

# Business Entities Tax Organizer

Name: \_\_\_\_\_ Year: \_\_\_\_\_

Address: \_\_\_\_\_ Federal EIN: \_\_\_\_\_

Email Address: : \_\_\_\_\_ Type of Entity: \_\_\_\_\_

Client Contact : \_\_\_\_\_ Phone Number: \_\_\_\_\_

## NEW CLIENTS

Provide the following information:

	<u>Done</u>	<u>N/A</u>
1. Federal, state, and local tax returns for prior three years, including amended returns.	_____	_____
2. Articles of incorporation, bylaws, partnership or operating agreement, certificate of limited partnership, or articles of organization, including any amendments.	_____	_____
3. Tax provision from prior year with supporting documentation.	_____	_____
4. Schedules for carryovers of losses, deductions, or credits.	_____	_____
5. For S corporations: Election (Form 2553), QSub election (Form 8869), built-in gains tax information, and accumulated earnings and profits.	_____	_____
6. For partnerships: Partners' inside and outside basis, details of any Section 754 election in effect, and book-tax differences for property contributed in prior years.	_____	_____

## GENERAL INFORMATION

Former and current information if there has been a change to the entity's name, address, type of entity, or contact information. \_\_\_\_\_  
 \_\_\_\_\_

Explain any significant changes in the entity's business or operations.  
 \_\_\_\_\_  
 \_\_\_\_\_

Schedule of beginning of year (BOY) and end of year (EOY) ownership:

Name	Address	EIN/SSN	Individual/ Type Entity	Foreign or Domestic	BOY Ownership %	EOY Ownership %

For each change in ownership, provide date of transfer, parties involved, and interest acquired or sold (common or preferred stock, voting or nonvoting stock, general or limited partnership interest, etc.). \_\_\_\_\_  
 \_\_\_\_\_

Schedule of entities owned using the following format:

Name	Address	EIN	Type of Entity	Foreign or Domestic	Ownership %

Please provide the following information:

- |  | <u>Done</u> | <u>N/A</u> |
|--|-------------|------------|
| 1. Amendments (written or describe if oral) to articles of incorporation, bylaws, partnership or operating agreement, certificate of limited partnership, or articles of organization. | _____       | _____      |
| 2. Copy of notices from federal, state, or local taxing authorities with any changes noted.  | _____       | _____      |
| 3. Copy of federal and state payroll tax reports.  | _____       | _____      |
| 4. Copy of Form 3115 if there has been a change in accounting method.  | _____       | _____      |
| 5. Copy of Form 1128 if there has been a change in tax year.   | _____       | _____      |
| 6. Copy of Form 970 if the LIFO method was adopted or terminated.  | _____       | _____      |
| 7. Copy of Form 8832 if a check-the-box election was filed.  | _____       | _____      |

**FINANCIAL INFORMATION**

Please provide the following information:

- |   | <u>Done</u> | <u>N/A</u> |
|---|-------------|------------|
| 1. General ledger.                              | _____       | _____      |
| 2. Detailed trial balance with account numbers. | _____       | _____      |
| 3. Balance sheet and income statement.          | _____       | _____      |
| 4. Audited financial statements, if available.  | _____       | _____      |
| 5. Support for tax credits to be claimed.       | _____       | _____      |
| 6. Schedule of federal estimated taxes paid.    | _____       | _____      |

**INCOME AND DEDUCTIONS**

Please provide the following for the tax year:

- |   | <u>Done</u> | <u>N/A</u> |
|---|-------------|------------|
| 1. Form W-2s or 1099s filed.  | _____       | _____      |
| 2. Form 1099s or Schedule K-1s received.  | _____       | _____      |
| 3. Schedule of LIFO and/or UNICAP calculations.   | _____       | _____      |
| 4. Depreciation schedules for book, tax, AMT, and ACE purposes, including a rollforward of additions and disposals and a calculation of current-year expense. | _____       | _____      |
| 5. For property acquired: description of property, date of acquisition, purchase price, and trade-in allowances.  | _____       | _____      |

Done      N/A

- 6. For property disposed of: description of property; calculation of book, tax, AMT, and ACE gain (loss); date of acquisition and disposition; cost and sales proceeds; accumulated depreciation; and trade-in allowance.
- 7. For domestic production activities deduction: domestic production gross receipts, qualified production activities income, and qualified W-2 wages, including K-1 amounts.
- 8. Foreign income, expenses, and foreign taxes paid.
- 9. Fringe benefits provided or paid to partners or more than 2% S corporation shareholders, including amounts treated as guaranteed payments or wages.
- 10. Charitable contributions using the following format:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Donee	Cash	Description and FMV of Property	Appraisal Attached?	Substantiation Attached?

Done      N/A

- 11. Vehicles using the following format:

\_\_\_\_\_

Vehicle	Individual Using Vehicle	Date Placed in Service	Business Miles	Commuting Miles	Other Personal Miles

**ASSETS, LIABILITIES, AND CAPITAL**

Was there a change in the method of determining quantities, cost, or valuations between opening and closing inventory? If so, provide details. \_\_\_\_\_

Was there a write-down of "subnormal" goods? If so, provide details. \_\_\_\_\_

Were there any changes to debt in the current year? If so, indicate the amount of new debt acquired, amount of debt paid off, or changes in debt terms. \_\_\_\_\_

Please provide the following information:

Done      N/A

- 1. Detail of prepaid expenses and accrued expenses, include date of payment for accrued expenses paid after year-end.
- 2. Detail of loans to/from owners and/or related parties.
- 3. Details of cash/property distributions to shareholders.
- 4. Detail of any other related-party transactions.
- 5. Detail of any large or unusual transactions.
- 6. Detail of foreign bank accounts, trusts, and transactions.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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*January 15, 2014*

Preparation of 2013 Business Tax Returns

Dear \_\_\_\_\_

This letter is to confirm and specify the terms of our engagement with \_\_\_\_\_ for the year ended 2013 and to clarify the nature and extent of the tax services we will provide.

