set a phone conference date if necessary in order to complete your return. If you need clarification on any question, please contact us or attach a note with the questionnaire.

### Summary of Items Needed to Complete Your Return:

- \_\_1. Most recent tax return (Last two if available), federal and state(s)
- \_\_2. Complete and sign the attached engagement letter
- \_\_3. Form W-2 Wage statements
- \_\_4. Form 1099 Interest and Dividend Income statements
- \_\_5. Form 1098 Mortgage Interest and Real Estate Tax statements
- \_\_6. Detail of health insurance coverage for 2016 (Form 1095A, B or C)
- \_\_7. Summary of all medical expenses
- \_\_8. Summary of all contributions. **(Taxpayer must have receipts and/or cleared checks for ALL amounts claimed and descriptions for non-cash items with condition)**
- \_\_9. Summary of all work related expenses **with receipts available as back-up**
- \_\_10. Cost basis of any investments you sold during the year
- \_\_11. A list of questions and issues you want addressed (optional)
- \_\_12. Anything else which might be relevant (Including Economic Stimulus Rebate Correspondence)

Any documents or information that is not available at the time of the meeting or telephone conference can be mailed or faxed later. We will schedule a time to meet with you to clarify any questions that we may have, or we may Email you additional questions.

### Please be certain to:

- o Sign & complete this page
- o Complete following questionnaire
- o Attach requested documents
- o Sign engagement letter

Please note, though the Federal tax filing deadline is 4/15/17, any return information not received by 3/24/17 and/or returns not completed by 4/7/17 may be extended upon request. Thank you for your cooperation!

**I (We) have submitted this information for the sole purpose of preparing my (our) 2016 tax return(s). Each item can be substantiated by receipts, cancelled checks or other documents. This information is true, correct and complete to the best of my (our) knowledge.**

Taxpayer Signature	Date
Spouse Signature	Date

Primary Email Address	Home Phone	Fax Number
Secondary Email Address	Work Phone	Cell Phone
Preferred Method of Contact (i.e., cell phone, e-mail, etc.)		



This Tax Organizer is designed to help you collect and report the information needed to prepare your 2016 income tax return. The attached worksheets cover income, deductions, and credits, and will help in the preparation of your tax return by focusing attention on your special needs.

Please enter your 2016 information in the designated areas on the worksheets. If you need to include additional information, you may use the back of a worksheet or an additional page.

When possible, 2015 information is included for your reference. You do not need to make any 2015 entries.

Note: The General Questions and Business/Investment Questions worksheets include a variety of questions designed to assist in completing your tax return. If you answer **yes** to any of the questions, be sure to provide the applicable details.

Please provide the following information:

- A copy of your 2015 tax return (if not in our possession).
- Original Form(s) W-2.
- Schedule(s) K-1 showing income or loss from partnerships, S corporations or estates or trusts.
- Copies of other compensation or pension documentation, such as Form 1099-MISC or Form 1099-R.
- Form(s) 1099 or statements reporting dividend and interest income.
- Brokerage statements showing transactions for stocks, bonds, etc.
- Form(s) 1098 reporting interest paid, copies of real estate tax bills and other information relating to real property holdings.
- Copies of closing statements regarding the sale or purchase of real property.
- All other information notices you received, or any items you have questions about.

Thank you for taking the time to complete this Tax Organizer.

FRANKLIN & FRANKLIN, PA  
3320 Siskey Parkway, Suite 102  
Matthews, NC 28105  
Telephone: (704)845-1195 Fax: (704)845-1194  
E-mail: info@franklinpcpas.net

**General Questions**

**ORG3**

**PERSONAL INFORMATION**

	Yes	No
<b>1</b> Did your marital status change during 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
If <b>yes</b> , explain .....		
<b>2</b> Do you want to allow your tax preparer to discuss this year's return with the IRS? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If <b>no</b> , enter another person (if desired) to be allowed to discuss this return with the IRS. <b>Caution:</b> Review any transferred information for accuracy.		
Designee's Name .....		
Phone Number .....	Personal Identification Number (5 digit PIN).....	
<b>3</b> Do you or your spouse plan to retire in 2017? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b> Were you or your spouse permanently and totally disabled in 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>5</b> Enter date of death for taxpayer or spouse (if during 2016 or 2017 ): Taxpayer: _____ Spouse: _____		
<b>6</b> Were you or your spouse a member of the U.S. Armed Forces during 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>

**DEPENDENT INFORMATION**

	Yes	No
<b>7 a</b> Do you have dependents who must file? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If <b>yes</b> , do you want us to prepare the return(s)? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>8 a</b> Do you have children who are under age 19 or a full time student under age 24 with investment income greater than \$2,100? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If <b>yes</b> , do you want to include your child's income on your return? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>9</b> Are any of your dependents <b>not</b> U.S. citizens or residents? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>10</b> Did you provide over half the support for any other person during 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>11</b> Did you incur adoption expenses during 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>

