

Keystone Financial Solutions, Inc.

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www.keysolutions.us; www.taxexpertblog.com; www.stopmytaxproblems.com

2020 Form 1040 Tax Organizer

We continue to revise our tax organizer in response to suggestions made by our clients and to address changes to the tax laws.

To prepare your tax returns, we request that you send us the following four items. The first 3 items can be found on our website (www.keysolutions.us) using the Forms menu option:

1. Completed Tax Organizer – send only the pages for which you have input
2. Signed and dated Letter of Understanding
3. Signed and dated Consent to Use Form
4. Your 2020 tax documents. Remember that we do NOT retain ANY tax documents that you send us. **ALL** your tax documents are returned to you.

We look forward to working with you again this year. Please call us if you have any questions.

Bryan Haarlander

THE PROCESS

When preparing your returns, our primary objectives are to make sure that you (1) pay the lowest income taxes allowed by law, (2) minimize the likelihood of the IRS selecting your return for audit, (3) identify tax savings opportunities or financial suggestions that increase your net worth, and (4) keep our fees to a minimum.

You can minimize our fees by carefully following our instructions. It is very important that you read the instructions included herein. When completing the tax organizer, please **READ THE NOTES** on the organizer pages and only send us the pages that you have completed. Do not send us blank organizer pages. Failure to read the notes and follow the instructions could result in you losing a valuable tax deduction or increasing your odds of being audited by the IRS . . . two very undesirable results.

Understanding the Tax Preparation Process: Here are some important dates and considerations for us to help manage your expectations:

WHEN to send us your tax information: The simple answer is ASAP!!! We request that you have all of your tax information to us **by March 14**, and all open items addressed by **March 31** for us to **guarantee** an on-time filing (we routinely receive documentation well into April and still complete the tax returns on time - we just can't promise it.)

Turn-around Time: We normally begin preparing your return within **4-9** days after receiving all your tax documents. The later we receive your tax documents the longer the turn-around time. After reviewing your tax information, we will email you with any questions we have. It is your responsibility to respond to those questions ASAP.

Draft Returns: Immediately after your return is prepared, we will send you a draft of your return for you to review, along with an invoice for our services.

E-File authorization forms: Once you have reviewed your draft return and remitted payment, we will send you the e-file authorization forms for you to sign, date, and return to us.

HOW to send us your tax information: We prefer that you mail, hand deliver, or upload to us all your 2020 tax documents at one time. If you have all your tax information except for a single item or two, please send us the information you have and include a note or send us an email about the missing information. This allows us to immediately begin to prepare your return.

If you choose to use the [SEND FILES](#) 256-bit encrypted file transfer system found on our website to send us your tax documents, we request that you send these as **ONE SINGLE PDF FILE** or send all of your documents in a zipped file. **We do NOT accept jpg or other image software.**

Creating a PDF file – most operating systems have a PDF printer already installed. If not, search the Internet for “free PDF printers” (we use Cute PDF ourselves). There is also a site called www.pdfmerge.com which will merge most PDFs into one big PDF file – and it is free.

Due to the volume of tax returns we process during the tax filing season, it is not practical for us to send confirmations that we have received your tax documents. If you desire a confirmation that your tax information was received by us, we suggest that you send your information by U.S. Certified mail with a return receipt requested, U.S. Priority Mail with a tracking number that you can follow, or use a private carrier such as UPS or Fedex.

If you recently experienced significant changes in your life and/or have a financial situation or tax event that you feel warrants a personal meeting with us, please call us at (610) 594-2601 to schedule an appointment.

Housekeeping Items:

- **Print legibly & Use Whole Dollars Only.** It is important that you diligently complete this organizer. If you don't understand something, don't ignore it. Instead, call us for an explanation. Your diligence will assist us in preparing a complete and accurate return for you to minimize your tax liabilities.
- If we need additional information from you or clarification, we will contact you by email. Be sure to check your email daily after sending us your tax information. It would be appreciated, to keep our fees to a minimum, if you responded to our emails for additional information when you have **ALL** the requested information rather than send separate responses for each question.
- If you received any **correspondence from a tax authority** during the past year, enclose a copy.
- Do **NOT** send us any voucher forms or estimated income tax voucher payments forms as we will generate these for you.

Data Input Pages - Return Completed Pages to Keystone Financial Solutions

New Clients: Please Complete this page!

Returning Clients: Only complete those items that have changed from last year.