Our engagement is limited to performing the following services:

1. Prepare the federal and state income tax returns listed on the attached exhibit
2. Prepare any bookkeeping entries we find necessary in connection with preparation of the income tax returns.
3. Prepare and post any adjusting entries.

This engagement does not cover the preparation of any tax returns not listed on the attached exhibit or financial statements, which, if we are to provide, will be covered under a separate engagement letter.

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the return(s) to us. You also have final responsibility for the tax return and, therefore, the appropriate officials should review the return carefully before an authorized officer signs and files it.

You are responsible for assuming all management responsibilities, and for overseeing any services we provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

We may provide you with a questionnaire or other document requesting specific information. Completing those forms will assist us in making sure you are well served for a reasonable fee. We will not verify the information you give us; however, we may ask for additional clarification of some information.

If, during our work, we discover information that affects prior year tax returns, we will make you aware of the facts. However, we cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact us to discuss the best resolution of the issue. We will be happy to prepare appropriate amended returns as a separate engagement.

Our work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or irregularities, should exist. The returns will be prepared solely from information provided to us without verification by us.

The firm may from time to time, and depending on the circumstances, use third-party service providers to assist in preparing your return, but these preparers will not make substantive decisions concerning your return. We may share your tax return information with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality

agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such third-party service providers. However, we will not disclose any tax return information to the third-parties without your express written consent.

In accordance with federal law, in no case will we disclose your tax return information to any location outside the United States, to another tax return preparer outside of our firm for the purposes of a second opinion, or to any other third party for any purpose other than to prepare your return without first receiving your consent.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you have the right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of withdrawal. Our engagement with you will terminate upon our withdrawal.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking the box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

It is our policy to keep records for 3 years. However, we do not keep any of your original records, so we will return those to you upon the completion of the engagement. When records are returned to you, it is your responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies. By signing this engagement letter, you acknowledge and agree that upon the expiration of the 3 year period, we are free to destroy these records.

Certain communications involving tax advice are privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide that it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privilege information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by the way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to assert the privilege.

The return(s) may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available, upon request, to represent you. However, such additional services are not included in the fees for the preparation of the tax return(s).

Our fees for tax services will be based upon the amount of time required at our standard billing rates for the personnel working on the engagement, plus out-of-pocket expenses. All invoices are due and payable upon presentation. [Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of 1.5% per month (18% per year).]

In the event of a dispute related in any way to our services, our firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply a court to having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the

date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for purposes of the award of attorney's fees.

We have the right to withdraw from this engagement if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests, or misrepresent any facts. Our withdrawal will release us from any obligation to complete your return and will constitute completion of our engagement. You agree to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

If the foregoing correctly sets forth your understanding our tax engagement, please sign this letter in the space below and return it to our office. If you disagree with any of these terms, please notify us immediately.

We want to express our appreciation for this opportunity to work with you.

Very truly yours,

Janean A. Kong, *Enrolled Agent*

*Licensed to represent taxpayers before the Internal Revenue Service*

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that you have disclosed to us all relevant facts affecting the returns.

Agreed and accepted by: \_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name Title

On Behalf Of: \_\_\_\_\_



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This policy was last modified January 2014

We value you as our client, and your privacy is important to us. Please read our privacy policy below.

We collect nonpublic personal information about you from various sources, including the following:

- Information we receive from interviews regarding your tax situation;
- Information we receive on applications, organizers, or by other means, such as your name, address, telephone number, social security number, dependents, income, and other tax-related data; and
- Information from tax-related documents you provide that are required to process tax returns, such as Forms W-2, 1099R, 1099-INT and 1099-DIV, and stock transactions, etc.

We do not disclose any nonpublic personal information about our clients or former clients to anyone except as requested by our clients or as required by law.

We restrict access to nonpublic personal information concerning you, except to employees who need to access to such information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

***Notice Regarding Advisor-Client Privileged Communications***

The IRS Restructuring and Reform Act of 1998 granted a “qualified” privilege status to communications between taxpayers and their non-attorney representatives. There is considerable misunderstanding about what this new statute really means to clients of Enrolled Agents and CPA’s. Little has been published regarding the limited scope and application of this privilege. The new law does not make the communications privilege equal to that of attorneys. However, not even attorneys are granted privilege if they prepare tax returns.

We must alert you that privileged communications (those that are protected from IRS authority to compel our testimony) are limited to non-criminal tax advice on matters before IRS or non-criminal tax proceedings in federal courts.

This means that any discussion we have related to the preparation of your tax returns, as in the past, is not covered by this new statute. Anything you tell us during the interview for the preparation of your tax return is confidential, but not protected from the IRS. In addition, we cannot disregard the implications of any information you provide us in the process of preparing your return.

If you feel that the nature of the subject matter to be discussed requires protected communications, please raise that issue so that we can discuss your possible need to consult with an attorney for legal advice.

By signing below you agree that you have read and understood our privacy policy.

\_\_\_\_\_  
Taxpayer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Spouse Signature

\_\_\_\_\_  
Date

If you have any questions regarding this privacy policy you may contact us by using the following information: Smart Tax & Business Solutions, Inc., 350 Ward Ave., Ste. 106-65, Honolulu, HI, 96814 / [admin@smartbookkeeping.org](mailto:admin@smartbookkeeping.org) / Ph: 808-354-0208 / Fax: 1-866-718-2756