



Dear Business Client,

We are writing to remind you of some of the year end procedures that your company should consider now that we are in the final month of the calendar year. Perhaps not all of these issues will be directly relevant to your company for the current year but they should be reviewed to determine their relevancy to your company's needs.

The first issue to consider is whether or not your company is required to file IRS 1099 forms for vendors that you have paid in 2007. We are attaching the general requirements for 1099/1096 reporting. Please review this attachment to determine under what circumstances your company needs to file these reports. We also want to provide you with the IRS web site links to the instructions for the 1099 forms and the related W-9 form. Please go to our website at [www.WittenbergCPA.com](http://www.WittenbergCPA.com) and use the link tab to access the IRS website where you can choose forms from their home page.

Another consideration is to hold your company's annual meeting. If your company is incorporated (either C or S corporation) the officers and shareholders should hold annual meetings to determine matters that are essential to the management and operations of the company. Please refer to your company's articles of incorporation and bylaws or consult with your company's attorney to determine the annual meeting requirements of your company. Limited Liability Companies (LLC's) are not required to hold annual meetings however this practice is highly recommended to clarify company policies and changes in operational matters. We are attaching a list of potential topics to be considered for your company's annual meeting to provide you with some guidance on relevant issues.

Also, we want to bring to your attention, now that we are near the end of another year, some guidelines for record retention. The minimum required period for retaining financial records is 3 years which is based upon the three year look back period that the IRS and other tax authorities may enforce. Our office recommends a 7 year archiving of relevant tax and accounting support information just to make certain that any prior year issue can be resolved with the proper factual financial and employment data.

Lastly, make sure that you provide or update, if you have already provided, your State of WA resale certificate at least once every four years as required by the Dept. of Revenue. The buyer (a.k.a. the retailer or contractor) must provide a properly completed resale certificate to the seller (a.k.a. the wholesaler or subcontractor) in order to substantiate the fact that the seller is not responsible to collect sales taxes from the buyer, otherwise the Dept. of Revenue deems the seller responsible for the uncollected sales taxes.

This correspondence is meant to be useful in reminding you of a few of the more relevant year end issues that your company should address. Please contact our office if you have questions about these matters or concerns about other year end procedures.

### *Special Note to Payroll Clients,*

We are also writing as a year end reminder for you to update pertinent information on behalf of your employees that is either required by law or is relevant to your company's record keeping. We have enclosed master copies of the 2008 form W-4; INS Form I-9 and the DSHS New Hire Reporting information. Remember that the minimum wage has been increased to \$8.07 per hour, effective January 1, 2008.

Please have each of your current employees complete a 2008 W-4 form, and provide a copy to our office as soon as possible. This allows your employees to assess and possibly change their withholding status

and confirm their social security number, marital status, and mailing address. The 2008 form W-4 can also be accessed from our website link to the IRS home page at [www.WittenbergCPA.com](http://www.WittenbergCPA.com).

Each new employee must complete a 2008 form W-4 (lines #1-7) along with their signature, date of hire and date of birth. As the employer, you need to complete lines #8-10 and forward a copy of the W-4 to our office. You must complete and retain the Form I-9. Please let us know if we can assist you with the DSHS New Hire Reporting requirements.

We'd like to remind you that Washington State law (under RCW 50.12.070 and WAC 192-12-050) requires that the following information needs to be maintained by employers:

- Name (in full) and date of birth of the employee
- Social Security number
- Days and weeks when work was completed
- Dates and hours worked (specific time in and time out)
- Wages paid for each separate pay period
- Location where work was performed
- Date when engaged or re-hired to work
- Date when the individuals name was removed from the payroll
- Cause of separation from work due to discharge, quit, etc.

According to the State of Washington these employee records are to be kept for a period of at least four years, but our office recommends seven years. We also recommend that you maintain an employee policy and procedure manual and that you review the overall content of your employees' files annually for completeness.

Don't hesitate to let someone in our office know if we can assist you in completing the required forms or to help you understand the rules as they apply to your company.

Best Regards,

Wittenberg CPA, PS

