K.M. Larson & Company, P.C.
Certified Public Accountants
12401 South 450 East, Suite B2
Draper, Utah 84020
(801) 571-1760

ENGAGEMENT LETTER

This letter is to specify the terms of our engagement with you and to clarify the nature and extent of the services we will provide. In order to ensure an understanding of our mutual responsibilities, we ask all clients for whom returns are prepared to confirm the following arrangements:

We will:

1. Prepare your 2011 federal and requested state income tax returns from information that you will provide. We will not audit or otherwise verify the data you submit, although it may be necessary to request clarification of some of the information.
2. Use professional judgment in resolving questions where the tax law is unclear, or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.
3. Represent you (at your request) if your return is selected for review by the taxing authorities. Any additional fees will be discussed at that time.

You agree to:

1. Provide all the information required for the preparation of complete and accurate returns.
2. Pay any tax due by the filing date (April 15, 2012) and be responsible for interest and late payment penalties assessed on payments made after the due date.
3. **Take final responsibility for the income tax returns and carefully review them for completeness and accuracy before they are filed**.

Taxpayer Name: __________________ Spouse Name: ______________________

Signature: _______________________ Signature: ___________________________

Date: _____________________________ Date: ______________________________

INDIVIDUAL TAX PREPARATION
CHECKLIST
2011 TAX RETURNS

You can reduce the time required to prepare your income tax return by providing all of the required forms and information. We will need the following items for your tax return:

____ Signed ENGAGEMENT LETTER
____ Completed CLIENT INFORMATION
____ Completed 2011 INDIVIDUAL TAX QUESTIONNAIRE
____ Original or copied documents of information reported to the IRS:
  a. Wages, pension income (W-2)
  b. Rents, dividend, interest, non-employee compensation (1099)
  c. Retirement plan distributions (1099)
  d. Investment income (1099)
  e. Mortgage interest paid (1098)
  f. Income from partnerships, trusts, or S-corporations (K-1)
____ Documents to support additional taxable income such as alimony, rent income, or self-employment income not reported on 1099
____ Documents to support additional tax deductions such as medical expenses (if more than 7 ½ % of gross income), charitable contributions (cash and non-cash).
____ Closing statements for any real estate transactions.

The ENGAGEMENT LETTER and 2011 INDIVIDUAL TAX QUESTIONNAIRE can be downloaded from our web site: www.kmlarsoncpa.com. You may also send an email to accounting@kmlarsoncpa.com and request the "2011 individual client forms."

Please contact our office if you would also like a tax organizer listing your 2010 information to help you gather tax information for your 2011 return.

If this is the first year we have prepared your tax return, we will also need the following:
1. Previous 3 years tax returns (2008, 2009, 2010)
2. Social security numbers for taxpayer, spouse, and dependents (if not included in prior returns)
3. Birthdays for taxpayer, spouse, and dependents

Information provided for the preparation of an income tax return will be retained as part of your client file. Original documents will NOT be returned to you unless requested. Please provide copies of original documents when possible or fax to us at 801-606-7896.

Please contact our office if you have questions about the information required to prepare your tax return:

KM Larson & Company, PC
Office: 801-571-1760
Fax: 801-606-7896
www.kmlarsoncpa.com
Email: accounting@kmlarsoncpa.com

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CLIENT INFORMATION

Name: ____

Contact information same as last year ❑

Address: ____

____

____

Home Phone: _______________Work Phone: _______________________

Mobile Phone:_______________email: ____________________________

What is the best way to contact you? (You may check more than one)

Home _____Work _____ Mobile _____ E-mail:_____ Mail_____

Would you like to receive additional information from us by email?

_______ Individual tax newsletter and tax updates
_______ Business tax newsletters and tax updates
_______ Educational seminars
_______ Other offers

Signature: _________________________ Date: ___________________

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2011 INDIVIDUAL INCOME TAX QUESTIONNAIRE

Taxpayer name(s):____

Do you want 2011 original documents returned to you? ___Yes ____ No

How do you want your client copy of the tax return delivered? (You may select more than one)

______ pdf in secure internet portal

______ paper copy

If any of the following items pertain to you or your spouse for 2011, please check the appropriate box and provide additional information if necessary.

