CARLTON, HEALY & FREDERICK LLP

Certified Public Accountants

2006 TAX DATA ORGANIZER

Please use the organizer as a review and assembly tool; it is not necessary for you to write in amounts from W-2's and 1099's, but rather attach all original such forms to the pages of the organizer to which they relate. If additional organizer pages are needed, call our office and they will be provided**. IT IS IMPERATIVE THAT YOU RETURN YOUR ORGANIZER TO US ALONG WITH ANY OTHER 2006 TAX DATA, WHETHER YOU COME IN FOR AN APPOINTMENT OR SUBMIT YOUR MATERIAL BY MAIL.**

2006 ELECTRONIC FILING

In response to Federal and State requests and mandates, we again plan to electronically file all 2006 returns that qualify. This filing process will therefore apply to the vast majority of our clients. We will advise you of any exceptions. When we complete your 2006 tax return(s), you will be provided with a paper "clients copy" of the return(s) along with electronic filing authorization forms which you must sign and return to our office. Upon receipt of the original signed authorization forms (no fax or email copies permitted) we will then electronically transmit your tax return(s) to the appropriate tax authorities. **NOTE: NO RETURNS CAN BE TRANSMITTED UNLESS THE SIGNED AUTHORIZATION(S) HAVE BEEN RECEIVED FROM YOU!**

ENGAGEMENT LETTER

An updated 2006 version of our tax return preparation engagement letter is now included as page two of your organizer package – PLEASE BE SURE TO SIGN AND RETURN IT WITH YOUR ORGANIZER! A duplicate copy of the letter (see over), for your records, is attached to this memo. This engagement letter, simply put, is an understanding between the preparer and the client as to services to be performed and the related responsibilities. Its use is strongly recommended for the benefit of both parties by both our State and National Societies.

ELECTRONIC RECORDKEEPING

Carlton, Healy & Frederick will continue retaining your original tax related information by scanning the documents and storing them electronically. All paper originals will be returned to you upon completion of your return. **It will be your responsibility to retain all such paper and/or hard copy back-up documentation**.

1099 FORMS

Remember, incorrect 1099's spell future problems! Check all 1099's you receive to insure they are correct both in amounts and as to Social Security numbers. Be sure to inform us of any errors!

For people in business, including lessors, proper issuance of 1099's is still a must! If the obligation exists, do not forget to prepare 1099's for legal services and any non-corporate services for which you paid $600 or more. 1099's are also required for payments of business rent ($600 and over) and interest ($10 and over). The due date for mailing 2006 1099's to the recipient is January 31, 2007. If you have any questions relating to 1099 compliance please call **Robin Scanlon** at our office.

APPOINTMENTS & MAIL-INS

We intend on dealing with all tax preparation engagements on a first-in-first-out basis. **If you mail in your organizer, please do so as soon as it is complete. Otherwise, please schedule your tax appointment as early as possible, but select a date which allows you adequate time to prepare your material.** Our receptionist, **Cassie Picone**, will be happy to assist you.

-- NEW & INFORMATIVE --

CH&F WEB SITE

Please visit our recently updated web site at **www.chfcpa.com** for many helpful forms and links. The *Resources* page provides both links for tax, retirement, finance and college planning, plus pdf versions of our client letters, non-cash contributions valuation guide and a record retention guide. You will also be able to update your personal and/or business information from the *Home* page, and link directly to *Financial Strategies Online* for all types of tax and business planning articles, handy calculators and monthly newsletters. Bookmark it for future reference and great information in 2007!