

What accounting method does the Partnership/LLC use? Cash Accrual Other (describe)

Does the Partnership/LLC file under a calendar year? (If not, what is the fiscal year?)

How many Partner/Members were there on the last day of the year?

Partner/Member Information

First Name–Last Name <i>(Enter information for all Partner/Members who owned shares at any time during the year)</i>	Social Security Number	Partner/Member Mailing Address Street Address City, State, Zip	# of shares owned at start of year	# of shares owned at end of year	Dates of share ownership change (if any)

Provide the following information for any person who was a partner or owner/member during the year.

Partner or Member name	Guaranteed payments to the partner or member	Health insurance premiums paid for partner or member during the year	Capital contributions made by the partner or member during the year	Distributions made to the partner or member during the year	Partner loans to the Partnership during the year	Loans repaid by the Partnership the partner during the year

Additional Information for Oregon State and County/City Returns

- If the Partnership/LLC did business inside the City of Portland and/or Multnomah County, or did business in other cities or states, it may be necessary to file additional tax returns for the applicable cities and states.
- In situations where the Partnership operated a business location or had employees both inside and outside of Oregon, it is necessary to apportion income between Oregon and the other states.

Did the Partnership conduct business inside the City of Portland? Yes No If yes, what portion of the gross receipts of the Partnership were from activities inside the City? \$ _____

Did the Partnership conduct business inside Multnomah County? Yes No If yes, what portion of the gross receipts of the Partnership were from activities inside Multnomah County? \$ _____

Did the Partnership conduct business in more than one city and income earned in these cities.

City name _____ Income apportionment \$ _____

Business income from other states

Did the Partnership conduct business in more than one state? Yes No

If yes, please apportion income by state.

State name _____ Income apportionment \$ _____ Payroll apportionment \$ _____

State name _____ Income apportionment \$ _____ Payroll apportionment \$ _____

State name _____ Income apportionment \$ _____ Payroll apportionment \$ _____

State name _____ Income apportionment \$ _____ Payroll apportionment \$ _____

Income

What were the business gross receipts or sales for the year? \$ _____

What portion of receipts were reported on Form 1099-K? \$ _____

What portion of gross sales listed above was refunded or returned? \$ _____

What were the gross receipts from rental property owned by the Partnership/LLC \$ _____
(Do not include rental income in gross receipts for the business activity)

Did the Partnership/LLC have any other income from this business activity not included in gross receipts above?
(If the Partnership/LLC had investment or capital gain income for the year, complete Interest/Dividend and/or Capital Gains Worksheets on Pages of this Organizer) Yes No

Describe any other income of the Partnership/LLC not included elsewhere in this Organizer.

Cost of Goods Sold (COGS)

Businesses such as restaurants, retail sellers and manufacturers generally must account for COGS. COGS includes all costs associated with manufacturing a product or purchasing a product for resale.

Do you manufacture or produce a product for sale to customers? Yes No

Do you operate a wholesale or retail business where you maintain an inventory of goods? Yes No

What was the opening cost of inventory on the first day of the year? \$ _____

What was the cost of purchases of product (less cost of items withdrawn for personal use)? \$ _____

Cost of labor related to sale or production of goods held for sale \$ _____

Materials and supplies used in manufacture or sales production \$ _____

Other costs of goods not listed above (list on separate detail worksheet) \$ _____

Closing inventory at end of year \$ _____

Travel Expense Worksheet

Meal Per Diem (Important facts)

- For each day a partner/member traveled away from home for business outside the metro area, the Partnership/LLC may claim the actual cost of partner/member lodging and meals. For meals only, the Partnership/LLC may reimburse the shareholder a daily per diem amount instead of actual costs.
- For each day a non-owner employee of the Partnership/LLC traveled away from home for business outside the metro area, the Partnership/LLC may choose between claiming the actual cost of employee meals and lodging; or it can reimburse the employee a daily per diem amount for meals and/or lodging.
- The daily per diem amount varies depending on the city and country the employee traveled to. To calculate the per diem amount the Partnership/LLC is entitled to reimburse, provide a detailing of each city the employee travelled to for business during the year and the number of days in each city.
- The Partnership/LLC can alternate between actual expenses and the per diem method for each business trip; however it may not use both per diem and actual for the same business trip.
- The Partnership/LLC may reimburse a partial per diem if an employee or partner/member traveled outside metro area for less than a full day.

