

Organizer for Partnerships & Multimember LLCs

LLC/Partnership: _____

EIN	Name	Date Formed		
Address: _____				
Mailing Address	Suite #	City	State	Zip Code

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 partnership income tax return. Where indicated, we have provided additional worksheets and other specialized organizers where you can provide additional important information. Please provide us with a copy of the Partnership/LLC's tax returns for the past 3 years if you are a first-time client of Pacific Northwest Tax Service.

- **IMPORTANT:** If you use **QuickBooks** and are provide us with online access to, or a backup copy of, your Quickbooks records, then do NOT complete pages 6 - 9 of this organizer.
- **If you have employees**, please bring copies of the following documents:
 - [Form W-3](#) (*This form is filed with W-2s to report total annual payroll*)
 - Federal Form [940](#) (FUTA) – Calendar year 2022
 - Federal Form [941](#) (FICA) quarterly reports for periods ending 3/31, 6/30, 9/30 and 12/31 of 2022
 - Oregon Combined Quarterly Reports (*other states if applicable*) for periods ending 3/31, 6/30, 9/30 and 12/31 of 2022
- **If you would like our accounting staff to prepare a business profit and loss for you**, we will need you to provide us with the following documents:
 - Business bank statements for all months of the year
 - Credit card statements (for business-use credit cards)
 - Receipts for cash purchases not shown on bank or credit card statements
 - Checkbook register (*Identify all checks by entering an expense category in the memo section*)
- **To minimize accounting and bookkeeping errors and costs, we strongly** recommend you do not mix personal and business expenses. You may transfer funds to and from your partnership and personal accounts.
 - Identify a personal withdrawal of funds from your business account as "Partner Distribution"
 - Identify a deposit of personal funds to your business account as "Partner Contribution"
 - If contributions and distributions were made for more than one partner during the year, provide separate information for each partner.
 - **If you made payments of \$600 or more during the year** to an attorney or an unincorporated business such as an LLC, a sole-proprietor or landlord, you must issue Forms 1099-MISC or NEC to these businesses or individuals.
Did you issue Forms 1099-MISC or NEC where so required? Yes ☐ No ☐
If not, do you want us to prepare Forms [1099-MISC or NEC](#) for you? Yes ☐ No ☐

Filing Information. Please answer "Yes" or "No" to ALL of the following questions.		Yes	No
Is this the Partnership/LLC's first year as partnership/LLC?		<input type="checkbox"/>	<input type="checkbox"/>
What is the state of formation for the partnership/LLC? _____ What is the partnership/LLC's state of residence? _____			
What date was the Partnership/LLC first authorized to do business in the resident state?			
Did the Partnership/LLC have a change of business name during the year?		<input type="checkbox"/>	<input type="checkbox"/>
Is there a change of address for the year?		<input type="checkbox"/>	<input type="checkbox"/>
What is the principal business activity of the Partnership/LLC?			
Does the business manufacture or resell goods? Determine if subject to Uniform Capitalization Rules (UNICAP)		<input type="checkbox"/>	<input type="checkbox"/>
What accounting method does the Partnership/LLC use? Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (describe) _____			
Does the Partnership/LLC file under a calendar year? (If no, what is the fiscal year?)		<input type="checkbox"/>	<input type="checkbox"/>
Did the business make any payments that would require it to issue a Form 1099-Misc?		<input type="checkbox"/>	<input type="checkbox"/>
If so required, did the business file all required Forms 1099-Misc?		<input type="checkbox"/>	<input type="checkbox"/>
Did the business make payments to foreign persons or businesses? (Preparer, determine if 1042-S required)		<input type="checkbox"/>	<input type="checkbox"/>
Was any debt cancelled or forgiven?		<input type="checkbox"/>	<input type="checkbox"/>
Does the partnership/LLC have foreign accounts? (Preparer, determine if FinCEN 114 or 8938 required)		<input type="checkbox"/>	<input type="checkbox"/>
Does the business own 20% or more of the stock in another partnership/LLC or 20% or more interest in a partnership/LLC, or trust?		<input type="checkbox"/>	<input type="checkbox"/>
What kind of accounting software does the business use?		<input type="checkbox"/>	<input type="checkbox"/>
Will the business provide a copy of or access to business accounting software?		<input type="checkbox"/>	<input type="checkbox"/>
Will the business provide the Profit & Loss, Balance Sheet, and any adjusting journal entries? If no, complete business income and expense sections of this organizer on pages 6 and 7.		<input type="checkbox"/>	<input type="checkbox"/>

