

To: Dental Group Clients and Bookkeepers
Regarding: Year-end Bookkeeping and Tax Related Items
Date: January 2021

The New Year is upon us and that means it is time to begin thinking about yearend bookkeeping items for your practice. This is also the time of year that we usually bombard you with numerous resources and items to complete.

In order to reduce the amount of paper sitting on your desk, we will be providing you the resources listed below via our website www.dentalgrouppllc.com.

- Auto Tax Rules
- Auto Worksheet for Mileage
- QuickBooks Year End Accounting Procedures
- Rules related to deduction Meal Expenses
- Form 1099 Filing instructions for Desktop and Online QuickBooks Users
- Obtaining W-9 Information from Vendors via QuickBooks Online
- Form 1099 Filing Confirmation

ACTION ITEMS: We require the following items from you prior to filing the tax return for the practice:

- Auto Worksheet for the practice owner**
- Form 1099 Filing Confirmation**
- Completed QuickBooks for the year with transactions reconciled through 12/31**
- Loan statements reflecting the balance on each loan as of December 31, 2020 (if applicable)**

As a reminder, Forms 1099 are due to the Recipient by January 31, 2021. We recommend that our clients file their 1099s electronically with the IRS. We believe this method to be more efficient and cost effective not to mention that electronic filing will likely be required in the near future.

QuickBooks Desktop - You can prepare your 1099s in QuickBooks as you normally would but instead of clicking on "Print 1099s" you will select "Go to 1099 E-file Service". This will cost \$14.99 for the first 3 forms and then it will be \$3.99 for each additional form.

Online Forms Service - IRS Approved Site - There are a number of Online form services that are approved by the IRS. We've used *Tax 1099* in the past. The cost on that varies, but we found it starts at \$2.90 per form and has more discounts for ordering more than 10 forms; for more details, please look at <https://www.tax1099.com/>

NEW PORTAL SYSTEM: This year, after much feedback, we also want to provide a software solution that simplifies tax time by replacing our existing NetClient CS solution. The solution is called TaxCaddy. TaxCaddy makes it easier than ever to gather your 1040 tax documents and deliver them to us, communicate with us, answer your questionnaire electronically, and sign documents like the e-file authorization. We're excited about this powerful, free, secure solution and we think you will be too!

Here's what you can expect (starting in Mid-January):

- TaxCaddy is provided at no cost to you. The previous NetClient CS system will still be available through the end of April where you can retrieve and download previous tax returns but will no longer be used for new 2020 tax organizers or tax returns.
- Your TaxCaddy account will reflect your tax return progress with us. You will only need to provide the documents and tax information that are pending.
- You can submit documents by taking pictures with the TaxCaddy mobile app, uploading files, or manually entering information.
- For greater convenience, you will also have the option of authorizing TaxCaddy to retrieve documents automatically from your financial institutions which will give us access to them immediately. (See instructions on Smart Links.)
- Technical support and troubleshooting are available by email and chat in the TaxCaddy Help Center.

Come early January, you'll receive an email to create your TaxCaddy account. The email will contain instructions with three easy steps to get started. If you'd like to learn more while you wait for your invitation email, you can visit the TaxCaddy website at <https://taxcaddy.com>. **(Note: Do not use the "Sign Up Free" option on the TaxCaddy website. You'll use a personalized link in our upcoming invitation.)** So, be on the lookout for the TaxCaddy invitation email.

As always, if you need help or have questions, please do not hesitate to contact us.

Sincerely,

Dental Group, LLC

DG Advisors LLC – A Dental Group Company