City visited (for per diem)	# of days in city	City visited (for per diem)	# of days in city
Travel Expenses		Travel Expenses	
Airfare	\$	Lodging	\$
Bus, train, taxi	\$	Parking & tolls	\$
Entertainment	\$	Other travel (describe below)	
Meals - actual receipts (Do not include cost of meals where you are claiming the daily per diem rate)	\$		\$
			\$
			\$

Information relating to deductions and credits the Partnership/LLC may qualify for.

Answer "Yes" or "No" and provide information as applicable.

	Yes	No	Details
Did the Partnership/LLC purchase a plug-in electric vehicle this year?	<input type="checkbox"/>	<input type="checkbox"/>	
Did the Partnership/LLC pay wages to any employees who were members of a targeted group?	<input type="checkbox"/>	<input type="checkbox"/>	
Did the Partnership/LLC initiate a new 401K plan during the year?	<input type="checkbox"/>	<input type="checkbox"/>	
Did the Partnership/LLC pay for disabled access equipment or improvements during the year?	<input type="checkbox"/>	<input type="checkbox"/>	
Did the Partnership/LLC provide for or reimburse employees for Childcare expenses during the year?	<input type="checkbox"/>	<input type="checkbox"/>	
Did the Partnership/LLC make energy-efficiency improvements?	<input type="checkbox"/>	<input type="checkbox"/>	
Did the Partnership/LLC manufacture or build a product inside the United States? If so, the following additional information will be needed to complete <ul style="list-style-type: none"> • Gross receipts from sales of domestically produced product • Cost of domestically produced goods • Expenses, deductions or losses directly allocable to the domestic product • Wages paid for the year 			

Business Use of Automobile Reporting Requirements

The IRS closely scrutinizes business-use of automobiles. Documentation must be kept to prove business use of Partnership/LLC-owned or Partner/Member-owned vehicles.

- If a partner/member or an employee used his or her automobile for active conduct of Partnership business:
 - The Partnership/LLC can provide reimbursement for actual operational expenses of the vehicle or it can reimburse using an allowable standard mileage rate.
 - A written log or other record must be maintained and submitted to the Partnership/LLC.
 - For each partner/member or employee for whom the Partnership/LLC paid auto-expense reimbursements during the year, the Partnership/LLC should maintain a written record of the expenses incurred and the reimbursements paid.
- The Partnership/LLC may claim actual operational expenses incurred for vehicles that are owned by the Partnership/LLC.
 - Proof of business use in the form of a mileage log or a written calendar must be maintained unless it can be shown the vehicle was 100% business use.
 - If the business provided a vehicle for employee use, complete Section B below.
- **For any vehicle that was used by a 5% or more owner** of the business, additional information must be reported to IRS. **Complete Section A** shown below.

Section A

Provide the following information for each vehicle used by a 5% or more owner of the business

Purchase price of vehicle	\$
Description (<i>Model and year of vehicle</i>)	
Date vehicle was first used in your business	
For this tax year only, enter the number of miles your vehicle was used for:	
Business miles (<i>not including commute miles</i>)	
Commuting miles	
All other personal-use miles	
Interest paid on auto loan used to purchase this vehicle	\$
Was the vehicle available for personal use? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Was the vehicle used primarily by a 5% or more owner of the Partnership/LLC? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Is another personal-use auto available? Yes <input type="checkbox"/> No <input type="checkbox"/>	
Was the standard mileage rate used last year? Yes <input type="checkbox"/> No <input type="checkbox"/>	

Section B

Additional Questions for Partnership/LLCs Providing Vehicles for Use by Employees

Does the Partnership/LLC maintain a written policy prohibiting all personal use of company vehicles?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does the Partnership/LLC maintain a written policy prohibiting all use except commuting?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does the Partnership/LLC treat all use of vehicles by employee as personal use?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Does the Partnership/LLC provide more than five vehicles to employees and keep records?	Yes <input type="checkbox"/> No <input type="checkbox"/>