Taxpayer Name: _____
(As per Social Security Records)

Occupation: _____

Date of Birth: _____

Social Security # _____

Cell Phone: _____

Day Time Phone: _____

Is Taxpayer blind? **Yes** **No**

Personal email address: _____

Spouse Name: _____
(As per Social Security Records)

Occupation: _____

Date of Birth: _____

Social Security # _____

Cell Phone: _____

Day Time Phone: _____

Is Spouse blind? **Yes** **No**

Personal email address: _____

Current Address: _____

_____ to _____
If you moved during the year, provide dates of when you lived at this address.

Prior Address: _____

_____ to _____
If you moved during the year, provide dates of when you lived at this address.

Please place a check mark ("X") on the appropriate line below regarding your desired filing status. Your actual tax status will be determined according to the tax law.

_____ Single

_____ Married Filing Jointly

_____ Surviving Widow/Widower Provide date of death: _____

_____ Head of Household (requires a dependent)

_____ Married Filing Separately enter spouse's full name: _____

enter spouse's SSN: _____

If you lived with your spouse, please provide the number of months _____

(Name of Taxpayer)

ALL CLIENTS MUST COMPLETE THIS FORM

Direct Deposit of Refunds or Direct Debit of Balance Due

Do you want to have your tax payments due and/or your refunds directly debited or deposited into your checking account?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

This is a nice feature as you do not have to worry about sending a check to a tax authority if a balance is due and will accelerate your receipt of any refund check. This is a particularly nice feature for those who find themselves filing at the very last minute or will be away on vacation.

If you wish to use this feature, attach a voided check from your **checking** account. We will automatically direct the tax jurisdiction to withdraw any balance due from your checking account **on the statutory due date of the return.**

Local Return (Paper return that we prepare for you to mail to tax authority)

Do you want KFS to prepare this return for you?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

If you answered "yes", insert name of the school district in which you live _____

If you answered "yes", insert name of the county in which you live _____

NOTE: If you require more than one local return or a Philadelphia return, there will be an additional charge.

NOTE: If you do not have sufficient taxes withheld during the tax year, the local tax authorities likely require that you remit quarterly voucher payments. You need to check with your local tax collector.

Copies of your Tax Returns

Every client will be sent an electronic (pdf) copy of all tax returns prepared by us. These returns will be sent to you via our encrypted file transfer system. It is your responsibility to download these returns to your computer as our system automatically deletes all files after 60 days for security reasons. If you misplace your electronic copy and request that we make you another copy, there will be a \$50 charge to do so.

Do you want us to print out and send you paper copies of your tax returns for your files? There will be a \$65 additional charge if you check the "Yes" box. Don't forget that you can print your own paper return from the electronic copy you will be sent.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Mailing/Pickup of Returns & Tax Documents

Select one of the following options:

I wish to pick up my tax documents at KFS's office when my returns are completed. Do not mail my tax documents to me.

I hereby authorize KFS to mail my tax documents and returns to me using the USPS postal system and hold KFS harmless for doing so. If you do not select the first option, this is the default option.

(Name of Taxpayer)

Reporting Sources of Income

Enter a "X" in the appropriate "Yes" or "No" column to indicate that you are including with the information you are sending us the indicated document.

	Yes	No	Comments
1 Did you have W-2 wage income from an employer?			Provide W-2 and last pay stub of year
2 Did you have health insurance during the year?			Provide Form 1095
3 Did you have Interest income from bank or credit union?			Provide 1099-Int statements
4 Did you receive any dividend income?			Provide 1099-Div statements
5 Did you receive any Pension, Annuity or IRA distributions?			Provide 1099-R statements
6 Did you receive any Social Security Retirement Income?			Provide SSA-1099s
7 Did you sell any stocks or bonds?			Send brokerage statements
8 Did you exercise any employer stock options?			Provide employer stock option statements
9 Did you have any self employment or 1099 misc. income?			Complete page 19
10 Do you own any rental property?			Complete page 18
11 Did you receive a K-1 from a partnership, Corporation, Trust, or Estate?			Provide K-1s and all literature received from partnerships
12 Did you receive any alimony income?			Provide alimony agreement and amount received
13 Did you have cancelled debt?			Provide 1099-C or other details
14 Did you receive any Unemployment Income?			Provide 1099-G & dollar amount
15 Did you receive any lotto or gambling winnings?			Provide W-2G & proof of gambling losses
16 Did you purchase, sell, or refinance any real estate?			Provide HUD statements and HUD stmt from original purchase
17 Did you buy, sell, or own any virtual currency (eg Bitcoin)?			Please provide details
18 Did you receive any income from jury duty?			Provide dollar amount received
19 Did you receive a stimulus check during 2020?			Provide dollar amount received
20 Did you receive a PPP Loan during the year?			Provide amount received and forgiven
21 Did you have any other income not listed above?			If so, be sure to provide details
22 Do you own any foreign accounts (bank, stocks, insurance, etc)			Please complete page 10 + 11

(Name of Taxpayer)

Tax Deductions and Credits

Enter a "X" in the appropriate "Yes" or "No" column to indicate that you are including with the information you are sending us the indicated document.

