

Organizer for Fiduciary Estate and Trust Tax Returns

Estate/Trust: _____

EIN Name

Address: _____

Mailing Address Suite # City State Zip Code

Fiduciary contact name: _____ Email: _____

Contact Phones: _____

(Office) (Home) (Mobile)

Contact Mailing Address Suite # City State Zip Code

This Organizer is provided to help you gather and organize information relating to preparation of your fiduciary income tax return. Where indicated, we have provided additional worksheets and other specialized organizers where you can provide additional important information. Please complete this Organizer and bring the following information to your tax interview:

- A copy of your prior-year 1041 Fiduciary Tax Return if you are a first-time customer of Pacific Northwest Tax Service.
- A copy of the Will or Trust document
- All 1099s, K1s and other income statements issued to the estate, trust or to the decedent in the year of death

Filing Information. Please answer "Yes" or "No" to ALL of the following questions.	Yes	No
Is this tax return for an Estate ? If yes, please provide the following information: Decedent's date of death: _____ Decedent's SSN: _____	<input type="checkbox"/>	<input type="checkbox"/>
Is this tax return for a Trust ? If yes, please provide the following information: Trust type: <input type="checkbox"/> Simple <input type="checkbox"/> Complex <input type="checkbox"/> Grantor <input type="checkbox"/> Other (describe): _____ Date Trust was created: _____	<input type="checkbox"/>	<input type="checkbox"/>
Is this a qualified revocable trust filing an original return that wishes to make a \$645 Election to be taxed as an estate? <i>This election allows a qualified revocable trust to be treated and taxed (for income tax purposes) as part of its related estate during the election period. Once the election is made, it cannot be revoked.</i>	<input type="checkbox"/>	<input type="checkbox"/>
What is the Estate/Trust state of residence? (Should be the same as executor /administrator)		
Is there a change in address or fiduciary name ? If yes, describe: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive tax-exempt income? If yes, \$ _____		
Did the estate or trust receive all or any part of the earnings of a person? If yes, describe: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive or pay seller-financed mortgage? If yes, describe: _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from self-employed small business? If yes, complete the Self-Employed Organizer on our website at https://www.pnwtax.com/ .	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from rental real estate? If yes, complete Rental Organizer .	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from a partnership, S-corporation, trust or estate? If yes, Provide K-1 for each entity that issued income.	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from an installment sale? If yes, describe _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from any state other than Oregon? If yes, name the state and describe the income _____	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from the sale of stocks or bonds? If yes, complete the Sale of Stock Organizer .	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust receive income from interest or dividends? If yes, complete the interest and dividends section on Page 4 .	<input type="checkbox"/>	<input type="checkbox"/>
Did the estate or trust sell property? If yes, complete the property sale section on Page 4 .	<input type="checkbox"/>	<input type="checkbox"/>

Important Information that Applies to Estates

Information on this page is provided to assist you with gathering documents and other information we need when preparing the fiduciary tax return of an estate.

An estate comes into existence on the date of death of the decedent. The estate ends when all assets held by the estate have been distributed.

- All income earned by the decedent prior to death is reported on the final Individual 1040 return of the decedent. All income earned by the estate is reported on the estate Fiduciary 1041 return.
- For the year of death, it is therefore necessary to file two short-year tax returns:
 - One for the decedent, and
 - One for the estate.
- After the year of death, Fiduciary 1041 tax returns are filed for the estate until the estate is closed and all remaining assets of the estate are distributed to beneficiaries, heirs, or charity.

The executor or administrator of an estate is responsible for performing the following duties relating to tax matters of the estate:

1. Obtaining an employer identification number (EIN)
2. Filing necessary income and estate-tax returns including:
 - a. The estate's income tax return (both federal and state),
 - b. The federal estate-tax return (if required),
 - c. The state death tax return (if required)
 - d. The deceased's final income tax return (federal and state).
3. Payment of debts owed by the estate. Taxes usually must be paid before other debts.
4. Paying all death taxes (i.e., estate and inheritance). Often it is necessary to hire an appraiser to value certain assets of the estate, such as a business, pension, or real estate, since estate taxes are based on the "fair market" value of the assets. After the filing of the returns and payment of taxes, the Internal Revenue Service will generally send some type of estate closing letter accepting the return. Occasionally, the return will be audited.

The executor of an estate should keep meticulous bookkeeping records which detail all income and expenditures of the estate. Depending on circumstances and upon the stipulations set forth within the will, beneficiaries of the estate may receive partial distributions of their inheritance prior to the closing of the estate.

Tax laws and rulings governing administration of estates, particularly with respect to taxes, are complex. Therefore, an executor can be in charge for two or three years before the estate administration is completed. During the period of time the estate continues to exist, the executor is required to pay necessary expenses relating to administration of the estate from the estate's assets.

