

Happy New Year!



DONOVAN SULLIVAN & RYAN

January 2010

A Newsletter for our Clients and Friends

From the staff at Donovan, Sullivan & Ryan



FROM THE
PARTNERS
PEN....

Dear Clients and Friends,

Happy New Year! Let's hope that 2010 is better to us than 2009!

On December 2nd, all of our staff attended the annual "Tax Camp" sponsored by the Massachusetts Society of CPA's. Over four hundred CPA's and tax preparers received a thorough and concise update on the latest tax changes for 2009 and beyond.

We are looking forward to a successful tax season. Tax organizers and engagement letters are in process and should be in your mail shortly. Please make every effort to respond to our requests as quickly as possible.

As always, we welcome your referrals of any friends or business associates that are in need of our services.

Sincerely,

Mike Ryan

INDIVIDUAL TAX RETURN TIME

At this time of year we need your help and cooperation in order to provide you with superior service. Very shortly you will be receiving your 2009 Individual Tax Return Organizer and Engagement Letter. These materials are designed to provide us with the information and documentation needed to properly prepare your returns. Our goal is to make sure that you do not pay any more taxes than legally required under the tax laws.



Please accumulate all the tax documents that you will be receiving over the coming weeks and keep them with your organizer. When you believe you have received everything needed please review your organizer to see if anything is missing. When you have all your information, please complete the organizer. You do not need to enter information on the organizer if you are sending us original source documents which include that information. That is, you do not need to fill in W-2 wage amounts or 1099-Interest amounts if you are providing us with those documents. Be sure to answer all the questions in the organizer making sure you provide us with all pertinent information such as any estimated taxes you paid, amounts of any charitable contributions and all health insurance information (forwarding your 1099-HC would be sufficient).

Please sign both the Tax Organizer and Engagement Letter and return everything to our office as soon as possible. **Without these signed documents, we will not be able to begin working on your returns.** Don't forget to include your email address so that we can contact you with any questions.

We are also including instructions on how to use DSR's client portal. Please note that all clients will be receiving a paper copy of their 2009 returns. The portal can be used to access copies of your prior tax returns beginning in 2006 or to exchange documents, spreadsheets or large files, such as QuickBooks files for your 2009 return.

As always, if you have questions or need help, don't hesitate to contact us.

F.Y.I.

IF YOU ARE FILING A PRELIMINARY APPLICATION FOR FINANCIAL AID THAT IS DUE ON FEBRUARY 1, 2010 AND YOU WILL NEED A COPY OF YOUR 2009 FEDERAL INCOME TAX RETURN, PLEASE GET US YOUR TAX INFORMATION **RIGHT AWAY** SO YOU CAN FILE YOUR APPLICATION ON TIME.

"More than accountants...business advisors"

WHAT NOT TO SEND WITH YOUR TAX RETURN INFORMATION

After you have filled out your Individual Tax Organizer and begin to gather all of your tax documents to send along to us, here are a few things that you do **not** have to include:

- ◆ Prescription receipts or copies of any medical bills/receipts.
- ◆ Donation Letters
- ◆ Real Estate Tax Bills
- ◆ Excise Tax Bills
- ◆ Any check copies or copies of personal bank statements

We do need to know the totals of the above items and you can indicate them in your organizer. In the event you are audited, you should hold on to all backup of items that support the amounts you give us.

Please note also that auto license and registration fees, water and sewer fees and political campaign contributions are not tax deductible and it is not necessary to include those items with your tax information.

Also, when forwarding us a copy of your QuickBooks file, please do not send us the Accountant's Copy or Portable File. Just send us a regular copy of your QuickBooks file. We encourage you to use our client portal (instructions will be included in your organizer package) whenever you are forwarding any large files such as QuickBooks files.

2010 Client Pocket Calendar Now Available

We have a handy client pocket calendar available upon request. This calendar is packed with useful information such as:

- Interesting tax facts
- Important tax days table
- 3 year calendar and Holidays table
- A 14 month calendar
- A mileage and expense log
- 2011 planning pages

Please contact **Barbara Martin** at bmartin@dsrca.com to request your pocket calendar.

Standard Mileage Rate Changes

The standard mileage rate for business travel will decrease from 55 cents to 50 cents per mile after 2009.

Increased Penalty For Failure to File Partnership or S Corp Returns

Did you know there are civil penalties that apply for failure to file Partnership and S-Corp returns? The penalty is a statutory dollar amount times the number of partners or shareholders for each month (or fraction of a month) that the return has not been filed, up to a maximum of 12 months. The base amount on which a penalty is computed has increased from \$89 to \$195 per partner or shareholder in 2010.

AROUND THE OFFICE

On December 18th, the staff at Donovan, Sullivan & Ryan was treated to a wonderful Christmas luncheon at Charles River Country Club in Newton. It was fun taking some time off to ring in the holiday season with our fellow employees! After celebrating the holidays with our loved ones, we are all back to work gearing up for the upcoming tax season!



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