	Yes	No	Comments
1 Did you make any out-of-state or internet purchases of property that would be subject to sales tax if purchased in your state of residence?			Dollar amount of purchases made:
2 Did you make a contribution/withdraw to a Health Savings Account (HSA)?			Include a copy of your HSA statement
3 Did you make (or wish to make) an IRA or SEP contribution?			Complete page 22
4 If you're self-employed , did you pay health or dental insurance premiums during the year?			Enter amount paid
5 Did you pay alimony during the year? If so, provide name & SSN of spouse and amount paid.			If yes, provide copy of alimony agreement
6 Did you pay any interest on student loans?			Provide statements
7 Did you make any contributions to a 529 plan?			Provide copy of statement & complete page 23
8 Did anyone in your house attend higher education (collage and beyond) and pay tuition?			Provide 1098-T for each student and bursar stmts showing dates & amounts paid
9 Did you pay for unreimbursed medical expenses during the year?			Complete page 15
10 Did you make estimated tax payments during the year?			Complete page 14
11 Did you pay any mortgage interest on your home?			Provide 1098 statements
12 Did you pay any real estate taxes on your home?			Provide 1098 statements or amounts paid
13 Did you pay any day care expenses?			Complete page 13
14 Did you adopt a child or incur adoption expenses during the year?			If yes, provide details
15 Did you pay any household employed more than \$2,000?			If yes, provide details
16 Did you move during the year? Please provide addresses and dates that you lived at each address?			
17 Do you wish to designate \$3.00 to the presidential Campaign? H:			Please check yes or no for each spouse
Do you wish to designate \$3.00 to the presidential Campaign? W:			
18 Did you purchase a new car or other high cost item?			Enter sales tax paid:
19 Did you make any cash or check donations to charity?			Complete page 16 Or you will not receive a tax deduction
20 Did you make any non-cash donations to charity?			Complete page 17 Or you will not receive a tax deduction
21 Did you make any energy improvements to your primary home?			If yes, provide details
22 Can anyone claim you as a dependent on their tax return?			If yes, provide details

(Name of Taxpayer)

Due Diligence Questions

Complete this page if you are claiming a child as a dependent

Note: Due to taxpayers fraudulently claiming dependents, the IRS requires paid tax preparers to request additional information from our clients to ensure that they qualify for the Child Tax Credit, Educational Tax Credits, and Head of Household filing status.

The following questions are intended to meet the requirements of the law, which essentially affirm that your children reside with you and that you can provide documentation that the children claimed by you as a dependent are actually your children.

	Yes	No
1. Are the children you are claiming as dependents on this tax return actually your children?	<input type="checkbox"/>	<input type="checkbox"/>
2. Did all of your children reside with you for more than half of the calendar year (not counting temporary absences such as college and travel)?	<input type="checkbox"/>	<input type="checkbox"/>
3. If called upon to do so by the IRS, can you provide birth certificates for the children you are claiming as dependents?	<input type="checkbox"/>	<input type="checkbox"/>
4. If called upon to do so by the IRS, can you provide proof that your children resided with you by providing medical records or school records that show both the names of your children and your address on such records?	<input type="checkbox"/>	<input type="checkbox"/>
5. If you claimed a child as a dependent in a prior year, did the IRS deny the child as a dependent or limit the amount of a tax credit you claimed?	<input type="checkbox"/>	<input type="checkbox"/>
6. Could another person qualify to claim your child as their dependent?	<input type="checkbox"/>	<input type="checkbox"/>
7. If the answer to question #6 is YES, please provide details.		
8. Did you give another custodian parent the right to claim any of your children?	<input type="checkbox"/>	<input type="checkbox"/>
9. If the answer to question #8 was YES, please complete IRS Form 8332 https://www.irs.gov/forms-pubs-search?search=8332		

Additional Notes:

Signature of Taxpayer

Date Signed

(Name of Taxpayer)

Identity Verification to Thwart ID Theft

Some states are requesting drivers license (or state IDs) numbers to combat stolen identity tax fraud. PA is one of those states. However, **Providing this information to PA is not mandatory.**

If you wish for us to include your driver's license information, please complete the information requested below.