If the estate sold or disposed of assets during the year, the sale of these items must be reported on the tax return of the estate. The following information should be maintained by the estate:

- An inventory of the items sold,
- The fair market value of these items on the date of death,
- Costs related to maintaining, repairing, improving, holding and selling assets,
- The date of sale, and
- Sales price

Examples of the kinds of assets the estate or trust may have sold include:

- Home
- Rental property
- Stocks and bonds
- Personal property such as furniture, jewelry and vehicles.

Sale of stock, home, land, automobiles and other property belonging to the Estate or Trust

- 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

Interest and Dividend Income Worksheet

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

Did the trust/estate have ownership or control over a financial account in a foreign country? Yes No

If yes, complete the **Foreign Income and Asset Holdings Organizer**.

If yes, what was the maximum value of the foreign financial accounts during the year?

Do you wish to nominee any interest to a secondary account holder? Yes No

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

Expenses

Expenses

Fiduciary fees	\$	Attorney fees	\$
Accounting	\$	Tax preparer	\$
Expenses for maintaining property held by the estate	\$	Qualified residence interest (interest paid by the estate on	\$
Investment interest	\$	Investment advisory fees	\$
Subscriptions to investment advisory magazines	\$	Safe deposit box	
Amounts permanently set aside for charitable purposes	\$	Wages (W2s must be issued)	
Mortgage interest (paid to banks etc.)	\$	Cell phone (100% of charges)	\$
Other interest (do not include auto or home loan interest)	\$	Business use %	%
Legal and professional services	\$	Telephone expense (Do not include cost of main home phone line)	\$
Office expense (Do not include equipment purchases – see Depreciation Worksheet below)	\$	Professional continuing education	\$
Pension and profit-sharing plans	\$	Internet service	\$
Rent or lease (vehicles, machinery, and equipment)	\$	Parking & tolls	\$
Rent (office, leasehold, storage)	\$	Other expenses (List below):	\$
Repairs and maintenance	\$		\$

TERMS OF ENGAGEMENT

Thank you for choosing Pacific Northwest Tax Service to assist you with your 2022 tax return preparation. This letter confirms the terms of our engagement with you and outlines the nature and extent of the services we will provide.

We will prepare your 2022 federal, state, county, and city income tax returns. We will depend on you to provide the information we need to prepare complete and accurate returns. We may ask you to clarify some items but will not audit or otherwise verify the data you submit. Tax organizers are available on our website at www.pnwtax.com. We encourage you to use these organizers to help you collect the data required for your return. Our staff can also provide you with paper copy of the organizer if you request one.

Payment of Retainer

Payment of a non-refundable retainer is required at the earlier of:

1. The date you schedule your appointment, or
2. The date you deliver this tax organizer and/or other documents to us.

Amount of retainer

The amount of the retainer is \$500. The retainer is applied to the cost of tax preparation services.

Tax Return Preparation Procedures

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

Step 1. Information collection

We ask you complete this tax organizer and deliver documents to us at least one week prior to your scheduled tax preparation appointment. You may deliver documents to us by dropping them off at our offices, by uploading them to our SecureFilePro portal system or by mail/delivery service.

Step 2. Analysis and preparation

Prior to your tax appointment, we will review and analyze the tax documents and other information you have provided to us. Our staff will contact you via email or phone to request additional information or documentation that we need, and to ask questions to clarify information we already have. Please provide any requested documents or information as quickly as you can. If you cannot deliver requested information before your appointment, we may need to reschedule your appointment.

Step 3. Tax Return Appointment

At your appointment, you and your tax preparer will be able to:

- Ask and receive answers to any questions either of you might have.
- Review your completed tax return.
- Make any necessary corrections to your return.
- Present required documents for you to sign (paper or electronic format)
- Review tax preparation invoice and make payment.

Step 4. Signing Your Return

You should carefully review your return and notify your preparer of any required changes you believe should be made. It is especially important to advise your preparer of incorrect names, addresses, tax identification numbers, or bank routing and account numbers. You should also ensure that income and deduction amounts seem accurate.

An authorized officer must sign the following forms before we can electronically file your return:

1. **Form 8879F** (E-File Authorization Form).
2. Pacific Northwest Tax Service **Engagement Letter**.
3. **State 8879, 8453** or other e-sign authorizations may also need to be signed for certain state returns.

HelloSign e-signing procedures

We use the HelloSign, e-signature service which allows you to authenticate and sign your return from your computer or smart phone. The following rules apply to e-signing your return:

1. Look for an email from HelloSign.
2. Your access code password for e-signing signing your return is the authorized signer's full 9-digit SSN typed in the following format (000-00-0000).

Signing at our offices

If you prefer to sign paper forms, you may do so at our offices. Your tax preparer, or our front desk staff can print the required forms for you when you come in. Please have your ID ready to present to our staff at this time.

