



CUSTOMER POLICES &  
REMINDERS

## ENCLOSED IN THIS DOCUMENT:

Enclosed in this document you will find the following information topics by heading:

- Confidentiality Disclosure
- Tax Preparation Process for 2012.
- Electronic Payment for Services.
- Business By Design Client & Tax Preparation Fees.
- Business By Design Staff Info for 2012
- Phone Calls and Customer Service.
- Special Request Letters to Banks.
- Copies of your Tax Returns.
- E Filing of Tax Returns.
- E-Mail Accounts are required.

## REMINDERS FOR 2012

These are some key reminders about using your corporation.

- Do you have an S-Corporation?
- Do you have a C-Corporations?
- Limited Liability Company (LLC)

**NOTICE OF ACCEPTANCE:** I, \_\_\_\_\_, hereby acknowledge and understand all Business By Design, Inc. policies and procedures as described in this **7-page** document and agree to its terms and conditions. Please sign here and provide to Business By Design prior to your income tax meeting. Thank You. (Created on 1-13-12)

\_\_\_\_\_(Signature) \_\_\_\_\_(Date)

\_\_\_\_\_(Print Name)

## CONFIDENTIALITY:

As tax practitioners, we receive and collect nonpublic personal information from various forms and statements that you provide. We do not disclose such information, except as instructed to do so by you. Access is restricted to those professionals who need to know such information to provide services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

## OUR TAX PREPARATION PROCESS FOR 2012:

Over the past year we have made some changes to our tax preparation process to make things easier for you and to make things efficient. Below is our typical procedure for taking in your information to prepare your tax return.

- **STEP #1 - TAX DROP APPOINTMENT:** This is when you will provide your information to us.
- **STEP #2 – PREPARATION and INTERNAL REVIEW OF YOUR RETURN:** One of my accountants who have been assigned to your account will prepare your return and follow up with you on any open questions.
- **STEP #3 – ONLINE CLIENT REVIEW:** This is a step we introduced in 2010. When your return is fundamentally complete, we will schedule a time to go over this return with you via online meeting. This meeting is to ensure accuracy of information provided, and allows us to discuss any final details and option with the tax return before the return is printed for E-filing. **Also – at this meeting we will discuss the billing for the tax preparation and make arrangements for payment.**
- **STEP #4 – SIGNATURES & PAYMENT PROCESSED:** Next we will e-mail to you the forms we need to have you sign and we will also be sending you the final billing amount to be processed for our payment.
- **STEP #5 – ELECTRONIC FILING:** Once we have received your e-file forms back and have processed your payment for our services, your tax return will be e-filed.
- **STEP #6 – PICK UP OF DOCUMENTS:** The final step is to get the information you provided to us back in your hands. We will provide you with a CD that has all your tax information on it and we will return any original documentation you provided to us.

## NEW FOR 2012: REQUIRED ELECTRONIC PAYMENT FOR SERVICES

We ask all our clients to understand that we are in the personal service business. We rely on your prompt payment for our business operations. **We ask that you understand all fees for our services are due upon completion of your tax return.**

**We will ONLY TAKE ELECTRONIC PAYMENTS FROM YOUR BANK ACCOUNTS OR CREDIT CARDS.** If you do send us a physical check, we will be converting this to an electronic debit. So – no need to even write a physical check anymore - We will use an electronic method to process your payments. This processes helps us be more efficient and keep costs down.

**REQUIRED FOR 2012: All clients will be asked to sign a “Client Engagement Letter” prior to engaging in our services. We will provide this letter to you prior to you providing information to our office. We will also request you indicate the method of payment. We accept electronic payment by Credit Card or ACH (Checking) Debit.**

Before we e-file your tax return, we will be requiring your business checking account and/or credit card information with the file. (Basically some method of payment) With our new ACH Debit feature, you will not need to physically send or bring us a check. With your signature on an invoice, we will be debiting your business bank account for our services. It is very easy, and very efficient.

As with any business, I am trying to be as efficient as possible and keep things running smooth. This feature will allow us to keep our time at a minimum for collections and ultimately allow us to keep our fees to our clients as low as possible.

### **LATE FEES & INTEREST CHARGES:**

Payments are due upon the completion of your review of the tax return and receipt of the e-filing forms. If you are unable to pay at that time, additional fees may apply.

**\*\* PAY WITH REFUND OPTION:** If you choose to pay your invoice with an expected refund, there will be an extra charge for this option. This method of payment will need to be approved in advance of your return being complete. We can provide you a fee schedule for this upon request.

**\*\* OTHER PAYMENT OPTIONS:** If you need to discuss other payment options, you will need to speak with Paul Miller directly. Please understand that additional finance charges may apply here. If you have any questions about this, you can contact me at 952-392-1200 or email, [PaulMiller@Biz-By-Design.com](mailto:PaulMiller@Biz-By-Design.com).

## **BUSINESS BY DESIGN CLIENT and TAX PREPARATION FEES:**

Our first objective with our fees is to make sure our clients feel they have received a good value for the money spent on our services. Each year we review our fees that we charge our clients. We try to be as fair and objective with this process as possible.

