

Don't Get Lost in the Numbers

7 Things to Have Before You Meet with Your Accountant

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With the April 15th tax deadline just over two months away, you're busily preparing all of the necessary documentation, forms and receipts to meet with your accountant, right? No? Haven't even started? Not to worry. It's easy to get organized when you have a handy checklist of the information you should have *before* you meet with your accountant. The items listed below will help you and your accountant stay on the same page throughout the hustle and bustle of tax season.

Brokerage Statements

If you have brokerage statements, your accountant needs ALL of the pages – not just the ones that have summary items on them. Additionally, if you had sales of stocks and/or bonds, and cost basis is listed as N/A or please provide, you need that information. Your broker may not have it, but it still must be included in your tax return. We can work with you and your broker to come up with this information, but we need that detailed information in order to do that. Also, let your accountant know if you have any new investments because there may be new Form K-1s that are going into your current year return and your accountant needs to be aware of those.

Charitable Contributions

For charitable contributions, you do not need to give your accountant receipts for donations in excess of \$250 – though we are fine with keeping copies of them. However, you need to have all receipts in *your* possession by the time your tax return is filed.

For non-cash donations, there is no magic maximum based on income – we get that question a lot. You should have receipts from the charity (i.e. Goodwill or the Salvation Army) and an itemized listing of what was donated. For any items or group of like-kind items given during the year that total more than \$5,000, you will need to have an appraisal done by a qualified appraiser.

Property

If you bought or sold real property during 2014, you need to give your accountant the escrow or settlement statements. If you sold a personal residence, your accountant will need to know the purchase date, the acquisition costs, and the total amount of improvements you put into the house.

Auto Mileage

For any auto mileage you claim – medical, charitable or business – you don't need to keep an exact log, but you do need to be able to substantiate the mileage. Generally, if you are questioned by the IRS, that is not the time to prepare the documentation – they know when it was not done timely!

Bank Accounts

Your accountant needs to know if you have any bank accounts in a foreign country, including Canada. There are certain reporting requirements and lack of these forms can result in very onerous penalties.

Dependents

You need to let your accountant know about any changes in dependents. For example, if you have a child, you will need to provide the child's social security number and birth date. If you no longer claim a child as a dependent – tell your accountant that, as well.

Deaths

When someone dies, a final tax return still needs to be filed. If your spouse died, your accountant will need to know the date of death. If you're the child or executor of someone who died and did not have a spouse, be aware that there will probably be correspondence from the IRS and refunds can be held up for a while.

Other Helpful Hints

Henry & Horne, LLP sends all individual clients an organizer. Even if you don't fill in everything, answering as many questions as possible really helps your accountant to know if anything is different or unusual that may need to be reported on your tax return.

If you have a whole bunch of receipts, and you can summarize those for your Henry & Horne, LLP professional tax adviser, it helps keep fees down.

Brokerage statements are coming out later and later. You may also be waiting on K-1s. Even if you don't have that information right now, go ahead and get everything else into your accountant and we can start calculating your return while we wait for the remainder of your information to come in.

If you've been sick or in the hospital – maybe you have a business trip or vacation that comes up – let us know. We can try to work around those schedules.

Above all, if you *know* you have something different for 2014 than in prior years, definitely reach out to your accountant.

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