

From: Carrie Smith <carries@monticellomontessori.com>
Sent: Tuesday, February 28, 2023 5:53 PM
To: [REDACTED]
Subject: Fwd: IRS Penalty Letter
Attachments: IRS Penalty Letter.docx; Owed to IRS.xlsx

----- Forwarded message -----

From: Carrie Smith <carries@monticellomontessori.com>
Date: Mon, Jan 30, 2023 at 10:42?AM
Subject: Fwd: IRS Penalty Letter
To: Mel Rivera <Mel.Rivera@osbe.idaho.gov>, Jacob Smith <jacob.smith@osbe.idaho.gov>

----- Forwarded message -----

From: Kurt Folke [REDACTED]
Date: Wed, Jan 25, 2023 at 11:38 AM
Subject: IRS Penalty Letter
To: Carrie Smith <carries@monticellomontessori.com>

Hi Carrie:

Attached is the IRS penalty abatement letter that you can review, change as you see fit, and use when submitting the payment.

Couple things...

- * It does not have to be signed by the board chair. It could also be the administrator if you prefer.
- * You will probably want to print this letter on the School's letterhead.
- * You will also want to print and attach the first tab out of your "Owed to IRS" spreadsheet. This is the "Taxes Owed" tab and I've reorganized it a little for clarity purposes. You could also provide the information in the other tabs as well, but quite frankly, you want to keep things as simple as possible when submitting to the IRS. Keep it simple and big picture and you have a better chance of getting what you are after.
- * I did not go into detail in the letter about the fact that the School had already paid penalties over the years (but you could if you want to). When they review the situation, they will likely see this anyway and there are both pros and cons to re-emphasizing it again in the letter. Re-emphasizing that substantial penalties have already been paid may make it look like the School has a history of this behavior and this can lessen the likelihood of them wanting to abate. But

again, change however you see fit.

Best of luck and thanks for all your hard work on this project for the School. Have a good day!

Best Regards,

Kurt Folke, CPA

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From: Carrie Smith <carries@monticellomontessori.com>
Sent: Tuesday, January 24, 2023 11:41 AM
To: Kurt Folke <kurt@qcpas.com>
Subject:

Kurt,

I've created a summary by year (see attached). There were two quarters that I was unsure of how to list them.

The 1st quarter of 2019 included large penalty and interest charges. An IRS electronic deposit for \$2,424.79 was accidentally entered as \$242,479.00. The bank dishonored the payment, and we received additional penalties for a dishonored payment. It also appears that

larger interest and additional penalties were charged based on the incorrect entry. I listed all of the interest and penalties for that quarter under the waived spreadsheet.

There was an error on the 941 for the 2nd quarter of 2019. I filed a 941-X to correct the error, but I received something from the IRS saying it would be at least 60 days before it would be processed. On the 941, the amount of FICA withholding was entered on the federal withholding line. This incorrectly increased the amount to be deposited by \$4,822.12. I subtracted this amount from the tax owed and included any penalties and interest on the waived spreadsheet.

The third tab on the spreadsheet shows the interest and penalties paid to date from 2014 forward.

I assume we will just request that any additional penalties and interest be waived. Please let me know if you have any questions or need any additional information from me.

Thanks again for your help.

Carrie Smith