Our tax preparation charges are based on an average hourly rate of \$110.00 per hour. As with all things in business, costs continue to rise. We assure you we are sensitive to our clients' tax preparation costs, and will make every attempt to keep costs as low as possible for our clients. **We pledge to provide a high quality product at a fair price for our clients.** If we can find ways to reduce the costs of your tax preparation, we will make suggestions or give you some alternatives.

A "Service Price List" is available for your viewing on our website. If you have any question on any item, I ask that you let us know.

## **BUSINESS BY DESIGN STAFF INFO FOR 2012:**

It is important to us that all of our customers have a positive experience in working with Business By Design. To do this, we try very hard to have a well-trained staff working as a TEAM. If for any reason you are not happy with the service you have received, please let us know. If you have a preference on working with one person in particular, you can contact me (Paul) directly (Ph# 952-392-1200), and I will do everything possible to accommodate your requests.

Often we get one of the following questions:

- "Who at Business By Design is doing my return this year?"
- "Who at Business By Design is my accountant?"
- "Will the same person be working on my return as last year?"

To accurately answer each of these questions I need to be sure all our clients understand our process at Business By Design when it comes to tax preparation. Typically, you will not have just one person who works on your tax file. I have purposely designed our tax process to ensure you will have MORE THAN ONE person at Business By Design who is familiar with your tax records and tax returns.

We have a 5-step process for all tax returns to go through. During your tax preparation:

- We will typically have one person who will do data entry and gathers information. Often to save time, we will have a staff accountant assist the "Preparer" of the return.
- Next, your return goes to one of our "Preparers" for technical review. This is the person who actually signs your return, and is responsible for the return.
- The final step is a Conceptual Review. Here, one of my "Preparers", or myself, will look over the return to see if there is anything else in "concept" we need to do in the upcoming year to help the client.

Often, different people will do all three stages. Currently, there are three (3) people who can sign tax returns as a "Preparer" for your tax return. These people are: Paul, Kathy, Selamu. These three people would be considered to be your "Accountant" or "Preparer". Any other person you may come in contact with will be assisting your preparer in getting the necessary information.

Over the years, our tax staff has grown and changed to meet the needs of our clients. Please understand that you may have someone contact you who may not be your "Accountant" – (the person responsible for your return), but they may be helping do some of the data entry and information retrieval.

## **PHONE CALLS AND CUSTOMER SERVICE:**

As all of you know, we do not charge for phone calls. This is part of the customer service we provide for our clients and we want to continue to provide this at no cost for our clients. All of our clients deserve to get friendly, courteous service, and accurate information.

**SPEAKING DIRECTLY TO WHO YOU ARE CALLING:** Most times you call, you can speak directly to the person you are asking for. However, due to the nature of our business, undisturbed work-time is crucial to our accuracy and effectiveness. Everyone here has set aside time to work specifically on his or her files. We ask that you please understand this. Leaving a voicemail or e-mailing your questions is a common way for us to interact with you.

**BUSINESS BY DESIGN'S RETURN CALL POLICY:** Everyone at Business By Design will make the commitment to get back to you within a 24 hour time period. Generally, calls will be returned the same day if received before 3:30 p.m. If a call is

received after 3:30 p.m., it will be returned the next business day. Obviously, at some times during the year this is more difficult. We will make every attempt to handle your question or concern as soon as we can.

**STOPPING BY OUR OFFICE WITHOUT AN APPOINTMENT:** From time to time we will have people that are in the area and want to stop by our office. We like to have people come in and see us, and we will make every attempt to help you. However, please understand that it is not always possible to meet with the person whom you may intend to speak with if you do not have a scheduled appointment.

Often, even if we are not with clients, we will be working on information requiring much focus. Please understand that we will not be able to accommodate you at all times without a scheduled appointment. We suggest that you call first to see if you can meet with the person you desire. At that time you will know if they have time in their schedule to meet with you.

We will be more than happy to set up a specific time to meet with someone, please allow us to do that for you!

## **COPIES OF YOUR TAX RETURN.**

**FOR 2012:** Business By Design, Inc. is continuing the pursuit of a paperless process for tax preparation. We will provide you with one electronic copy of your tax return and tax documents on a CD each year.

**NOTE FOR 2012:** If you would like a paper copy of your tax return, one will be provided for an additional fee of **\$25.00 per return**. We ask that you make your request for a paper copy when you drop off your tax information.

If you are in need of additional paper or electronic copies of your tax returns, an additional fee will be charged (a minimum of \$40.00 per return, per request). This will apply to paper copies, faxes or e-mails, to yourself or a third party. Please keep your original copies.

We will be happy to provide you with additional copies, but please understand each copy costs time and money. The copies originally provided to you will be the only copies you receive free of charge. (This fee will need to be charged to a credit card before the copies are provided.)

## **SPECIAL REQUEST LETTERS TO BANKS(\$40.00 Charge):**

Common Question: "It is just a simple letter, why do you have to charge?"