Automobile Expenses

Mileage reimbursement amount paid to partner/members and employees for the year \$ _____

(Use this section to report actual expenses (not mileage) paid by the Partnership/LLC)

Garage rent	\$	Repairs	\$
Gas	\$	Tires	\$
Insurance	\$	Tolls	\$
Licenses	\$	Registration fees	\$
Oil	\$	Other expenses (list):	\$
Parking fees	\$		\$

Interest and Dividend Income Worksheet

- Please attach copies of all interest and dividend statements the Partnership/LLC received for the year.
- If the partnership received interest payments under a seller financed mortgage, we will need the name, address and SSN or EIN of the party making payments.
- For each payer of interest or dividends, enter the total interest or dividend amount received.

Name of bank or other payer	Interest Received	Name of Partnership/LLC or other payer	Dividends Received
	\$		\$
	\$		\$
	\$		\$
	\$		\$

Does the Partnership/LLC have ownership or control over a foreign financial account or trust? Yes No
 If yes, provide the name(s) of the foreign country and maximum account values for the year \$ _____

Sale of stock, real estate or other property

- Please attach copies of year-end brokerage statements relating to stock sales
- If real estate was sold during the year, provide copies of closing papers

Description of property sold	Date purchased	Purchase Price	Date Sold	Sales Price
				\$
				\$
				\$
				\$

Partnership/LLC Balance Sheet

If the Partnership/LLC gross receipts and/or assets at the end of the year were greater than \$250,000 the following information must be provided to the IRS. Even if the Partnership/LLC is not required to provide this information, we request you provide it if possible.

Assets at year end		Debts & Equity at year-end	
Bank account end of year balance	\$	Accounts payable at year end	\$
Accounts receivable at end of year	\$	Payables less than 1 year	\$
Mortgages/notes receivable	\$	Mortgages/notes payable -1 year or more	\$
Loans to Partner/Members	\$	Partnership/LLC debt	\$
Other current assets (describe)	\$	Loans from Partner/Members	\$

Preparer Notes

TERMS OF ENGAGEMENT

Thank you for choosing Pacific Northwest Tax Service to assist with preparation of tax year _____ returns for the Partnership. This letter confirms the terms of our engagement and outlines the nature and extent of the services we will provide.

We will prepare federal and state income tax returns for the Partnership. We will depend on the Management of the Partnership to provide the information we need to prepare complete and accurate returns. We may ask Management to clarify some items but will not audit or otherwise verify the data submitted.

Tax organizers are available on our website at www.pnwtax.com. We encourage Management to use these organizers to help collect the data required for preparation of the Partnership returns. Our staff can also provide Management with a paper copy of the organizer upon request. If Management is using QuickBooks or Excel to track income and expenses, please provide us with a backup copy of these records. If Management is using another accounting program, please provide us with copies of company financials including P&L, and balance sheets for 2015 and 2016 tax years.

Tax Return Preparation Procedures

To help ensure we deliver the best possible service, it is important that Management understand the procedures involved in the preparation of business return which are as follows:

- Step 1. Information collection:** We will collect required information via in-person or telephone interview, and via email correspondence. Management may hand-deliver documents to us at the time of the interview or through the use of our SecureFilePro portal system.
- Step 2. Analysis and preparation:** We will analyze tax documents and prepare tax returns based upon the information Management provides to us.
- Step 3. Draft return review:** We will present Management with a draft copy of returns we prepare for review. Management should review the return and notify your preparer of any required changes Management believes should be made. It is especially important to advise your preparer of incorrect names, addresses, and tax identification numbers.
- Step 4. Signatures and payment of bill.** Your preparer will provide Form 8879P (*E-File Authorization Form*) (en L m f dl dm If m d- **IMPORTANT: Management must sign Form 8879P and return the form to us before we will file the Partnership return(s).** Your tax preparation bill will be provided at this time and must be paid before we can electronically file the Partnership returns.
- Step 5. Tax Consultant review and electronic Filing:** After the signed Form 8879P is returned to us and our tax preparation fees have been paid, the tax return(s) will be routed to our processing department where they will be error-checked. If significant errors are discovered, your preparer will contact Management to notify of the errors. Management will be provided with a corrected copy of the Partnership return and will be asked to sign a new Form 8879P and return it to us before we will file the return(s).
- Step 6. Pick up of paperwork:** When review of the Partnership returns is completed by our Designated Consultant, they will be electronically filed with the IRS and

