



Final Quarterly Accounting Reminder And Year-End Accounting Information

December 19, 2011

Subject: **4th Quarter Accounting & Payroll Taxes**

As you know, the *4th Quarter of the year ends on December 31, 2011. **Quarterly Payroll Tax Returns are due by January 31, 2012.*** This memo serves as a reminder to you that we need to receive all of your accounting information as soon as possible after the end of the year, and no later than **January 16, 2012**, in order to meet the deadlines. The end of the 4th quarter is the time to make any last minute changes affecting payroll taxes, retirement plan contributions, and to make sure that you have all the information necessary to produce Form's 1099 for independent contractors, and W-2 Forms for employees. The financial statements produced in January are the results that will be reported on your income tax returns, so time is of the essence.

Following are some guidelines to help you pull together everything needed to complete the 4th Quarter.

Most Forgotten Deadlines:

Business Personal Property Tax Returns: Due on 03/01/12 in some counties (i.e. Gwinnett, DeKalb), and on 04/01/12 in others (i.e. Fulton). Be sure check your mail for the forms and fax or mail us copies upon receipt.

Business License Renewals: Due on 01/31/12 some counties/cities (i.e. City of Decatur), on 02/01/12 in some counties (i.e. DeKalb), on 02/15/12 in some counties (i.e. Fulton, Gwinnett, City of Atlanta), and on 03/15/12 in others. Be sure to check your mail for the forms and fax or mail us copies upon receipt.

Secretary of State Annual Registration: The annual fee in Georgia has increased to \$50 and is due by 04/01/12. You should receive a post card that contains your renewal information and you may renew online. Be sure to make any changes to company officers, and any address changes when you renew.

Georgia Department of Labor Rate Change Notices: You should be receiving a 'Notice of Rate Change' from the Georgia Department of Labor in December or early January. Please fax, scan, or mail a copy as this will be needed to correctly report payroll taxes in 2012.



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4-Serenity, Inc. is not a registered broker/dealer or independent investment advisory firm.

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Business Income Tax Deadlines:

- **March 15th** – Corporation and S-Corporation Forms 1120 and 1120-S, or extensions until September 17th.
- **April 16th** – Partnership and Estate and Trust Forms 1065 and 1041, or extensions until September 17th.
- **May 15th** – Calendar year Non-Profit Forms 990, or extensions until August 15th.

1099 Forms: Forms 1099-Misc generally must be filed by January 31st. All payments to attorney's and Law Firms are required to be reported on 1099's, no matter the amount. Also, beginning with tax year 2011 owners of rental properties are required to file 1099's to all contractors performing repairs, maintenance and other services, who were paid \$600 or more for the year. If I have already sent a request for W-9 information on contractors you paid, and you haven't addressed it, please be sure to do so as soon as possible. To summarize, you need to file 1099's for the following:

- Independent Contractors earning \$600 or more.
- Attorney's fees of any amount paid to individuals or corporations.
- Director's fees of \$600 or more.
- Rents paid to individuals of \$600 or more.
- Services of \$600 or more paid to anyone in connection with a rental property.

Online Banking Access: If you have already provided us with *online access* to your bank and credit card accounts, then please review this information anyway, and provide those items which cannot be gleaned from your bank and credit card statements. If you have not provided us with online access, then please consider doing so as it will make the process 100 times more efficient.

Our contact information is as follows:

For US Mail:
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Quarterly Accounting Information (if applicable)

The following information should be sent upon the arrival of your last monthly bank statement which is generally between the 5th and the 12th of the month following quarter-end.

- Quarter-end Dates: March 31, June 30, Sept. 30, Dec. 31
 - Payroll Tax Return Due Dates: Jan. 31, April 30, July 31, Oct. 31
1. Bank Statements and Cancelled Checks (or a check register). [Note: Checks written on or before December 31st count for the prior year even if not cleared until January.]
 2. Latest online Bank Statement including any December transactions which may not have cleared the bank (online access is preferred).
 3. Credit Card Statements with closing dates through January. (Note: If the closing date is 1/06/11 then this is your January statement, but it also contains December transactions). This is also the time to catch-up on any statements not provided earlier in the year. Be sure to notate the business purpose of each transaction which is not obvious, or normal.
 4. Receipts or statements are required for **cash purchases**, real estate purchases or refinancing, and fixed assets including equipment and vehicle purchases.
 5. Please provide notes on any extraordinary events such as new leases, contracts, and equipment purchases (you may send these via e-mail).
 6. Written memos on checks, bank statements, and credit card statements noting the business purpose of each expense that is not clear from the transaction (i.e. ATM, ACH, EFT transactions, and unusual events).
 7. Make a notation next to any *deposits to the bank* which were not income, such as loans and contributions from yourself, loans from third parties, repayment of loans by you or others, credit card advances, and cash rebates.
 8. If you use QuickBooks, please forward a regular (not the accountant's version), or portable back-up copy of your file. If you need to use your file while we are updating your version, then be sure to keep a record of what you enter because you will need to re-enter it after we return your reviewed copy. Be sure to let us know when you need your file back when sending a file for review.

Year-End Accounting Information (All)

1. **Auto loan statements** showing the year-end balance owed on all business owned vehicles as of December 31st (and annual interest paid on the loan if available).
2. **Total miles + business miles** placed on each company owned, or business use vehicle.
3. **Loan statements** showing the year-end balance owed and annual interest paid on all business owned Real Estate for rental, and/or investment purposes.
4. **Line of Credit** and credit card statements for business related debts, reflecting the interest and principal payments made during the tax year, as well as the ending balance.
5. **Ending Inventory** – All retailers, including any business which sells products and collects sales tax, must provide their Ending Inventory as of December 31st (i.e. the value of all products and supplies on hand for resale).
6. **W-9 Forms** - W-9 Forms are used to prepare Form's 1099-Misc and should be obtained from all independent contractors who were paid \$600 or more during the year. You may download W-9 Forms at www.irs.gov, or we can provide them for you. Note: The time to request a W-9 is before you pay a contractor, not after.
7. **Business Bank Statements** – If you don't allow us to have online account access, then you must provide statements for all company owned bank accounts, including copies of canceled checks, or a detailed and legible check register. If you are behind schedule, please address this right away. You need to keep all records for a minimum of 3 years from the date your tax return is filed.
8. **Cash or Outside Purchases** – You must provide receipts for any business items purchased with cash, or from personal funds.
9. **HUD-1 Statements:** Provide a copy of the first two pages of form HUD-1, closing (or settlement) statements for any real estate purchased, sold, or refinanced during the year.
10. **Home Office Expense** - We generally don't need this information until it's time to prepare your personal tax return, but you may provide it now if you wish (i.e. home utilities – electric, gas, water, trash, security, internet service, home phone, cell phone expense, etc...).

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