**IRA, PENSION AND EDUCATION SAVINGS PLANS**

	Yes	No
<b>12</b> Did you receive payments from a pension or profit-sharing plan? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>13</b> Did you receive a total distribution from an IRA or other qualified plan that was partially or totally rolled over into another IRA or qualified plan within 60 days of the distribution? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>14 a</b> Did you convert all or part of a regular IRA into a Roth IRA? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> Did you roll over all or part of a qualified plan into a Roth IRA? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>15</b> Did you contribute to a Coverdell Education Savings Account? .....	<input type="checkbox"/>	<input type="checkbox"/>

**ITEMS RELATED TO INCOME/LOSSES**

	Yes	No
<b>16</b> Did you receive any disability payments in 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>17</b> Did you receive tip income <b>not</b> reported to your employer? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>18 a</b> Did you buy, sell, refinance, or abandon a principal residence or other real property in 2016? (Attach copies of any escrow statements or Forms 1099.) .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>b</b> If you sold or abandoned a home, did you claim the First-Time Homebuyer Credit when you purchased the home? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>c</b> Are you planning to purchase a home soon? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>19</b> Did you incur any casualty or theft losses during 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>20</b> Did you incur any non-business bad debts? .....	<input type="checkbox"/>	<input type="checkbox"/>

**PRIOR YEAR TAX RETURNS**

	Yes	No
<b>21</b> Were you notified by the Internal Revenue Service or state taxing authority of changes to a prior year's return? .....	<input type="checkbox"/>	<input type="checkbox"/>
If <b>yes</b> , enclose agent's report or notice of change.		
<b>22</b> Were there changes to a prior year's income, deductions, credits, etc which would require filing an amended return? .....	<input type="checkbox"/>	<input type="checkbox"/>

**General Questions (continued)**

**ORG3**

**FOREIGN BANK ACCOUNTS, FOREIGN ASSETS AND FOREIGN TAXES**

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| <b>23</b> Did you have foreign income or pay any foreign taxes in 2016 ? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>24 a</b> At any time during 2016, did you have an interest in or a signature or other authority over a bank account, or other financial account in a foreign country? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>b</b> Did the aggregate value of all your foreign accounts exceed \$10,000 at any time during 2016 ? Report all interest income on Org 11 .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>25</b> Were you the grantor of or transferor to a foreign trust which existed during the tax year, whether or not you have any beneficial interest in the trust? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>26</b> Did you at any time during 2016, have an interest in or any authority over any foreign accounts or assets (i.e. stocks, bonds, mutual funds, partnership interests, etc.) held in foreign financial institutions that exceeded \$50,000 in value at any time during the year? ..... | <input type="checkbox"/> | <input type="checkbox"/> |

**HEALTH AND LIFE INSURANCE**

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| <b>27 a</b> Did you and your dependents have health care coverage for the full year? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>b</b> Did you receive any of the following IRS documents? Forms 1095-A (Health Insurance Marketplace Statement), Form 1095-B (Health Coverage) or Form 1095-C (Employer Provided Health Insurance Offer and Coverage)? If so, please attach .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>c</b> If you or your dependents did not have health care coverage during the year, do you fall into one of the following exemption categories: Indian tribe membership, health sharing ministry membership, religious sect membership, incarceration, exempt non-citizen or economic hardship? If you received an exemption certificate, please attach..... | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>28 a</b> Did you or your spouse have self-employed health insurance? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>b</b> If you or your spouse are self-employed, are either of you eligible to participate in an employer's health plan at another job? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>29</b> Did your employer pay premiums on life insurance in excess of \$50,000 where the proceeds are payable to beneficiaries named by you? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>30</b> Did you contribute to or receive distributions from a Health Savings Account (HSA)? .....  | <input type="checkbox"/> | <input type="checkbox"/> |

**MISCELLANEOUS**

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| <b>31</b> Did you make energy efficient improvements to your home or purchase any energy-saving property during 2016 ? If <b>yes</b> , please attach details ..... | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>32</b> Did you start paying mortgage insurance premiums in 2016 ? If <b>yes</b> , please attach details .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>33</b> Did you purchase a motor vehicle or boat during 2016 ? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>If yes</b> , attach documentation showing sales tax paid.   |                          |                          |
| <b>34</b> Did you purchase an energy efficient vehicle in 2016 ? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>If yes</b> , enter year, make, model, and date purchased: _____   |                          |                          |
| <b>35</b> Did you donate a vehicle in 2016 ? If yes, attach Form 1098C .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>36</b> What was the sales tax rate in your locality in 2016 ? _____ % State ID .....  |                          |                          |
| <b>37</b> Did you or your spouse make gifts of over \$14,000 to an individual or contribute to a prepaid tuition plan? .....                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>38</b> Did you make gifts to a trust? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>39</b> If there were dues paid to an association, was any portion required to be non-deductible due to political lobbying by the association? .....             | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>If yes</b> , please attach details.   |                          |                          |
| <b>40</b> Did you or your spouse participate in a medical savings account in 2016 ? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>If yes</b> , please attach Form 1099-SA (Distributions from an HSA, Archer MSA or Medicare+Choice MSA.)   |                          |                          |
| <b>41</b> Did you make a loan at an interest rate below market rate? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>42</b> Did you pay any individual for domestic services in 2016 ? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>43</b> Did you pay interest on a student loan for yourself, your spouse, or your dependents? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>44</b> Did you, your spouse, or your dependents attend post-secondary school in 2016 ? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>45</b> Did a lender cancel any of your debt in 2016 ? (Attach any Forms 1099-A or 1099-C) .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>46</b> Did you receive any income not included in this Tax Organizer? .....   | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>If yes</b> , please attach information.   |                          |                          |