We have had many people comment on this issue. We do understand where our clients are coming from, and we really wish we did not have to charge for this. (We would actually prefer if we did not have to provide these letters at all). We get between 200-300 requests each year for these letters.

In today's banking environment, documentation is a fact of life. Banks will always want someone else "on the hook" for assurances that your financial information is accurate. This comes up so much that we have to deal with it as a time and liability issue. If you have any questions about this, you can contact me at 952-392-1200 or email, [PaulMiller@Biz-By-Design.com](mailto:PaulMiller@Biz-By-Design.com)

WHAT IS THE FEE? We will be charging a minimum fee of \$40.00 for each special request letter written to anyone who requests the following, but not limited to: Verification of self-employment, mortgage letter, or verification of financial condition, etc.

## **E-FILING OF TAX RETURNS:**

**E-Filing is REQUIRED:** The MN Department of Revenue is requiring all 2010 individual tax returns to be e-filed. We will be filing your Federal and Minnesota income tax returns electronically, when possible. We will be taking care of this process for you. We will need all your W-2's, 1099's, & other tax related forms to complete this properly. This process went well last year, and we look forward to continuing this process to help the tax filing process become easier for our clients.

## **E-MAIL ACCOUNTS ARE REQUIRED:**

**We need to have a valid confidential working e-mail account:**

More of the tax information we will be working on can be handled electronically. We have been mentioning this over the past few years, and it is now a requirement. If you change your e-mail address, it is your responsibility to notify us of this change. We want to be sure you receive the information we will be sending out. Please check this email on a regular basis.

It is very important that this account can receive sensitive tax information and not be viewed by co-workers or unwanted viewers.

# REMINDERS FOR 2012!

## DO YOU HAVE AN S-CORPORATION?

- **Wages to Officers:** As we have mentioned before, all corporations are required to pay a “reasonable” wage the owner/officers. It is your responsibility to contact us to determine how much in wages you will need from your corporation. When a wage is paid, tax payments must be made.

CRITICAL NOTE: If you do not take a wage from a corporation, you will lose the deductibility of your retirement contribution, health insurance AND, you will be subject to additional social security taxes and penalties.

- **Distributions or Dividends:** You will not be allowed to take a “Distribution” or “Dividend” from your S-Corporation more often than once per month. If you do this more frequently, the money taken may be deemed to be a wage and subject to additional tax and penalties.
- **Corporate Credit Cards:** If you use a credit card for business expenses, it is STRONGLY recommended you use a CORPORATE CREDIT CARD. This will help to ensure the deductions will be legal for the corporation.
- **Rent Payments to Yourself:** If you are renting space or equipment back to your corporation, you must write a check for this rent payment. Failure to do this can result in additional tax and disallowance of business deductions.
- **Other Employees:** If you have any other employees (other than family) working for your corporation you will need to watch for the eligibility of these employees to the fringe benefits provided to yourself. (Health Insurance and Retirement Accounts)

**You should also be aware if you need to have Workers Compensation Insurance. Typically you do not need this insurance on yourself or you family. However, if you hire someone as an employee, you will be required to have Workers Compensation Insurance. Please check with your insurance agent to be sure you have this coverage.**

- **Signing for the Corporation:** You should always sign properly for your corporation. (Your Name, Title) By doing this you protect the corporate veil. Remember, you as an individual, are different from you, as a corporate officer.

## DO YOU HAVE A C-CORPORATION?

- **Wages to Officers:** As we have mentioned before, all corporations are required to pay a “reasonable” wage to the owner/officers. It is your responsibility to contact us to determine how much in wages you will need from your corporation. When a wage is paid, tax payments must be made.

CRITICAL NOTE: If you do not take a wage from a corporation, you will lose the deductibility of your retirement contribution, health insurance AND, you will be subject to additional social security taxes and penalties.

- **Corporate Credit Cards:** If you use a credit card for business expenses, it is STRONGLY recommended you use a CORPORATE CREDIT CARD. This will help to ensure the deductions will be legal for the corporation.
- **Rent Payments to Yourself:** If you are renting space or equipment back to your corporation, you must write a check for this rent payment. Failure to do this can result in additional tax and disallowance of business deductions.
- **Other Employees:** If you have any other employees (other than family) working for your corporation you will need to watch for the eligibility of these employees to the fringe benefits provided to yourself. (Health Insurance and Retirement Accounts)

**You should also be aware if you need to have Workers Compensation Insurance. Typically you do not need this insurance on yourself or you family. However, if you hire**

**someone as an employee, you will be required to have Workers Compensation Insurance. Please check with your insurance agent to be sure you have this coverage.**

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## LIMITED LIABILITY COMPANY (LLC)?

- **Rental Properties:** If you use an LLC for your rental property, all property needs to be deeded to your LLC to provide liability protection. If you need help on this, please contact our office and we can help provide you with your options on how to handle this.
- **Bank Accounts:** If you have an LLC that you use for your rental properties, you need to have a bank account for this LLC.
- **Loans to LLC's:** If you have put personal funds into an LLC to acquire property, you should record this as a loan from you to the LLC.