

Organizer for Fiduciary Estate and Trust Tax Returns

Estate/Trust: _____

EIN Name

Address: _____

Mailing Address Suite # City State Zip Code

Fiduciary contact name: _____ Email: _____

Contact Phones: _____

(Office) (Home) (Mobile)

Contact Mailing Address Suite # City State Zip Code

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

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

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

Important Information that Applies to Estates

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Interest and Dividend Income Worksheet

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

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

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

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

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

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

ENGAGEMENT LETTER

TERMS OF ENGAGEMENT OF SERVICES

Thank you for choosing Pacific Northwest Tax Service to assist with preparation of Form 1041 return(s) for _____ (hereinafter referred to as the Entity). This letter confirms the terms of our engagement and outlines the nature and extent of the services we will provide.

We will prepare tax year _____ federal and state fiduciary 1041 returns for the Entity. We will depend on the Fiduciary or Executor, hereinafter described as the Representative, to provide the information we need to prepare complete and accurate returns. We may ask the Representative to clarify some items but will not audit or otherwise verify the data submitted.

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

Tax Return Preparation Procedures

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

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

Step 6. Pick up of paperwork: When review of the return(s) is completed by our Designated Consultant, they will be electronically filed with the IRS and applicable state(s). Assuming the return(s) are accepted by the IRS and applicable state(s), Processing will print and assemble a final paper copy of the return(s). The Representative will then be notified by phone or email that paperwork is ready for pickup. The Representative can stop by our office during normal business hours to pickup original documents and printed copies of the return(s). Any documents not picked up within 4 years will be destroyed.

Accounting services

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

Filing deadline and extensions

The filing deadline for the 2016 Corporation return(s) is March 15, 2017. The Representative may apply for an extension of time to file by filing Form 7004 on or before March 15, 2017. **IMPORTANT: An extension of time to file does not allow more time to pay tax.** The Representative is solely responsible for paying tax on time. The Representative should remit any amount owed by April 15, 2017.

Price Schedule

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

Return and retention of original documents

We will return original records to the Representative at the end of this engagement. The Representative 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 Entity's tax return(s) will conclude with the delivery of the completed return(s) to the Representative (if paper-filing), or the Representative signature on Form 8879C and our subsequent submittal of tax return (if e-filing). If the Representative chooses not to e-file returns or is not able to e-file returns with our office, The Representative

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

Affirmation and acceptance of terms

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

Thank you for your confidence in Pacific Northwest Tax Service.

Accepted By:

Executor/Administrator/Trustee of the Fiduciary

Date