**ELECTRONIC FILING AND DIRECT DEPOSIT OF REFUND**

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| <b>47</b> If your tax return is eligible for Electronic Filing, would you like to file electronically? .....  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>48</b> The Internal Revenue Service is able to deposit many refunds directly into taxpayers' accounts. If you receive a refund, would you like direct deposit? ..... | <input type="checkbox"/> | <input type="checkbox"/> |

**Caution:** Review transferred information for accuracy.

- 49** If **yes**, please provide the following information:
- a** Name of your financial institution .....
- b** Routing Transit Number (must begin with 01 through 12 or 21 through 32) .....
- c** Account number .....
- d** What type of account is this? .....Checking  Savings

Please attach a **voided** check (not a deposit slip) if your bank account information has changed.

# Health Insurance Coverage

**ORG3A**

**Preparer note:** The fields on this form are non-enterable. This worksheet is meant to gather client data only. This worksheet will not transfer to the ProSeries/1040 product. Data from this worksheet must be manually entered on the appropriate form in ProSeries/1040.

<b>Part 1 Coverage</b>																
Enter the name, SSN/DOB and health insurance status for each person who will claim on your return in the table below: See the information below regarding the new health insurance reporting requirements beginning in 2015.																
Name of covered individual(s)	SSN or DOB	Covered 12 mos	Exchange Policy	Exemption Received	Indicate which months each person was covered by MEC*:											
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1.																
2.																
3.																
4.																
5.																
6.																
7.																
8.																
9.																

Use this worksheet to list the names of individuals listed on the income tax return and their health care insurance coverage status. It will help your tax preparer determine who has health insurance coverage, who may have an exemption, and who may be subject to the individual shared responsibility payment.

Most individuals are required to have:

- ▶ **Minimum Essential Coverage (\*MEC)**, or
- ▶ an **Exemption** from the responsibility to have minimum essential coverage, or
- ▶ Make a **Shared Responsibility Payment**.

**Minimum Essential Coverage** includes employer-sponsored coverage, health insurance purchased through the Health Insurance Marketplace (Exchange), Medicare, Medicaid, certain VA coverage, Tricare, etc.

**Exemptions** may be obtained in advance from Healthcare.gov. Exemptions are available to members of federally recognized tribes, certain religious sects, and members of healthcare sharing ministries. There are numerous other exemptions and hardship exemptions available at [www.irs.gov/uac/ACA-Individual-Shared-Responsibility-Provision-Exemptions](http://www.irs.gov/uac/ACA-Individual-Shared-Responsibility-Provision-Exemptions) or [www.healthcare.gov/exemptions](http://www.healthcare.gov/exemptions). Some exemptions may be claimed directly on the income tax return.

The **Shared Responsibility Payment** for 2016 is the **GREATER OF 2.5%** of the household income that is above the filing threshold for the filing status, or the family's flat dollar amount for 2016 is \$695 per adult and \$347.50 per child, limited to a family maximum of \$2,085. This total is capped at the cost of the national average premium for a bronze level plan available through the Marketplace in 2016. The national average bronze plan amount is \$225 per month and limited to \$1,115 per month for a family of five or more members.

If you purchased a health insurance policy from an exchange (or Marketplace), check the Exchange Policy box above. You will receive Form 1095-A from the exchange that issued your policy. Please provide this form with your Organizer documents to your tax preparer.

Please call with any questions on this worksheet.

