

449 Rte. 130
Suite 9
Sandwich MA, 02536

www.tasgs.com



THE
ACCOUNTING
SOLUTIONS GROUP

Adam G. Chaprales
Managing Partner

December 31, 2018

RE: Year-End Forms and Processing Requirements

Dear Restaurant Owner,

We would like to inform you of important year-end documents you are required to file, and what you will need to provide to your Federal and State taxing authorities in order for you to be compliant and timely in your tax submission for 2018 tax year.

There are 3 important tax forms, in which TASGS can render on your behalf for you to file and submit to the state and federal agency's:

1. Form 8027
2. Form 1099 & 1096
3. Form W-2 & W-3.

Please review this packet in its entirety. Because the State and Federal Agencies have strict time lines as to when these forms need to be filed –otherwise a penalty can be assessed—you are requiring to return these forms in per the agency's time table as denoted later in the packet.

Please call me with any Questions?

Thank You,

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Subject: IRS Form W-2 – 2018 Pre-Processing Review

Dear Restaurant Owner,

It is important for you to review all Employee census paperwork to ensure accuracy of W-2's being processed correctly to avoid penalties.

Please note that any missing information (for example: missing or incomplete social security numbers, missing addresses, etc.) should be researched, edited and brought to our attention for correction prior to printing the 2018 W-2s.

Please keep in mind that if these forms are filed with incorrect and/or missing information, penalties could be assessed at \$50.00/penalty by the taxing authorities and could result in the SSA rejecting your W-2 file. Our goal is to minimize any such occurrences on your behalf.

Information provided with Attachment

Yes, all information is correct and the W-2s can be processed with information TASGS has on file.

No, please find attached corrected employee information.

Thank you for your attention in this matter,



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Subject: IRS Form 1099 – 2018 Pre-Processing Preparation

Dear Restaurant Owner,

There are two questions on your business tax return that require a Yes/No response concerning your administrative processing requirements/criteria for 1099 forms as follows:

**Question 1: Did you make any payments in 2018 that would require you to file Form(s) 1099?
ANSWER Is Either: “YES” or “NO”**

Question 2: If “Yes” to question 1, did you or will you file all required Forms 1099 YES NO

We recommend that you discuss/review in advance of preparing your 2018 tax return these two questions with your CPA/tax preparer.

Consistent with your responses to these two questions, **at the very minimum**, and as directed by any further advice we receive from you and/or your CPA/tax preparer, our office will prepare a 1099 form for The Accounting Solutions Group along with any other qualifying 1099 vendors **whereby we have on file the inclusive taxpayer identification information form W-9.** Note that this form W9 (attached) is required in order to process and send a 1099 to any qualifying vendor/recipient. Accordingly, by taking this approach for the year 2019, it would demonstrate at least a reasonable effort on your behalf toward compliance in responding to the above questions.

The IRS is very persistent in imposing full compliance on all businesses concerning 1099s for all “applicable” vendor payments and additionally requires you to send and retain on file all completed Form W-9s (copy attached) to all such vendors. **Late filing of mandatory 1099s could lead to penalties ranging from \$30 to \$100 per 1099, with a maximum of \$500,000 a year for your small business.**

Please feel free to contact our office directly if you wish to further discuss these administrative burdens being imposed by the IRS relative to the issuance of 1099 forms....Just one more administrative back office function to make being in business tougher and tougher.....

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Subject: Definition & Guidelines for IRS Form 1099

The IRS Form 1099-Misc is the form that is usually prepared at the end of each calendar year which reports rent payments, nonemployee compensation and payments to vendors for services made in excess of \$600 to individuals or partnerships (LLC's).



In order to issue a Form 1099, you must request and retain on file for each respective qualifying vendor a signed and completed Form W-9. If you do not have on file a signed and completed W-9 for selected Vendors/recipients, a **1099 MISC CANNOT and WILL NOT BE GENERATED.**

Examples of payments for services include but not limited to:

1. Professional fees paid to an attorney (including corporations), accountants, architects, contractors, engineers etc. Payments to independent contractors for services by someone who is not your employee. **Payments to nonemployee entertainers for services.**
2. Payments by your company for consulting, IT services, cleaning & janitorial, web design services, plumbing repairs etc. (If the service payment included parts and materials incidental to the service, the Form 1099 would include these also)
3. Rent paid to a landlord
4. Fees paid by one professional to another, such as fee-splitting or referral fees

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Subject: IRS Form 8027 – 2018 Pre-Processing Preparation

We will be compiling the information requirements necessary to complete your IRS Form 8027 Employers Annual Information Return of Tip Income for 2018.

The attached “8027 worksheet” discloses specific information regarding the various related charge sales, cash sales, and tip percentages for your restaurant. This information has been compiled from your sales data for the calendar year ended December 31, 2018.

This is an “information only” return, which all food and beverage establishments are required to file that has an average of 10 or more employees within the calendar year. Accordingly, there is no payment due with this return.

The “charge tip percent” compared to the “cash tip ratio” represents your restaurant’s “Tip Gap” which is recommended by the IRS to be no greater than 2%.

Accordingly, it is recommended that your “Tip Gap” be continually reviewed and followed up on for any required adjustments with your servers regarding their ongoing reporting of tip declarations with each week’s payroll. In all cases, the IRS guidelines clearly call for declaring 100 % of all tips collected by your servers.

Please sign the enclosed 8027 form where indicated and mail to the IRS no later than February 28, 2019.

Mailing address:
Dept. of the Treasury
Internal Revenue Service
Cincinnati, OH 45999

Please call if there are any questions.
Thank you,