

BUSINESS TAX ORGANIZER
Keystone Financial Solutions (KFS)
TO PREPARE CORPORATE OR PARTNERSHIP TAX RETURNS

Your Contact Info:

(Your Name)	(Phone Number)	(Email address)
(Legal Entity Name)	(DBA Name)	(EIN)

If you own more than one business, please complete a **separate** Tax Organizer (“Organizer”) for each entity requiring a tax return.

We are required to have a Letter of Understanding (LOU) to proceed with preparing your 2017 business income tax returns. This LOU can be found on our website. Please go to our website, select the Forms menu option, and then select the “Letter of Understanding for Preparing Corporate and Partnership Tax Returns” found under Business Taxpayers. Download this LOU, print, sign, and **return it to us ASAP**. Upon receipt of the LOU, you are notifying us that you wish us to prepare your business tax returns.

This organizer is for S Corporations, C Corporations, Partnerships, and limited liability companies (LLCs) that are taxed as a corporation or partnership. **If your business is being treated as a Sole Proprietorship (this includes Single Member LLCs - SMLLCs), do NOT complete this organizer.**

We have a file transfer protocol (FTP) system on our website to exchange files with our clients. To access this FTP, please go to www.keysolutions.us and select the “Send Files” blue button found in the upper right-hand corner. The FTP is a 256-bit encrypted system that allows you & us to transfer sensitive or confidential information in a secure manner. We request that you send us your Organizer and your 2018 tax documents all at once in a single pdf file format (no .jpg or other photo files will be accepted).

NOTE: By providing all of the items listed in this organizer, and checking all of the boxes, your business tax returns can be prepared accurately, quickly and efficiently in helping to keep our fees to a minimum. If you fail to include an item on this checklist, you may incur additional preparation fees because of the additional time that will be required to prepare your returns.

Accordingly, review the organizer carefully to make sure that you have not missed anything.

If you do not understand any item, please call us at 610-594-2601.

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IF YOU ARE A FIRST YEAR CLIENT OF KFS, please send us with the following:

1. Copy of Department of State papers showing legal name of your entity and date of formation;
2. Copies of corporate by-laws or partnership (or LLC) operating agreement;
3. Copies of Dept. of Revenue letter assigning a 10-digit account number for your company. If you cannot locate this letter, please call PA DOR at 717-787-1064 and request it. You will need your company's federal EIN when speaking with PA.
4. Copy of prior year's tax returns (federal, state & local (if any));
5. Form SS-4 received from IRS showing EIN assigned to your company;
6. If you elected to be taxed as an S Corporation, copy of Form 2553 filed by you and copy of IRS acceptance letter
7. Detailed depreciation schedule from prior tax preparer

ALL Clients - please send us the following:

- If QuickBooks (QB) is used to maintain the financial records of the company, please upload a back-up copy to the FTP. Please make sure that the backup copy has the QBB extension. **If your QB is password protected, please provide us with your user name & password so that we can open your file.**
- If you use a software program other than QB, please print the Balance Sheet & Income Statement for the tax year. If you maintain your company's records on Excel or if you maintain paper records, provide a copy of those records to KFS. The information submitted needs to show (1) total revenues earned and (2) total expenses for the year by individual expense category (i.e., rent, meals & entertainment, insurance, telephone, etc.).

Note: If you fail to break-out the business's expenses by category and do not show the individual total for each separate expense category, you will incur additional expenses for us to do this bookkeeping task for you.

Note: With respect to the information requested below, if your bank, credit card bill statements, loan statements, etc. do not end on the calendar year, be sure to include the statements that include the December 31 date (or the date of your fiscal year end).

- Copies of Year-End bank statement(s) [] Attached [] N/A

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- If you reconcile your bank statement, provide a copy of the yearend bank reconciliation
[] Attached [] N/A
- Copies of all Year End credit card statement(s) [] Attached [] N/A
- Copies of all Year End loan statement(s) [] Attached [] N/A
- Copies of all promissory notes [] Attached [] N/A
- Copies of all 4 quarterly Forms 941 & PA UC-2 returns [] Attached [] N/A
- If you operate in states outside of PA, please provide unemployment returns for those states [] Attached [] N/A
- Copies of IRS Form 940 & W-3 [] Attached [] N/A
- Copies of all W-2s for officers and/or shareholders [] Attached [] N/A
- Copies of forms 1099s, including Form 1099-K, issued to your business [] Attached [] N/A
- Provide a copy of the last sales tax return filed for 2018 year [] Attached [] N/A
- If you use an outside payroll company, be sure to include a copy of the statement showing the amount of payroll taxes due as of December 31.
[] Attached [] N/A
- If the Company purchased any fixed asset(s) during the tax year, such as vehicles, furniture, PCs, printers, machinery, equipment, etc., please provide copies of those invoices or provide a summary sheet showing (1) description of each asset purchased; (2) Cost of asset purchased; (3) Date asset was purchased. [] Attached [] N/A
- Copies of any IRS, state, local tax notices received [] Attached [] N/A
- Has your business adopted a de minimis accounting policy regarding expenditures?
[] Yes [] No. If "yes", the de minimis amount is [] \$250 [] \$500 [] \$2,500

Electronic payment of Tax Liability:

Many states now require that businesses remit tax payments electronically. Accordingly, **send us a copy of a voided check from your company's checking account.**

[] Attached You will be notified in advance if an electronic payment is required to be made.