**Business/Investment Questions**

**ORG4**

	Yes	No
<b>1</b> Did you receive stock from a stock bonus plan with your employer? ..... (Do not include stock sales included on your W-2.)	<input type="checkbox"/>	<input type="checkbox"/>
<b>2</b> Did you buy or sell any stocks or bonds in 2016? ..... If <b>yes</b> , attach broker's information (such as Form 1099-Bs and broker annual statements) related to the transactions.	<input type="checkbox"/>	<input type="checkbox"/>
<b>3</b> Did you surrender any U.S. savings bonds during 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>4</b> Did you use the proceeds from Series EE or I U.S. savings bonds purchased after 1989 to pay for higher education expenses? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>5</b> Did you realize a gain or loss on property which was taken from you by destruction, theft, seizure, or condemnation? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>6</b> Did you start a business, purchase a rental property or farm, or acquire interests in partnerships or S corporations? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>7</b> Do you have any investments for which you were <b>not</b> personally 'at risk' (other than sole proprietorship or farm)? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>8</b> Did you own an interest in a Real Estate Mortgage Investment Conduit (REMIC) during 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>9</b> Did you sell property or equipment on installment in 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>10</b> Did you have any business related educational expenses? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>11</b> Did you do a 'like-kind' exchange of property in 2016? .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>12</b> Do you have records, as described below, to support expenses? .....	<input type="checkbox"/>	<input type="checkbox"/>
Tax law and IRS regulations allow deductions for travel and entertainment if adequate records can be presented. Information must include: <b>1</b> Amount; <b>2</b> Time and place; <b>3</b> Date; <b>4</b> Business purpose; <b>5</b> Description of gift(s); and <b>6</b> Business relationship of recipient.		
<b>13</b> Did you purchase special fuels for non-highway use? .....	<input type="checkbox"/>	<input type="checkbox"/>
If <b>yes</b> , please list the type of use and the number of gallons for each fuel.		
_____		
_____		
_____		
_____		
<b>14</b> Was Form 8903 (Domestic Production Activities Deduction) included in your 2015 federal income tax return? .....	<input type="checkbox"/>	<input type="checkbox"/>

**Basic Taxpayer Information**

**ORG6**

**PERSONAL INFORMATION**

	TAXPAYER	SPOUSE
Last name.....	_____	_____
First name.....	_____	_____
Middle initial and suffix.....	MI ..... _____ Suffix ..... _____	MI ..... _____ Suffix ..... _____
Social security number.....	_____	_____
Occupation.....	_____	_____
Work phone/extension.....	_____	_____
Cell phone.....	_____	_____
E-mail address.....	_____	_____
Birthdate.....	MM/DD/YYYY..... _____	MM/DD/YYYY..... _____
Blind.....	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Contribute to Presidential Election Campaign Fund.....	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Eligible to be claimed as a dependent on another return.....	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Street address.....	_____	Apartment number..... _____
City.....	_____ State..... _____	ZIP code..... _____
Home phone.....	_____ Foreign country..... _____	_____
Fax.....	_____ Foreign phone..... _____	_____

**FILING STATUS**

**1** Single

**2** Married filing jointly

**3** Married filing separately

Check this box if you **did not** live with spouse at any time during the year.....

Check this box if you are eligible to claim spouse's exemption.....

Check this box if your spouse itemizes deductions.....

**4** Head of household

If the qualifying person is a child but not your dependent, enter

Child's name..... Child's social security number.....

**5** Qualifying widow(er)

Check the box for the year the spouse died..... 2014  2015

**DEPENDENT INFORMATION**

Full Name (first name, middle initial, last name, suffix)	Social Security Number	**Code	Date of Birth	2016 Child Care Expense
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	
			<input type="checkbox"/>	

\*\* For the Dependent Code, enter the following:

- L = dependent child who lived with you
- N = dependent child who didn't live with you due to divorce or separation
- O = other dependent
- Q = not a dependent (but is a person who qualifies your client for the earned income credit and/or the credit for child and dependent care expenses)

+ Enter the number of months dependent lived with you, and/or your spouse if married filing jointly, in the U.S.

\* Check this box if dependent child is not a U.S. citizen or resident alien

# Interest and Dividend Income

ORG11

T = Taxpayer, S = Spouse, J = Joint

## INTEREST INCOME

**Attach all copies of your Form 1099-INTs here.**

**\*\*Type of Interest**  
 blank = Regular taxable interest  
 ME1 = ME bond interest in federal income  
 MD1 = MD nontaxable interest — taxable federal

MA1 = MA bank interest  
 NH1 = NH nontaxable interest — taxable federal  
 NJ1 = NJ nontaxable interest — taxable federal

OK1 = OK bank interest  
 TN1 = TN nontaxable interest — taxable federal  
 WV1 = WV bond interest in federal income

TSJ	X*	Payer Name	2016 Box 1 Interest	Type of Interest**	2016 Box 3 US/Treasury Interest	2016 Box 8 Tax Exempt	State	2015 Box 1 + 3

X\* Check if you did not receive income from this account in 2016 .

## DIVIDEND INCOME

**Attach all copies of your Form 1099-DIVs here.**

TSJ	X*	Payer Name	2016 Box 1a Ordinary Dividends	2016 Box 1b Qualified Dividends	2016 Box 2a Capital Gains	State	2015 Box 1a + 2a

X\* Check if you did not receive income from this account in 2016 .