Step 5. Payment of Tax Preparation Fee

Your tax preparation bill must be paid before we finalize and electronically file your return. You can pay your invoice in any of the following ways:

1. Authorize.net e-invoice allows you to pay your bill online.
2. Phone into our offices with your credit or debit card.
3. In person at our offices with debit or credit card.

Paying by check

We do accept payments via check however we wait for your check to clear before we e-file your return.

Step 6. Tax Consultant Review and Error Check

After you have signed Form 8879P and paid your tax preparation fees, your return will be routed to our processing department where it will be error-checked. If significant errors are discovered, your preparer will contact you to notify you of the errors. You will be provided with a corrected copy of your return, and you will be asked to sign a new Form 8879P which you will need to sign and return to us before we will file your return.

Step 7. E-filing and Finalization of Return

When review of your return is completed by our Designated Consultant, your return will be electronically filed with the IRS and applicable state(s). After your return(s) are accepted by the IRS and applicable state(s), our front desk staff will contact you to notify you by phone, email and/or text message that your return has been finalized.

Step 8: Delivery of tax return & return of original documents

We will upload an electronic copy of your return to your secure portal. Please let your tax preparer know if you want a paper copy of your return. The additional cost of a paper printout is \$20.

If you delivered paper tax documents to our offices, you will be able to pick your documents up after your tax return has been electronically filed and accepted by IRS and state. Our front desk staff will contact you via

phone, e-mail and/or text message to notify you paperwork is ready for pickup. You can stop by our offices during normal business hours to pick up your documents. 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 cost of preparing your return. The hourly rate for bookkeeping and payroll is \$100/hour outside of tax season and \$275/hour during the tax season. Complex accounting services performed by our senior accounting staff or CPA, are billed at a rate of \$350/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 you to clarify some of the information you submit. We will, of course, inform you 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 adopt, on your behalf, the reasonable alternative that you select.

Penalties for late payment of tax

You are solely responsible for making timely payment of taxes that you owe. The law imposes penalties when taxpayers underpay or make late payment of their tax liabilities (amounts owed) including:

- **Estimated tax penalty:** If you underpay taxes during the year, you can be assessed an estimated tax penalty.
- **Late payment penalty:** If you pay taxes after the March 15 filing deadline, you can be assessed late filing penalties, late payment penalties and interest on amounts you owe.

Filing deadline and extensions

The filing deadline for your 2022 return is April 18, 2023. You may apply for an extension by filing Form 7004 on or before March 15, 2023. If you would like PNW Tax to file an extension for you, please complete and submit our [Fiduciary Extension Request Form](#) prior to April 18.

IMPORTANT: An extension of time to file does not give you more time to pay your tax. You are solely responsible for paying your tax on time. You should remit any amount you owe by April 18, 2023, with your timely filed Form 7004. You may also pay taxes owed online with the IRS and your state.

Price Schedule

We generally charge a flat fee for each form and worksheet that is included with preparation of your tax return. A time charge may apply for additional bookkeeping or consulting services. Our fee for preparing your returns will be based upon the Price Schedule posted in our offices. More information about our pricing can be found on our website at [Business & Entity Return Pricing | Pacific Northwest Tax Service \(pnwtax.com\)](#)

Return and retention of original documents

We will return your original records to you at the end of this engagement. You 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 your return. We will retain copies of your returns and certain other required documents for a minimum of 4 years, after which these documents will be destroyed.

End of Engagement

Our engagement to prepare your 2022 tax returns will conclude with the delivery of the completed returns to you (if paper filing), or your signature and our subsequent submittal of your tax return (if e-filing). If you choose not to e-file your returns or are not able to e-file your returns with our office, you will be solely responsible for filing the returns with the appropriate taxing authorities. We will not mail paper returns to the

government for you. 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. Cyber-thieves routinely target tax return preparers, banks, medical offices, and other businesses that store confidential information that can be used to steal your identity. We are committed to the protection of your information and therefore maintain the following policies for security reasons:

1. We will not email copies of your tax return to you, and we strongly advise that you do not email your valuable information to your tax preparer.
2. Instead, we request that you use our SecureFilePro cloud-based portal. The portal allows you to send and receive information 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 for you at your 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 \$75.

Affirmation and acceptance of terms

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign this letter in the space indicated and return it to us.

Name of Fiduciary/Trustee/Executor

Signature

Date

Payment of Retainer - Please indicate which of the following is true:

- I have already paid the required retainer.
- I am including the required \$500 retainer with this Organizer.

If you are including the required retainer with this organizer, you can attach a check, or you can provide credit/debit card information below.

- Check for \$500 is attached.
- Please charge \$500 to my credit card/debit card.

Name on card

Credit Card #

Billing street address

Zip

Exp date

CV code

Authorized Signature