

Self Employment Income & Single Member LLC Organizer

This Organizer belongs to: _____

This self-employment organizer will assist you with organization of your business information and records. The IRS imposes reporting and record-keeping rules, some of which are described in this Organizer. It is important you answer all questions contained in the Organizer.

- Certain personal expenses such as [charity, home mortgage expenses and real estate taxes](#), may be deductible on your tax return; however these expenses should not be shown as business expenses on page 3. If you used your home for your business, please complete [the Business Use of Home Worksheet](#) on page 5.
- If you use **QuickBooks, Quicken or Excel**, you can provide us with a backup file of your records rather than completing the income, expense, and balance sheet sections of this organizer.
- **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)
- **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 & 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
- **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 business and personal accounts.
 - Identify a personal withdrawal of funds from your business account as "Owner Draw"
 - Identify a deposit of personal funds to your business account as "Owner Contribution"
- **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/NEC where so required?](#) Yes ☐ No ☐
If not, do you want us to prepare [Forms 1099-MISC/NEC](#) for you? Yes ☐ No ☐

Information about your self-employment or business activity

This business belongs to: Taxpayer ☐ Spouse ☐ Both ☐

Describe your principal business or profession:

Business name (if DBA):

Business address:

Employer I.D. number (EIN if you have one)

Accounting method: Cash ☐ Accrual ☐ Other ☐

Inventory method: Cost ☐ Lower of Cost or Market ☐ Other ☐

Did you "materially participate" in the operation of this business? Yes ☐ No ☐

What year _____ and in what state _____ did you start or acquire this business?

Income

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

What portion of your receipts was reported on Form 1099K? \$

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

Did you have any other income from this business activity not included in gross receipts above?

Yes ☐ No ☐ Describe:

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?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Do you operate a wholesale or retail business where you maintain an inventory of goods?	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	\$

Business Expenses**\$****Advertising****Auto** (Complete [auto worksheet](#), page 4)**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 3)**Contract labor**

(You must issue a 1099 NEC to any nonemployee to whom you paid \$600 or more for the year)

Dues and Subscriptions**Employee benefit programs****Health Insurance** (employee)**Health Insurance** (self/family)**Insurance** (other than health)**Internet service****Interest** – Mortgage (business- **not** home)**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 3)

Entertainment is not deductible**Merchant credit card fees****Office expense** (Do not include equipment costing more than \$500 per item – use [Asset Depreciation Worksheet](#) on page 3)**Parking & tolls****Postage & shipping****Professional education & training****Rent** (office, leasehold, storage)
(1099-MISC to unincorporated payees required)**Rent or lease**

(vehicles, machinery, and equipment)

Repairs and maintenance**Software** (if cost is over \$500, enter on [Asset Depreciation Worksheet](#) on page 3)**Business Expenses****\$****Supplies and small tools**(Items that cost more than \$500 must be listed on [Depreciation Worksheet](#) on page 3)**Taxes - Local & business licenses**

(eg. City, Trimet, personal property)

Taxes - Payroll (941, 940 & OR)**Taxes – Other** (business - not personal)**Annual business registration fees****Telephone expense** (land line) (Do not include cost of main home phone line)**Travel** (Complete [Travel Expense Worksheet](#) on Page 5 of this organizer)**Utilities** (Do not include home office)**Wages** (W-2s issued to employees)

Provide copies of W-3, Annual 940 & Quarterly 941 reports filed.)

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)	
100% of meals (per Drake)	
2022 Tax prep fee (pro-rated per Drake)	
Auto expense (per Drake)	
Home office expense (per Drake)	
Net income or loss (per Drake)	
Difference (should be \$0)	

- 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 sold or disposed of during the year

[illegible]

Meal Per Diem (Important facts)

- 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 traveled to for business during the year and the number of days in each city. *(PNW Tax will look up the **daily rate** and figure the **total per diem deduction amount**)*
- 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.

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			
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			

Business Use of Automobile

IMPORTANT: you must keep documentation to prove business use of a vehicle

If you used your automobile for active conduct of your rental business, you can claim expenses for business use of your vehicle. You must have proof of business use in the form of a mileage log or a written calendar unless you can show your vehicle was 100% business use.

You may be eligible to claim a standard mileage rate or claim actual operational expenses for your vehicle. In either case, **you must maintain written records to support your deduction.**

Provide ALL the following information for EACH vehicle you used for your business

Purchase price of vehicle		\$	
Description (<i>Model and year</i>)	Date vehicle was first used in your business:		
Odometer reading on January 1:	Odometer reading on December 31:		
Commuting miles (Miles you drove to/from job)		Average # of days you commute each week _____	
Business Miles for each half of the year	January - June	July - December	
Interest paid on auto loan for this vehicle \$		Tolls & Parking	
Was the vehicle available for personal use? 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"/> I don't know <input type="checkbox"/>			

Automobile Expenses (*Provide these expenses if you are NOT claiming the standard mileage rate*)

Garage rent	\$	Oil	\$		\$
Gas	\$	Repairs	\$		\$
Insurance	\$	Tires	\$		\$
Licenses	\$	Registration Fees	\$		\$
Lease payments	\$	Other	\$		

Child Day Care Provider Daily Meal Log

If you operated a child daycare business, you can claim a daily per-diem amount for the cost of meals you gave to children in the course of your business. For each child for whom you provided meals, please provide a log which contains all of the information shown here.

Name of Child	Date	Time in	Time Out	Number of Breakfasts	Number of Lunches	Number of Dinners	Number of Snacks

Business Use of Home			
Did you use a portion of your home for regular and exclusive business use ? Yes <input type="checkbox"/> No <input type="checkbox"/>			
If yes, please provide the following additional information:			
Purchase price of Home		\$	
Cost of improvements to home since you purchased it.			
Value of the land your home is built on.			
Area of home used regularly and exclusively for business	_____	Square Feet	
Total area of home	_____	Square Feet	
Did you claim office-in-home expenses last year? Yes <input type="checkbox"/> No <input type="checkbox"/>			
Deductible mortgage interest paid (<i>for entire home</i>)		\$	
Real estate taxes paid (<i>for entire home</i>)			
Mortgage insurance			
Insurance paid (<i>for entire home</i>)			
Rent paid (<i>for entire home</i>)			
Repairs and maintenance (<i>for entire home</i>)			
Repairs and maintenance allocable directly to business-use area of home only			
Utilities			
Other expenses: Describe		\$	
Date you first used your home for business	_____	Month	Year
If you use your home for operating a child daycare business, enter the total hours during the year that children were using your income. _____			
		Hours for the year	
Did you live in the home all year? Yes <input type="checkbox"/> No <input type="checkbox"/>			
If no, enter the dates you lived in the home _____ to _____			

Additional Information for OREGON and County/City Returns	
<ul style="list-style-type: none"> If you 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 you operated a business location or had employees in more than one state, it is necessary to apportion income between the states. 	
Did you conduct business inside the City of Portland? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, what portion of your gross receipts of your business were from activities inside the City? \$ _____	
Did you conduct business inside Multnomah County? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, what portion of your gross receipts were from activities inside Multnomah County? \$ _____	
Did you 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 you conduct business in more than one state? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If yes, please apportion income and payroll 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 \$ _____

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.

Taxpayer Signature

Date

Spouse 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