## Medical and Tax Expenses

**ORG13**

<b>MEDICAL AND DENTAL EXPENSES</b>	<b>2016</b>	<b>2015</b>
<b>1</b> Prescription medications .....		
<b>2</b> Health insurance premiums (enter Medicare B on ORG10)..... Exclude premiums paid through an exchange (Form 1095-A)		
<b>3</b> Qualified long-term care premiums		
<b>a</b> Taxpayer's gross long-term care premiums .....		
<b>b</b> Spouse's gross long-term care premiums .....		
<b>c</b> Dependent's gross long-term care premiums .....		
<b>4</b> Enter self-employed health insurance premiums on ORG19, ORG27, ORG45A, or ORG46A for the appropriate activity.....		
<b>5</b> Insurance reimbursement.....		
<b>6</b> Doctors, dentists, etc .....		
<b>7</b> Hospitals, clinics, etc .....		
<b>8</b> Lab and X-ray fees.....		
<b>9</b> Expenses for qualified long-term care.....		
<b>10</b> Eyeglasses and contact lenses .....		
<b>11</b> Medical equipment and supplies .....		
<b>12</b> Miles driven for medical purposes.....		
<b>13</b> Ambulance fees and other medical transportation costs.....		
<b>14</b> Lodging.....		
<b>15</b> Other medical and dental expenses:		
<b>a</b> _____		
<b>b</b> _____		
<b>c</b> _____		
<b>d</b> _____		
<b>e</b> _____		
<b>f</b> _____		
<b>g</b> _____		
<b>h</b> _____		
<b>i</b> _____		
<b>j</b> _____		
<b>TAXES</b>	<b>2016</b>	<b>2015</b>
Enter state and local income taxes on <b>ORG7, ORG8, ORG10,</b> and <b>ORG40.</b>		
<b>16</b> Real estate taxes paid on principal residence .....		
<b>17</b> Real estate taxes paid on additional homes or land .....		
<b>18</b> Auto registration fees based on the value of the vehicle.....		
<b>19</b> Other personal property taxes .....		
<b>20</b> Other taxes:		
_____		
_____		

**Interest Paid and Cash Contributions**

ORG14

HOME MORTGAGE INTEREST PAID			
Lender's Name	Check if NOT on Form 1098	2016	2015
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		

POINTS PAID ON LOAN TO BUY, BUILD, OR IMPROVE MAIN HOME		
Lender's Name	Check if NOT on Form 1098	2016
	<input type="checkbox"/>	
	<input type="checkbox"/>	
	<input type="checkbox"/>	
	<input type="checkbox"/>	

SELLER FINANCED MORTGAGE		
Individual's Name	Identifying Number	Address
		.....
		.....

OTHER PERSON RECEIVING FORM 1098	
Form 1098 Recipient's Name	Address
	.....
	.....

OTHER POINTS					
Enter below any points paid on a home equity loan (other than to improve your main home), a loan for a second home, or a refinanced mortgage.					
Lender's Name	Loan Over	Points Paid	Date of Loan	Loan Length (years)	2015 Points Deducted
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				
	<input type="checkbox"/>				

INVESTMENT INTEREST		
	2016	2015
Investment interest (for example: margin interest, interest paid on loans used for property held for investment, etc) .....		

**Interest Paid and Cash Contributions (continued)**

**ORG14**

**LIMITED HOME MORTGAGE DEDUCTION**

If your mortgage balance exceeded \$1 million (\$500,000 for married filing separately) or your home equity debt exceeded \$100,000 (\$50,000 for married filing separately) during 2015 complete the following:

	Loan 1	Loan 2	Loan 3	Loan 4	Loan 5
<b>1</b> Interest paid in 2016 .....					
Points paid in 2016.....					
Months loan outstanding ....					
Principal pd on loan in 2016.					
<b>2</b> Home acquisition debt:					
Beginning of year balance ..					
Additional borrowed in 2016 ..					
<b>3</b> Home equity debt:					
Beginning of year balance ..					
Additional borrowed in 2016 ..					
<b>4</b> Grandfathered debt: (before 10/14/1987)					
Beginning of year balance ..					
Additional borrowed in 2016 ..					
<b>5</b> Fair market value of homes on date debt was last secured by home .....					
<b>6</b> Home acquisition and grandfathered debt on date last secured by home .....					

**CASH CONTRIBUTIONS**

Name of Donee Organization	Check if Statement Exists for Gifts \$250 or More	2016	2015
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		
	<input type="checkbox"/>		

Charitable miles driven.....		
Miles driven to deliver noncash contributions .....		
Parking fees, tolls, and local transportation .....		