Note: If you are required to file a New York tax return, NY requires this information.

	_____ Taxpayer's first name	_____ Spouse's first name
License/state ID Number	_____	_____
Issuing Date of ID	_____	_____
Expiration Date	_____	_____
State where ID was Issued	_____	_____

Note: Be sure to print very neatly. Failure to do so could result in your tax return and refund being unnecessarily delayed.

(Name of Taxpayer)

2020 Estimated Payments Made by you

Note: Only include Federal, State, & Local estimated payments you made relating to the 2020 tax year. Do not include any payments relating to an assessment you received for a tax year prior to 2020.

Date of Payment Show Mth/Day/Year	Federal \$	State \$	Local \$ Taxpayer	Local \$ Spouse

NOTE: If you did not document your IRS estimated tax payments or cannot find your support, the IRS offers online assistance where you can review your most recent 24 months of payments. Go to www.irs.gov, select View Your Account, then Select "Create or view your account"

NOTE: If you did not document your **PA estimated tax payments** or cannot find your support, the PA DOR offers telephone assistance. Dial 1-888-728-2937; Select menu item #1; Select menu item #2; Select menu item #2;

2021 Estimated Tax Payments

Do you want KFS to prepare your 2021 quarterly estimated tax payments for you?

If "yes" is not selected, the default is that KFS will not prepare your 2021 estimated tax payments.

Yes

No

(Name of Taxpayer)

Rental Properties

List the complete address for each rental real estate property

A _____
B _____
C _____

Properties

Income	A	B	C
Rental Income Received			
Expenses			
Advertising			
Automobile - Complete page 20			
Cleaning & Maintenance			
Commissions			
Insurance			
Professional Fees			
Management Fees			
Mortgage Interest			
Repairs			
Supplies			
Taxes			
Utilities, cable, telephone, internet			
Trash and recycling			
HOA fees			
Other:			
Other:			
Other:			
# days property was rented			
# days property was used for personal use			
# days property was vacant			
Average # of days property was rented			

If you purchased any assets or made improvements greater than \$2,500, please provide a summary containing the date, dollar amount, and what improvements were done. Do not include these expenditures above.

Note: If you are claiming that you are a real estate professional or wish to claim the Qualified Business Income deduction, indicate below the number of hours you devoted to each of your rental properties. The IRS requires that you be able to substantiate these hours.

Enter Number of hours devoted:			
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(Name of Taxpayer)

Vehicle Worksheet

If you incurred automobile expenses related to rental properties or are self-employed, please complete this worksheet

Note: The IRS requires that any taxpayer claiming vehicle expenses maintain a contemporaneous written log book. "Contemporaneous" means in "close" proximity to the date of activity. The logbook must show the odometer reading as of January 1 and December 31 of the tax year, dates of business travel, the trip mileage, location driven, and the business purpose of each trip. If a taxpayer fails to maintain this written logbook, the IRS and courts have ruled that the taxpayer is NOT allowed to claim a vehicle expense.

Did you know that you may be able to get a history of your vehicle's service records and mileage from CarFAX?

Did you maintain a written contemporaneous mileage log book showing the required IRS substantiation? If you checked NO, you are not entitled to a vehicle tax deduction. Thus, there is no need to complete the requested information below.

YES

NO

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Did you or your spouse have another vehicle available for personal use?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Was the vehicle(s) listed below available for use during non-business hours?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Vehicle Year, Make, & Model	Name of spouse using car	Very 1st month & year used for business	Original Cost of Vehicle	Business Miles during the year	Total Miles during the year	Parking & Tolls

(Name of Taxpayer)

Home Office Deduction

For Sole Proprietors or Single Member LLC that file Schedule C

Note: To claim a home office deduction you must be able to answer "YES" to the following questions:

	YES	NO
1. Are you engaged in a trade or business?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is your home office your primary place of business?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the portion of your residence used EXCLUSIVELY for business purposes?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is the portion of your residence used REGULARY for business purposes?	<input type="checkbox"/>	<input type="checkbox"/>

Note: PA requires that you pay use tax on gas & electric usage if you claim a home office deduction. If you have read our blog postings, you are aware that the PA Dept. of Revenue often targets taxpayers for an audit exam if they claim a home office.