Additional Information for Oregon State and County/City Returns	
Did the Partnership/LLC conduct business inside the City of Portland? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, what portion of the gross receipts of the Partnership/LLC were from activities inside the City? \$ _____	
Did the Partnership/LLC conduct business inside Multnomah County? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, what portion of the gross receipts of the Partnership/LLC were from activities inside Multnomah County? \$ _____	
Did the Partnership/LLC conduct business in any cities other than Portland? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, provide the names and income earned in these cities.	
City name _____	Income apportionment \$ _____
City name _____	Income apportionment \$ _____
City name _____	Income apportionment \$ _____
City name _____	Income apportionment \$ _____
Business income from other states	
Did the Partnership/LLC conduct business in more than one state? Yes <input type="checkbox"/> No <input type="checkbox"/>	
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 \$ _____

Asset Depreciation Worksheet					
<ul style="list-style-type: none"> You must report the purchase and disposition of all assets you used in your business. For each asset costing \$500 or more that was bought or sold, provide the following information: 					
Assets purchased during the year			Assets sold or disposed of during the year		
Description	Date Bought	Cost	Description	Disposition date	Sales price

Daily per diem travel worksheet							
City visited	# of days in city	Daily rate	Total per diem	City visited	# of days in city	Daily rate	Total per diem
				(Preparer use only) Total per diem allowable			

Information relating to deductions and credits the partnership may qualify for. Answer "Yes" or "No" and provide information as applicable.				
	Yes	No	Details	Form Notes
Did the Partnership/LLC purchase a plug-in electric vehicle this year?	<input type="checkbox"/>	<input type="checkbox"/>		8910 or 8936
Did the Partnership/LLC pay wages to any employees who were members of a targeted group?	<input type="checkbox"/>	<input type="checkbox"/>		5884
Did the Partnership/LLC initiate a new 401K plan during the year?	<input type="checkbox"/>	<input type="checkbox"/>		8881
Did the Partnership/LLC pay for disabled access equipment or improvements during the year?	<input type="checkbox"/>	<input type="checkbox"/>		8826
Did the Partnership/LLC provide for or reimburse employees for childcare expenses during the year?	<input type="checkbox"/>	<input type="checkbox"/>		8882
Did the Partnership/LLC make energy-efficiency improvements?	<input type="checkbox"/>	<input type="checkbox"/>		8908
Did the Partnership/LLC pay Social Security and/or Medicare on employee tips?	<input type="checkbox"/>	<input type="checkbox"/>		8846
Did the Partnership/LLC participate in SHOP (Small Business Health Options Program)?	<input type="checkbox"/>	<input type="checkbox"/>		8941
Preparer use only - Qualified Business Income information				
Is this business a SSTB?	<input type="checkbox"/>	<input type="checkbox"/>		
Does business have income that doesn't qualify for the QBI deduction?	<input type="checkbox"/>	<input type="checkbox"/>		

Automobile Expenses			
Mileage reimbursement amount paid to shareholders and employees for the year \$ _____			
(Provide these expenses for the partnership)			
Garage rent	\$	Repairs	\$
Gas	\$	Tires	\$
Insurance	\$	Tolls	\$
Licenses	\$	Registration fees	\$
Oil	\$	Other expenses (list):	\$
Parking fees	\$		\$
Lease payments	\$		\$
When a business auto is used by a 5% or greater shareholder determine business, commuting and personal miles.			

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	Share of ownership interest at start of year	Share of ownership interest at end of year	Dates of 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

Note: partnership contributions and distributions should always be proportionate to ownership percentages.

This page is for preparer use only.

Reconcile Book Net Income	
M-1 Line 1	Book Net Income

Preparer Notes

Reconcile RE/Partner's Capital Account				
	Retained Earnings	Variance	Partner's Capital Account	Notes
Beginning Balance				
Ordinary Income - Book				
Contributions				
Distributions				
Other Items				
Ending Total				
Actual Ending Balance				
Cause of Variance:				
Distributions in Excess of Basis				
Suspended Losses				
Other				
Total				

Complete pages 6 – 9 of this organizer only if the partnership/LLC is NOT providing PNW Tax with a copy of QuickBooks file.