# Noncash Contributions

ORG14A

Copy 1

Name of Donee Organization	Check if Statement Exists for Gifts of \$250 or More	Fair Market Value	Prior Year Fair Market Value
A _____			
B _____			
C _____			
D _____			
E _____			
F _____			
G _____			
H _____			
I _____			

**Note:** Complete sections below **only** if the **total** noncash contributions are **more than \$500**.

Description of Donated Property	Type**	Address of Donee Organization
A _____		
B _____		
C _____		
D _____		
E _____		
F _____		
G _____		
H _____		
I _____		

Method for Fair Market Value*	Date of Contribution	Complete these columns <b>only</b> for each contribution over \$500		
		Date Acquired (month, year)	How Acquired***	Your Cost
A _____				
B _____				
C _____				
D _____				
E _____				
F _____				
G _____				
H _____				
I _____				

**\*Methods of determining FMV:**

- |               |                          |                   |             |
|---------------|--------------------------|-------------------|-------------|
| Appraisal     | Capitalization of income | Present value     | Thrift shop |
| Average share | Comparative sales        | Replacement cost  |             |
| Catalog       | Consignment shop         | Reproduction cost |             |

**\*\*Type of Donated Property**

- |                                 |                                   |  |
|---------------------------------|-----------------------------------|--|
| Household/clothing items        | Business equipment                | Intellectual property                  |
| Motor vehicle, boat or airplane | Business inventory                | Real property, conservation property   |
| Art, other than self-created    | Stock, publicly traded            | Real property, other than conservation |
| Art, self-created               | Stock, other than publicly traded | Other personal property                |
| Collectibles                    | Securities, other than stock      | Other intangible property              |

**\*\*\*How Property was Acquired:** Purchase, Gift, Inheritance, Exchange

Miscellaneous Itemized Deductions

ORG15

MISCELLANEOUS DEDUCTIONS (2% LIMITATION)	2016	2015
<b>Employee Business Expenses</b>		
<b>Note:</b> If you have any travel, transportation, meals or entertainment expenses or your employer reimbursed you for any of your job-related expenses, complete <b>ORG17</b> for all your employee expenses.		
<b>1</b> Union and professional dues .....		
<b>2</b> Professional subscriptions .....		
<b>3</b> Uniforms and protective clothing .....		
<b>4</b> Job search costs .....		
<b>5</b> Other unreimbursed employee expenses:		
<b>a</b> _____		
<b>b</b> _____		
<b>c</b> _____		
<b>d</b> _____		
<b>e</b> _____		
<b>Other Expenses Subject to the 2% Limitation</b>		
Treat all MACRS assets for this activity as qualified Indian reservation property? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No		
Treat all assets acquired after August 27, 2005 as qualified GO Zone property? ..... <input type="checkbox"/> Regular <input type="checkbox"/> Extension <input type="checkbox"/> No		
Treat all assets acquired after May 4, 2007 as qualified Kansas Disaster Zone property? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No		
Was this property located in a Qualified Disaster Area? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No		
Check to code assets as Investment Expense ..... <input type="checkbox"/>		
Use <b>ORG50</b> to record dispositions.		
Use <b>ORG51A</b> to enter additional assets.		
Use <b>ORG11a</b> for investment expenses related to interest income.		
Use <b>ORG11b</b> for investment interest related to dividend income.		
<b>6</b> Tax return preparation fees .....		
<b>7</b> Investment counsel and advisory fees .....		
<b>8</b> Certain attorney and accounting fees .....		
<b>9</b> Safe deposit box rental .....		
<b>10</b> IRA custodial fees .....		
<b>11</b> Other expenses (list):		
<b>a</b> _____		
<b>b</b> _____		
<b>c</b> _____		
<b>d</b> _____		
<b>e</b> _____		
OTHER MISCELLANEOUS DEDUCTIONS	2016	2015
<b>12</b> Federal estate tax paid on income in respect of a decedent .....		
<b>13</b> Amortizable bond premiums (acquired before 10/23/86) .....		
<b>14</b> Gambling losses (to the extent of gambling income) .....		
<b>15</b> Claim repayments .....		
<b>16</b> Unrecovered investment in annuity .....		
<b>17</b> Unrecovered investment in annuity .....		

# State Information Worksheet

ORG60

## GENERAL INFORMATION

	<b>Taxpayer</b>	<b>Spouse</b>
1 Enter your state of residence .....		
2 Check the appropriate box if:	<b>Taxpayer</b>	<b>Spouse</b>
a Full year resident.....	<input type="checkbox"/>	<input type="checkbox"/>
b Part year resident.....	<input type="checkbox"/>	<input type="checkbox"/>
c Nonresident .....	<input type="checkbox"/>	<input type="checkbox"/>
	Date of entry: _____	Date of exit: _____
3 Resident locality: _____		
4 County: _____ School district: _____ School district number: _____		
	<b>Taxpayer</b>	<b>Spouse</b>
5 Check if disabled .....	<input type="checkbox"/>	<input type="checkbox"/>

## STATE CREDITS

6 Description/type of credit (for example, solar energy, carpool)	Code	Amount
a _____		
b _____		
c _____		
d _____		
e _____		