5. Do you wish to claim a home office expense for PA? YES NO

Note: If both spouses each have a self-employed business and wish to claim the home office deduction, please complete a separate schedule for each spouse.

1	Total square feet of your home?	
2	Square feet of business use?	
3	Date home first used for business?	
4	Original Purchase price of home?	
5	Value of Land when home was purchased?	
6	Amount spent for homeowner insurance?	
7	Amount spent on utilities?	
8	Amount spent on mortgage interest & PMI?	
9	Amount spent of real estate taxes?	
10	Amount spent for rent?	
11	Amount spent for repairs & maintenance?	
12	Other expenses:	
13	Other expenses:	

Home Improvements: If you made improvements greater than \$2,500, please complete table below. Do not include these expenditures above.

Date of Purchase	Item purchased	Purchase Price

(Name of Taxpayer)

Retirement Plan Contributions for IRA & SEP

Note: Do NOT Include 401K or other W-2 deductions on this page

2020 Contributions already made:

Name of spouse making the contribution	<input type="text"/>	<input type="text"/>
Traditional IRA Contributions	<input type="text"/>	<input type="text"/>
Roth IRA Contributions	<input type="text"/>	<input type="text"/>
SEP Contributions (self-employed individuals)	<input type="text"/>	<input type="text"/>

Note: We recommend to our clients that they do not make an IRA or SEP contribution until their tax returns have been prepared to determine if they are eligible to make a retirement contribution and the eligible amount. If you have not yet made a 2020 retirement plan contribution and would like to do so, please complete the section below.

2020 Contributions your're interested in making:

Name of spouse making the contribution	<input type="text"/>	<input type="text"/>
Be sure to enter the dollar amount you desire to make or insert "Maximum"		
Traditional IRA Contributions.....	<input type="text"/>	<input type="text"/>
Roth IRA Contributions	<input type="text"/>	<input type="text"/>
SEP Contributions (self-employed individuals)	<input type="text"/>	<input type="text"/>

(Name of Taxpayer)

529 Plan Contributions

Note: Please send us copies of the statements showing the 529 plan contributions, and please provide the information requested below

Note: There is no federal tax deduction for making a 529 contribution. Some states like Pennsylvania, allow a deduction. To maximize the tax savings, do NOT have one spouse make more than \$15,000 contribution per child.

Note: This is an annual limitation of \$15,000 that a donor can make each year to any one individual without filing gift tax return. A five-year contribution of up to \$75,000 may be made in one calendar year. Before doing so, please consult with your tax professional.

Name of Parent who made the 529 contribution		
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Name of 529 plan recipient		
SSN of recipient		
Dollar amount of contribution		

Name of 529 plan recipient		
SSN of recipient		
Dollar amount of contribution		

Name of 529 plan recipient		
SSN of recipient		
Dollar amount of contribution		

Name of 529 plan recipient		
SSN of recipient		
Dollar amount of contribution		

(Name of Taxpayer)

Unreimbursed Employee Expenses

Note: The IRS no longer allows taxpayers to claim unreimbursed employee expenses as a tax deduction.

Note: PA does allow such deductions, but its rules are quite restrictive. If you wish to claim these expenses on your PA-40 tax return, we recommend that you first read the following:

- 1 PA Department of Revenue guidelines <https://www.revenue.pa.gov/GeneralTaxInformation/Tax%20Types%20and%20Information/PIT/UnreimbursedE>
- 2 Our blog postings dated February 20, 2018 <https://keysolutions.us/blog/pa-publishes-sch-ue-tips-for-taxpayers/#more-2504>

Note: When considering whether to claim this expense on your PA individual tax return, keep in mind that your tax savings are limited to 3.07% for PA and 1% for most local tax jurisdictions. For example, if you have \$1,000 of these expenses, your tax savings will approximate \$40. We mention this because after tax preparation fees, is it worth your time and effort to complete this form and possible time and expense related to the PA Dept. of Revenue sending you and audit inquiry?

If you wish to deduct unreimbursed employee expenses, please complete the following:

1 Describe your occupation in which you incurred these expenses:		
2 Name of W-2 employer for which you incurred these expenses:		
	Yes	No
3 Do you have a letter from your employer stating that the expenditures being claimed by you were necessary and not reimbursed by the employer?		
4 If you are unable to obtain a letter from your employer, do you have both of the following documents: 1. A signed affidavit (PA Rev-775) and copy of your employer's expense reimbursement Policy?		

List below the expenses incurred by you, which were required by your employer, and not reimbursed by your employer:

Type of expense	Dollar Amount
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	