Income	
What were the business gross receipts or sales for the year?	\$
Restaurant? What portion of the income is from tips?	\$
What portion of gross sales listed above was refunded or returned?	\$
Did the partnership/LLC have income from rental property?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If yes, complete the last page of the rental property organizer.	
Restaurant? What portion of the income is from tips?	\$
Did the Partnership/LLC have any other income from this business activity not included in gross receipts above? If yes, describe. Yes <input type="checkbox"/> No <input type="checkbox"/>	
(If the Partnership/LLC had interest or dividend income, complete Interest/Dividend Worksheet on Page 7 of this Organizer)	
Describe any other income of the Partnership/LLC not included elsewhere in this Organizer.	

Cost of Goods Sold (COGS)	
Business such as restaurants, retail sales and manufacturing 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? <small>Preparer note: UNICAP applies if gross receipts over \$25 million.</small>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Do you operate a wholesale or retail business where you maintain an inventory of goods? <small>Preparer note: UNICAP applies if gross receipts over \$25 million.</small>	Yes <input type="checkbox"/> No <input type="checkbox"/>
Did you change your method of counting inventory during the year?	Yes <input type="checkbox"/> No <input type="checkbox"/>
What was your opening cost of inventory on the first day of the year?	
What were your 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	
Closing inventory at end of year	
<i>Preparer use only</i> Net COGS	\$

Travel Expense Worksheet			
Meal Per Diem (Important facts)			
<ul style="list-style-type: none"> For each day you traveled away from home for business outside the metro area, you may claim the actual cost of your lodging and meals. For meals only, you may claim a daily per diem amount instead of the actual costs. If you paid travel expenses for your employees outside the metro area, you may choose between claiming the actual cost of employee meals and lodging; or you can reimburse the employee a daily per diem amount for meals and lodging. The daily per diem amount varies depending on the city and country you and/or your employee traveled to. Please provide a detailing of each city that you or your employee travelled to for business during the year and the number of days in each city. <i>(PNW Tax will look up the daily rate and figure the total per diem deduction amount)</i> You can alternate between actual expenses and the per diem method for each business trip; however you may not use both per diem and actual for the same business trip. A partial per diem is allowed when you travel outside the metro area for less than a full day. 			
Travel Expenses	\$	Travel Expenses	\$
Airfare		Meals - actual receipts <i>(Do not include cost of meals where you are claiming the daily per diem rate)</i>	
Bus, train, taxi		Other travel <i>(describe below)</i>	\$
Entertainment is not deductible			
Lodging			
Parking & tolls		(Preparer use only) Total travel	

- 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 \$ _____

Business Expenses	\$
Advertising	
Auto (Complete auto worksheet , page 6)	
Bank fees and charges	
Cell phone (100% of cost) \$ _____ (x Business use _____ %) =	
Commissions and fees	
Computers, equipment, furniture (Complete the Asset Depreciation Worksheet shown on page 2)	
Contract labor You must issue a 1099 Misc to any unincorporated entity to whom you paid \$600 or more for the year.	
Dues and Subscriptions	
Employee benefit programs	
Health Insurance (employee)	
Health Insurance (shareholder)	
Insurance (other than health)	
Internet service	
Interest – Mortgage (<i>business- not home</i>)	
Interest – Business credit cards	
Interest – Business loans/credit line	
Laundry/cleaning/janitorial	
Legal and professional services	
Local (in-town) business meals (Enter travel meal expense on Page 6)	
Entertainment is not deductible in 2020	
Merchant credit card fees	
Office expense (Do not include equipment costing more than \$500 per item – use Asset Depreciation Worksheet on page 2)	
Parking & tolls	
Postage & shipping	
Professional education & training	
Rent (<i>office, leasehold, storage</i>) (1099-MISC to unincorporated payees required)	
Rent or lease (<i>vehicles, machinery, and equipment</i>)	
Repairs and maintenance	