applicable state(s). Assuming the return(s) are accepted by the IRS and applicable state(s), Processing will print and assemble a final paper copy of the return(s). Management will then be notified by phone or email that paperwork is ready for pickup. Management can stop by our office during normal business hours to pickup original documents and printed copies of the return(s). Any documents not picked up within 4 years will be destroyed.

Accounting services

Pacific Northwest Tax Service offers bookkeeping, accounting and payroll services for small business. These services are offered separately from our tax preparation services and are not included in the tax return preparation price. The hourly rate for bookkeeping and payroll is \$80/hour outside of tax season and \$150/hour during the tax season. Complex accounting services performed by our CPA, Leonard Mitchell, are billed at a rate of \$300/hour. Our work will not include procedures to find defalcations or other irregularities. Accordingly, our engagement should not be relied upon to disclose errors, fraud, or other illegal acts, though it may be necessary for Management to clarify some of the information submitted. We will, of course, inform Management of any material errors, fraud, or other illegal acts we discover.

Unclear law

Should we encounter instances of unclear tax law, or of potential conflicts in the interpretation of the law, we will outline the reasonable courses of action and the risks and consequences of each. We will ultimately adopt the reasonable alternative that Management selects.

Filing deadline and extensions

The filing deadline for the 2016 Partnership return(s) is March 15, 2017. Management may apply for an extension of time to file by filing Form 7004 on or before March 15, 2017.

IMPORTANT: An extension of time to file does not allow more time to pay tax. Management is solely responsible for paying the Partnership tax on time. Management should remit any amount owed by March 15, 2017.

Price Schedule

We generally charge a flat fee for each form and worksheet that is included with the preparation of a tax return. A time charge may apply for additional bookkeeping or consulting services. Our fee for preparing the Partnership returns will be based upon the Price Schedule posted in our offices.

Return and retention of original documents

We will return original records to Management at the end of this engagement. Management should securely store these records along with all supporting documents, canceled checks, credit card statements, etc., as these items may later be needed to prove completeness or accuracy of the return(s). We will retain copies of returns, balance sheet and profit and loss for a minimum of 4 years, after which these documents will be destroyed.

We will conclude with the delivery of the completed returns to Management (if paper-filing), or Management signature on Form 8879P and our subsequent submittal of tax return (if e-filing). If Management chooses not to e-file returns or is not able to e-file returns with our office, Management will be solely responsible to file the returns with the appropriate taxing authorities. **We will not mail paper returns to the government.** Review all tax-return documents carefully before signing them.

Identity theft alert and use of secure portal

The IRS strongly advises all taxpayers to avoid sending valuable personal information via email. Cyberthieves routinely target tax return preparers, banks, medical offices and other businesses that store confidential information that can be used to steal identity. We are committed to the protection of client information and therefore maintain the following policies for security reasons:

1. We will not email copies of tax returns and we strongly advise that Management not to use email for sending valuable information to your tax preparer.
2. Instead, we request that Management use our SecureFilePro cloud-based portal. The portal allows information to be sent and received in a secure environment. Information on how to use the portal is found on our website at www.pnwtax.com. Click on the **User Instructions** link in the upper left corner of the landing page. Your tax preparer will set up Portal access upon request.
3. We do not mail copies of returns however we will arrange for signature delivery via UPS or FedEx for an additional charge of \$70.

Affirmation and acceptance of terms

To affirm that this letter correctly summarizes the arrangements for this work, and that all information provided on the accompanying Partnership/LLC Organizer is true and correct, please sign this letter in the space indicated below.

Thank you for your confidence in Pacific Northwest Tax Service.

Accepted By:

Authorized partner/manager of the Company

Date