

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"/>

Business Income from Other States

Some states have city and additional district taxes, please inform us if this is true

Did the Partnership/LLC 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 \$ _____

Asset Depreciation Worksheet

- 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

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 FTA 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"/>	
<small>(If the Partnership/LLC had interest or dividend income, complete Interest/Dividend Worksheet on Page 7 of this Organizer)</small>	
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>(FTA 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	

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 \$ _____

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 (office, leasehold, storage) (1099-MISC to unincorporated payees required)	
Rent or lease (vehicles, machinery, and equipment)	
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 Fisher Tax and Accounting, LLC 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.

If Management is using QuickBooks (desktop or Online) or Excel to track income and expenses, please provide us with a backup copy of these records or access to QB online. If Management is using another accounting program, please provide us with copies of company financials including P&L, and balance sheets for 2 prior years.

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 will collect required information from you telephone interview, email correspondence, and from documents you provide to us. You may deliver documents to us by dropping them off at our office, by uploading them to our ShareFile portal system or by mail/delivery service.
- Step 2. Analysis and preparation:** If you send us your information prior to your 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.
- Step 3. Tax Return Appointment:** Your tax return interview will provide you and your tax preparer the opportunity to:
- Ask and receive answers to any questions either of you might have.
 - Review your return. Your preparer will upload a draft copy of your return to your secure portal for you to review. If you prefer to review a paper copy of your draft return, you can request one and then stop by our offices to pick it up at a later time.
 - If your return is ready to finalize, your preparer may send you signature documents and invoice to you electronically.
- Step 4. Signing Your Return:** After your appointment, you should **carefully review your draft 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 **8879P** (*E-File Authorization Form*).
2. Fisher Tax and Accounting, LLC **Engagement Letter**.
3. State other e-sign authorizations may also need to be signed for certain state returns.

Signing at our offices

You may sign paper forms at our offices if you prefer vs email signature request.

Your tax preparer will print the required forms and have them made available to you.

Step 5. Payment of Tax Preparation Fee.

Your tax preparation bill must be paid before we finalize and electronically file your return. We currently only accept cash or check.

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: Before you have sign Form 8879 and pay your tax preparation fees, your return will be reviewed by our CPAs for errors.

Step 7. E-filing and Finalization of Return: When review of your return is completed, 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), we will notify you if requested that it has been delivered and accepted by the taxing agencies

Step 8: Delivery of tax return & return of original documents: Unless you request otherwise, we will provide you with either an electronic and/or paper copy of your tax return. In addition, if you delivered paper tax documents to our offices, these will be returned to you when you pick up the paper copy of your tax return. 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 archived.

Accounting services

Fisher Tax and Accounting, LLC 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 \$45/hour outside of tax season and \$50/hour during the tax season. Complex accounting services performed by our CPA are billed at a rate of \$150/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 2021 Partnership return(s) is March 15. Management may apply for an extension of time to file by filing Form 7004 on or before March 15. 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.

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

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.

Our engagement to prepare the Partnership's tax returns for tax year _____ 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 ShareFile cloud-based portal. The portal allows information to be sent and received in a secure environment. 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 \$50

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 Fisher Tax and Accounting, LLC.

Accepted By:

Authorized partner/manager of the Company

Date