Business Expenses		\$
Software (if cost is over \$500, enter on Asset Depreciation Worksheet on page 3)		
Supplies and small tools (Items that cost more than \$500 must be listed on Depreciation Worksheet on page 2)		
Taxes - Local & business licenses (eg. City, personal property)		
Taxes - Payroll (941, 940 & OR)		
Taxes – Other (business - not personal)		
Annual business registration fees		
Telephone expense (land line) <i>(Do not include cost of main home phone line)</i>		
Travel (Complete Travel Expense Worksheet on Page 6 of this organizer)		
Utilities (Do not include home office)		
Wages (W-2s issued to employees) Provide PNW Tax w/copies of W-3, Annual 940 & Quarterly 941 along with all state reports.		
Guaranteed payments to partners		
Website maintenance & support		
Other expenses (Describe)		
Reconciliation to Drake (Preparer use only)		
Total Expenses (per worksheet)		
Total Income (per worksheet)		
Net COGS (per worksheet)		
Net income or loss (per worksheet)		
Depreciation (per Drake)		
50% of meals (per Drake)		
Auto expense (per Drake)		
Net income or loss (per Drake)		
Difference (should be \$0)		

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	\$		\$
Lease payments	\$		\$

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"/>	

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"/>

Partnership/LLC Balance Sheet

Assets at year end	Beginning	Ending
Bank account end of year balance	\$	\$
Accounts receivable at end of year	\$	\$
Loans to Partners	\$	\$
Mortgages and loans held by partnership	\$	\$
Stocks, bonds and securities	\$	\$
Other current assets (describe)	\$	\$
Debts and Equity at year-end		
Accounts payable at year end	\$	\$
Payables less than 1 year	\$	\$
Payables more than 1 year	\$	\$
Mortgages and loans owed by business	\$	\$
Partner's Capital Accounts	\$	\$
Loans from partners/members	\$	\$
Retained Earnings	\$	\$

Cash Reconciliation

Beginning Cash Balance	\$
Additions	
Income	\$
Cash Contributions	\$
Increase in Debt Balances	\$
Asset Sales Proceeds	\$
Depreciation	\$
Amortization	\$
Other Items	\$
Subtractions	
Expenses	\$
Nondeductible Expenses	\$
Asset Purchases	\$
Decrease in Debt Balances	\$
Other Items	\$
Total	\$
Ending Cash Balance	\$
Variance is Distributions	\$

Preparer Notes

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 \$250 for individual 1040 tax returns and \$500 for all other types of tax returns. 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.

Both you (and your spouse if filing jointly) must sign the following forms before we can electronically file your return:

1. **Form 8879** (E-File Authorization Form).
2. Pacific Northwest Tax Service **Engagement Letter**.
3. **Direct Deposit and/or ACH Payment Authorization** (if you have elected to receive your refund or pay your taxes directly from your bank account)
4. **Due diligence forms** may need to be signed for taxpayers receiving certain tax benefits such as the earned income credit, child tax credit or head of household filing status.
5. **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 your full 9-digit SSN typed in the following format (000-00-0000).
3. Joint filers receive and sign e-sign documents in separate emails. Taxpayer and spouse will each use your own SSN.

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.

Withhold tax preparation fees from refund

an additional charge of \$104, you may elect to have our fees withheld from your refund through the Republic Bank Refund Transfer product.

Step 6. Tax Consultant Review and Error Check

After you have signed Form 8879 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 8879 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 April 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 4868 on or before April 18, 2023.

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 4868. 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 <https://www.pnwtax.com/1040-individual-tax-return-pricing>.

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, W-2s 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 Tax Matters Partner/Member

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 \$250 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 \$250 is attached.
- ☐ Please charge \$250 to my credit card/debit card.

Name on card

Credit Card #

Billing street address

Zip

Exp date

CV code

Authorized Signature

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:

3. The date you schedule your appointment, or
4. 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:

6. **Form 8879P** (E-File Authorization Form).
7. Pacific Northwest Tax Service **Engagement Letter**.
8. **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:

4. Look for an email from HelloSign.
5. 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:

4. Authorize.net e-invoice allows you to pay your bill online.
5. Phone into our offices with your credit or debit card.
6. 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 March 15, 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 [Partnership Extension Request Form](#) prior to March 15.

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 March 15, 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:

4. 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.
5. 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.
6. 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 signing partner/member

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