## VOLUNTARY STATE CONTRIBUTIONS

7 Description/type of contribution (for example, wildlife, cancer)	Code	Amount
a _____		
b _____		
c _____		
d _____		
e _____		

## MISCELLANEOUS QUESTIONS

		<b>Yes</b>	<b>No</b>
8 Did you file a state return for 2015? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Do you want state forms and instructions sent to you next year? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Do you want any applicable penalty and interest calculated and added to the return? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 How do you want your state refund (if any) applied?			
a Refunded ..... <input type="checkbox"/>	b Apply to 2017 estimates ..... <input type="checkbox"/>	c Apply to 2017 taxes ..... <input type="checkbox"/>	
12 Additional state information: _____			
_____			
_____			

# State Tax Return Items

## Consumer Use Tax

North Carolina has a use tax on purchases made outside the State for use inside the State called a Consumer Use Tax. You should pay the use tax on your individual income tax return. If you owe use tax on consumer items but are not required to file an individual income tax return, you should report and pay the use tax on Form E-554, Consumer Use Tax Return.

An individual owes consumer use tax on an out-of-state purchase when the item purchased is subject to North Carolina sales tax and the retailer making the sale does not collect sales tax on the sale or the state sales tax rate imposed by the other state is less than the state sales tax rate imposed by North Carolina. Examples of items that are subject to the consumer use tax include computer and other electronic equipment, software, books, audio and video tapes, compact discs, records, clothing, appliances, furniture, sporting goods and jewelry. Out-of-state retailers include mail-order companies, television shopping networks and firms selling over the internet. When an out-of-state retailer does not collect sales tax or the tax collected is less than the state tax imposed by North Carolina, the responsibility of paying the tax falls on the purchaser. This includes items purchased in other states during "tax-free holidays". Other states share information with North Carolina on sales to North Carolina residents and the U.S. Customs Service provides information on overseas purchases.

The use tax is calculated at the same rate as the sales tax. If you paid another state's sales or use tax on out-of-state purchases, that amount can be credited against the North Carolina use tax due. If you file the Form D-400, the use tax will be shown on this form.

**Please fill out A, B, C or D. If you are not a NC resident please complete part D.**

**A: I have records of all out-of-state purchases and no sales tax was charged on the following purchases:**

**Total purchases from 1/1/16-12/31/16 \$ \_\_\_\_\_**

**B: I do not have records of my purchases, but I had less than \$1,000 in out-of-state purchases in which no sales tax was collected. Please use the Use Tax Table.**

**C: I had no out-of-state purchases or I did not have any out-of-state purchases in which sales tax was not collected.**

**D: I am not a NC resident.**

**I did have out-of-state purchases in which sales tax was not charged.**

**Total purchases from 1/1/16-12/31/16 \$ \_\_\_\_\_**

**I did not have out-of-state purchases in which sales tax was not collected.**

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## North Carolina Education Endowment Fund

NC fund established in 2015 to provide additional funds for NC teacher compensation funded by:

- a- Gifts, grants and contributions to the State (By way of designated tax refunds or Form NC-EDU)
- b- The Sale of "I Support Teachers" license plates
- c- Appropriations from NC General Assembly

NC taxpayers have the option to donate to this fund on your tax return. **Please indicate:**

- Please designate ALL of my NC overpayment to the NC Education Endowment fund**
  - Please designate \$ \_\_\_\_\_ of my NC overpayment to the NC Education Endowment fund**
  - Please provide a payment voucher, form NC-EDU, so that I may donate \$ \_\_\_\_\_ to the fund**
  - I DO NOT want to donate to the NC Education Endowment fund**
-

# FRANKLIN & FRANKLIN, PA

CERTIFIED PUBLIC ACCOUNTANTS

## ENGAGEMENT LETTER

Date:

Client Name:

We appreciate the opportunity to work with you. To minimize the possibility of a misunderstanding between us, we are setting forth pertinent information about the services we will perform for you.

We will prepare your \_\_\_\_\_ federal and applicable state \_\_\_\_\_ income tax returns from information you furnish us and we may process them using any of our staff. In addition we will \_\_\_\_\_. We will not audit or otherwise verify the data you submit, although we may ask you to clarify some of the information. We will furnish you with questionnaires to help you gather and organize the necessary information for us, in order to keep our fee to a minimum.

**The IRS mandates that all individual and trust tax returns that we filed be done electronically. It is imperative that you review your tax return and return the efile authorization form with all required signatures to our office within 10 days of receipt, or by April 1, 2017, whichever comes first. Without this signed authorization, your taxes will not be filed and you may be subject to late filing or late payment penalties. Please advise us if you object to electronic filing as you may opt to file a paper return along with a signed written statement stating your objection to electronic filing.**

We must receive all information to prepare your return by March 24, 2017, to ensure that your return will be completed and e-filed by April 15, 2017. If we have not received all of your information by March 24<sup>th</sup> and your return is not completed and e-filed by April 15, 2017, you may be subject to late filing or late payment penalties.