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Form 1099: You are required to send a Form 1099-MISC to any non-corporate entity that provided services to your company during the 2018 calendar year. **Did you make any payments in 2018 that would require you to file Form 1099?** Yes No

If “yes,” did you or will you file all required forms before the filing of your income tax return? Yes No. If you fail to answer this question, the default response will be that you were required to file the Form 1099 but failed to do so.

IF you do business in more than one state, for **each** state please provide the items listed below. If you are not sure if you are doing business in another state, you can engage us for an additional fee to conduct a nexus study for your company to determine if you have other state tax filing requirements.

- ◇ Revenues earned in each state where you are doing business. **Be sure that the total revenues by state are equal to the company’s total revenues for the year** (Note: if you file sales tax returns in any state, please verify that the amount of revenues you show per state agree with the gross revenues shown in your sales tax return filings);
- ◇ If you file sales tax returns in multiple states, be sure to send us copies of the last sales tax return filed for 2018 for each state;
- ◇ If you incur rent expense in multiple states, identify the total rent paid in each state;
- ◇ If you have employees in more than one state, please provide your payroll records that show the total compensation paid to the employees in each state. This can usually be found on the state unemployment tax filings;
- ◇ If you use independent contractors to do business in a state, please provide the total amount paid to contractors by state. This information can be found by using the contractor’s address found on Form 1099-Misc;
- ◇ If you have inventory in multiple states, provide a break-out of your inventory by state;
- ◇ If you own property (PCs, printers, furniture, equipment, etc.) located in different states; provide a listing of the original cost of the property owned in each state.

S Corporations:

By signing and/or returning this Organizer, you acknowledge that KFS has informed you of the importance of substantiating in writing the compensation paid to shareholder/employees is reasonable. You also acknowledge that if you did not engage KFS to prepare a reasonable

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compensation study for your company, that you have taken the necessary steps to satisfy the IRS substantiation requirements.

Extensions of Time to File:

The IRS does not allow us to automatically file extensions to file. We need your written authorization to do so. Accordingly, we need you to sign, date & return the Letter of Understanding at your earliest convenience. There is a fee of \$50 for filing each extension request. While we can request an extension of time to file, the IRS and states do not grant any extensions of time to pay taxes due. Thus, it is in your best interests to send us your tax information as early as possible.

The authorized person signing this LOU hereby consents to filing of extension of time to file if deemed necessary at the sole discretion of KFS

Foreign Account Tax Compliance Act (FATCA):

Foreign Accounts

With the globalization of the economy, more and more people in the U.S. have foreign financial accounts. While there are many legitimate reasons to own foreign financial accounts, there are also responsibilities that go along with owning such accounts. Foreign account owners must remember that they may have to report their accounts to the government, even if the accounts do not generate any taxable income.

You have a Foreign Reporting Requirement, if:

1. You have a financial interest in, signature authority, or other authority over one or more accounts in a foreign country. Foreign accounts include but are not limited to bank account, brokerage account, retirement account, mutual fund, unit trust, annuity, life insurance, or other financial accounts, AND
2. The aggregate value of **all** foreign financial accounts (collectively) exceeds \$10,000 **at any moment** during the calendar year.

If your business entity has a financial interest in, or signature authority over, any foreign accounts, you are responsible for notifying our firm in writing, prior to the filing of your tax return, as there maybe additional schedules that have to be submitted with your tax return.

[] Company will assume all foreign filings;

[] Yes, we wish to engage KFS to prepare these foreign filings for an additional fee;

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[] Not Applicable – our company has no foreign filing responsibility as we hold no foreign accounts

Foreign Entities

In addition, the IRS also requires information reporting and the respective IRS tax forms are due when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the U.S. Department of the Treasury reporting requirements stated above. Therefore, if you fall into one of the below categories, or if you have any direct or indirect foreign interests, you may be required to file applicable IRS forms.

- You are a business entity with ownership of foreign financial assets and meet the specified criteria (Form 8938);
- You are an officer, director or shareholder with respect to certain foreign corporations (Form 5471);
- You are a foreign-owned U.S. corporation or foreign corporation engaged in a U.S. trade or business (Form 5472);
- You are a U.S. transferor of property to a foreign corporation (Form 926);
- You are a U.S. person with an interest in a foreign trust (Forms 3520 and 3520-A); or
- You are a U.S. person with interests in a foreign partnership (Form 8865).

[] Not applicable, Company has no foreign entities;

[] Yes, we wish to engage KFS to prepare these foreign filings;

As an officer, managing member, or tax matters partner (responsible party) of this legal entity, all the information provided to prepare this entity's tax returns is complete and correct to the best of my knowledge.

(Responsible Party Signature)

Date

(Title of Responsible Party)

Name of Legal Entity