YES	NO	PERSONAL INFORMATION
☐	☐	Did your marital status change during the year?
☐	☐	Did your address change during the year?
☐	☐	Could you be claimed as a dependent on another person's tax return for 2011?
		DEPENDENTS
☐	☐	Were there any changes in dependents?
☐	☐	Were any of your unmarried children who might be claimed as dependents 19 years of age or older at the end of 2011?
☐	☐	Did you have any children under age 19 or full-time students under age 24 at the end of 2011, with interest and dividend income in excess of $950, or total investment income in excess of $1,900?
		INCOME
☐	☐	Did you receive any other income not reported on a W-2 or 1099?
☐	☐	Did you receive any disability income?
☐	☐	Did you have any foreign income or pay any foreign taxes?
		PURCHASES, SALES AND DEBT
☐	☐	Did you start a business or farm, purchase rental or royalty property, or acquire an interest in a partnership, S corporation, trust, or REMIC?
☐	☐	Did you buy or sell any stocks, bonds or other investment property in 2011?
☐	☐	Did you sell or do you plan to sell any dividend generating stocks or mutual funds during the first 60 days of 2011?
☐	☐	Did you purchase, sell, or refinance your principal home or second home, or did you take a home equity loan?
☐	☐	Did you purchase a main home before October 1, 2011 (entering into a binding contract before May 1, 2011) and you (and your spouse) did not own any other home during the 3-year period ending on the date purchase?
☐	☐	Did you purchase a main home before October 1, 2011 (entering into a binding contract before May 1, 2011) which replaced a main home that you (and your spouse) maintained for 5 consecutive years during the 8-year period before the latest purchase?
☐	☐	Did you purchase a new hybrid vehicle in 2011?

YES	NO	
☐	☐	Did you have any debts cancelled or forgiven?
☐	☐	Did anyone owe you money which had become uncollectible?
		RETIREMENT PLANS
☐	☐	Did you receive a distribution from a retirement plan (401(k), IRA, SEP, SIMPLE, Qualified Plan, etc.)?
☐	☐	Did you make a contribution to a retirement plan (401(k), IRA, SEP, SIMPLE, Qualified Plan, etc.)?
☐	☐	Did you transfer or rollover any amount from one retirement plan to another retirement plan?
☐	☐	Did you convert part or all of your traditional, SEP, or SIMPLE IRA to a Roth IRA?
		EDUCATION
☐	☐	Did you receive a distribution from an Education Savings Account or a Qualified Tuition Program?
☐	☐	Did you, your spouse, or a dependent incur any tuition expenses that are required to attend a college, university, or vocational school?
		ITEMIZED DEDUCTIONS
☐	☐	Did you incur a loss because of damaged or stolen property?
☐	☐	Did you work out of town for part of the year?
☐	☐	Did you use your car on the job (other than to and from work)?
☐	☐	Did you purchase or refinance your home in 2011?
		MISCELLANEOUS
☐	☐	May the IRS discuss your tax return with your preparer?
☐	☐	Did you have an interest in or signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?
☐	☐	Did you make contributions to a health savings account (HSA) this year?
☐	☐	Did you incur moving expenses due to a change of employment?
☐	☐	Did you engage the services of any household employees?
☐	☐	Were you notified or audited by either the Internal Revenue Service or the State taxing agency?
☐	☐	Did you or your spouse make any gifts to an individual that total more than $13,000, or any gifts to a trust?
☐	☐	Did you receive a $250.00 economic recovery payment in 2011 that was made to social security recipients, railroad retirement recipients and certain veterans?
☐	☐	Did your spouse receive a $250.00 economic recovery payment in 2011 that was made to social security recipients, railroad retirement recipients and certain veterans?
☐	☐	Was your home rented out or used for business
☐	☐	Were you (or your spouse) the beneficiary of COBRA premium assistance for any month during 2011?