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax returns, including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support charitable contributions **of all amounts**. If you have any questions as to the type of records required, please ask us for advice in that regard. It is also your responsibility to carefully examine and approve your completed tax returns before signing and mailing them to the tax authorities. We are not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest. The IRS has imposed more stringent preparer penalties which require that positions taken on tax returns must be "more likely than not" sustained on its merits. It is your responsibility to fully communicate these facts. We will file using the filing status from the previous year unless you expressly indicate a desire for a different filing status.

Fees for our services will be at our standard rates plus computer charges and out-of-pocket expenses. Payment for service is due when rendered and interim billings may be submitted as work progresses and expenses are incurred. We reserve the right to stop work on any account that is 180 days past due, in accordance with our firm's stated collection policy. Interest at 8% per year may be computed on invoices not paid within 30 days.

It is our firm's policy to retain copies of your tax returns for five years, after which the records may be destroyed. By your signature below, you acknowledge and agree that upon the expiration of the 5 year period Franklin & Franklin, PA shall be free to destroy our records related to this engagement.

We are responsible only for the services listed above. Our tax preparation fee does not include responding to inquires or examination by taxing authorities. However, we are available to represent you under a separate engagement for such services at our standard rates.

We will use our judgment to resolve questions in your favor where a tax law is unclear if there is a reasonable justification for doing so. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. We will follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. Currently, the IRS and State taxing agencies are aggressive in assessing penalties. We assume no liability for any such additional penalties or assessments. In the event, however, that you ask us to take a tax position that in our professional judgment will not meet the applicable laws and standards as promulgated, we reserve the right to stop work and shall not be liable for any damages that occur as a result of ceasing to render services.

***As your CPA's, we collect:***

- ***Information provided by you from your tax organizer, worksheets, documents, and discussions and***
- ***Information that we develop as part of this engagement.***



*As your CPA's, we are required to keep all information about our engagement confidential, so we will not disclose any information about you unless we have your approval or are required/permitted by law. This applies even if you are no longer a client.*

*As your CPA's, we are committed to the safekeeping of your confidential information and we maintain physical, electronic, and procedural safeguards to protect your information.*

For tax years beginning in 2000, the IRS has provided that an individual taxpayer and his or her spouse, if applicable, may authorize the IRS to discuss the taxpayer's tax return with the CPA who signed the taxpayer's return as the return preparer. The authorization is granted by checking the "yes" box in the signature area of the tax return. By checking the "yes" box, you are granting the IRS permission to contact our firm with questions that may arise during the processing of your return. You would also be granting our firm the permission to (1) provide the IRS with any information that may be missing from your return, (2) call the IRS to inquire on the processing of your return or on the status of your refund, and (3) respond to any IRS notices that you have provided to our firm relating to mathematical errors, offsets, and return preparation. Please note that our firm will not receive separate copies of IRS notices; therefore, you must provide our firm with copies of any notices you receive from the IRS. Once elected, the authorization cannot be revoked. The authorization is valid for one year after the due date for filing the tax return.

Federal law has extended the attorney-client privilege to some, but not all, communications between a client and the client's CPA. The privilege applies only to non-criminal tax matters that are before the IRS or brought by or against the U.S. Government in a federal court. The communications must be made in connection with tax advice. Communications solely concerning the preparation of a tax return will not be privileged.

In addition, your confidentiality privilege can be inadvertently waived if you discuss the contents of any privileged communication with a third party, such as a lending institution, a friend, or a business associate. We recommend that you contact us before releasing any privileged information to a third party.

If we are asked to disclose any privileged communication, unless we are required to disclose the communication by law, we will not provide such disclosure until you have had an opportunity to argue that the communication is privileged. You agree to pay any and all reasonable expenses that we incur, including legal fees, that are a result of attempts to protect any communication as privileged.

If any dispute arises among the parties, they agree to try first in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its Rules for Professional Accounting and Related Services Disputes. All unresolved disputes shall then be decided by final and binding arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the AAA. Fees charged by any mediators, arbitrators, or the AAA shall be shared equally by all parties. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.**

If the above fairly sets forth your understanding, please sign the enclosed copy of this letter and return it to us with your tax information.

Also, please indicate, by circling the appropriate response in the following sentence: I hereby *grant/do not grant* (circle one) limited authorization for your firm to contact the IRS on our/my behalf as discussed in the above letter. If you fail to indicate a response, it is our firm's policy to mark the box that grants authorization.

We are pleased to have you as a client and look forward to a long and mutually satisfying relationship.

Sincerely,

FRANKLIN & FRANKLIN, PA

---

Approved:

\_\_\_\_\_  
Taxpayer's Name Printed

\_\_\_\_\_  
Spouse's Name Printed

\_\_\_\_\_  
Taxpayer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse's Signature

\_\_\_\_\_  
Date