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# S Corporation Tax Organizer

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Thank you for choosing Rock Solid Tax and Accounting LLC to do your tax preparation. Please read and sign the engagement letter on page 3 and answer all of the questions about the S-Corp on pages 5 & 7. You may complete the remaining pages or just use them to help organize your information.

In addition, please provide the following:

- QuickBooks backup file or company ledgers
- Articles of Incorporation, bylaws, resolutions
- previous 3 years' tax returns
- depreciation schedules of fixed assets
- copies of W-2's and 1099-Misc issued or received
- All documentation related to PPP, EIDL, Small Business Loan forgiveness and all COVID19 related Payroll adjustments



Client Name: \_\_\_\_\_

Thank you for choosing Rock Solid Tax and Accounting LLC to assist you with your 2020 taxes. 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 2020 federal and state 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. It is our understanding that the information you are providing is truthful, complete and you have receipts, and or canceled checks to support all deductions and expenses provided by you. It may be necessary to request these substantiating documents and it is our understanding that you are willing to provide them to us if requested.** An Organizer is enclosed to help you collect the data required for your return. The Organizer will help you avoid overlooking important information.

The tax return fee does not include bookkeeping. Bookkeeping necessary to make data tax return-ready will be added to the tax preparation fee. We will perform accounting services only as needed to prepare your tax returns. 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 inform you of any material errors, fraud, or other illegal acts we discover.

The law imposes penalties when taxpayers underestimate their tax liability. Call us if you have concerns about such penalties and would like to make estimated payments for 2021.

**The impact of the Coronavirus pandemic on the 2020 tax calculations is significant. Congress has passed numerous tax packages over the past year including the SECURE Act, the Families First Act, and the CARES Act. Almost everyone will see some effect from one or all of these important pieces of legislation. It is important that all information related to stimulus payments received, PPP loans, or other Covid-19 related payments be provided. Once again, it is unclear whether or not Arizona will conform with the numerous changes put forth by the IRS. Your tax returns will be prepared with the information that is currently available.**

We will use our professional judgment in preparing your returns. Subsequent developments issued by the applicable tax authorities may affect the information we have previously provided, and these effects may be material. Whenever we are aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), we will explain the possible positions that may be taken on your return. In accordance with our professional standards, we will follow whatever position you request, if it is consistent with the codes, regulations, and interpretations that have been promulgated. 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, on your behalf, the alternative you select.

Our fee is based on the forms required to prepare the return. Invoices are due and payable upon presentation. **Tax returns will not be filed, and copies of the returns will not be provided to you until payment has been received in full.** If you terminate this engagement before completion, all original documentation will be returned to you. Fees charged for tax return preparation do not include audit representation or preparing materials to respond to correspondence from taxing authorities. Such representation is available as a separate engagement. **Preparation fees do include limited assistance and consultation during the year.**

We will return your original records to you at the end of this engagement. Store these records, along with all supporting documents, canceled checks, etc., in a secure location in case these items are needed later to prove accuracy and completeness of a return. We retain copies of your records and our work papers for your engagement for at least four years. If you want us to delete the information after this time you must provide written instructions.

Our engagement to prepare your 2019 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 have not selected to e-file your returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. Review all tax-return documents carefully before signing them.

To affirm that this letter correctly summarizes your understanding of the arrangements for this work, please sign and date in the spaces provided. Thank you for the opportunity to be of service. If you have any questions please contact our office at (480) 322-8207.

Sincerely,

*Sheryl S. McClure, EA*

Sheryl S. McClure, EA  
Rock Solid Tax and Accounting LLC

**Accepted By:**

\_\_\_\_\_

**Officer**

\_\_\_\_\_

**Date**

\_\_\_\_\_

**Title**

\_\_\_\_\_

**Print Name**

**For taxpayer convenience our office may provide forms, information and documents in a digital format and convey them to you via electronic signature software, electronic tax preparation software or a secure portal. If you would like to OPT OUT of allowing us to use these methods to provide forms, information or documents, please sign and date below.**

\_\_\_\_\_

**Officer**

\_\_\_\_\_

**Print Name**

\_\_\_\_\_

**Date**



## Privacy Policy

Your privacy is important to us. Please read the following privacy policy.

We collect nonpublic personal information about you from various sources, including:

- \* Interviews regarding your tax situation
- \* Applications, organizers, or other documents that supply such information as your name, address, telephone number, Social Security Number, number of dependents, income, and other tax-related data
- \* Tax-related documents you provide that are required for processing tax returns, such as Forms W-2, 1099R, 1099INT and 1099-DIV, and stock transactions

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as requested by our clients or as required by law.

We restrict access to personal information concerning you, except to our employees who need such information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your personal information.

If you have any questions about our privacy policy, please contact us.

Sincerely,

*Sheryl S. McClure, EA*

Rock Solid Tax and Accounting LLC  
8830 E. Germann Road Bldg. 27  
Mesa, AZ 85212  
(480) 322-8207

# S Corporation Tax Organizer

Use a separate organizer for each S corporation

## S Corporation General Information

|   |    |  |
|---|----|--|
| Legal name of S corporation                     |    | EIN  |
| S corporation address (check if new address)    |    |  |
| S Corporation Representative                    |    | Title  |
|   |    | Email  |
|   |    | Phone (  |
| Yes   | No | Did the corporation have a change of business name or address during the year?     |
| Principal business activity                     |    | Date business started  |
| Principal product or service                    |    | Date business closed   |
| Yes   | No | Was the primary purpose of the S corporation's activity to realize a profit?       |
| Accounting method: Cash Accrual Other (specify) |    |  |
| Yes   | No | Does the corporation file under a calendar year? (If no, what is the fiscal year?) |

## S Corporation Specific Questions

|     |    |  |
|-----|----|--|
| Yes | No | Did the corporation hold an annual meeting with shareholders with a record of minutes maintained?  |
| Yes | No | Was the corporation a C corporation before it elected to be an S corporation?  |
| Yes | No | Is any shareholder in the corporation a disregarded entity, a partnership, a trust, an S corporation, or an estate?  |
| Yes | No | Did the corporation own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation?  |
| Yes | No | Did the corporation own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership or in the beneficial interest of a trust? |
| Yes | No | Did the corporation have any outstanding shares of restricted stock at the end of the tax year?  |
| Yes | No | Did the corporation have any outstanding stock options, warrants, or similar instruments at the end of the tax year?   |
| Yes | No | Did the corporation have any non-shareholder debt that was cancelled, forgiven, or had terms modified to reduce amount of principal?   |
| Yes | No | Was the corporation's S election terminated or revoked during the year?  |
| Yes | No | At any time during the year, did the corporation have an interest in, or signature authority over a financial account in a foreign country?  |
| Yes | No | Was there a distribution of property or a transfer (by sale or death) of a shareholder interest during the tax year?   |
| Yes | No | Does the corporation satisfy the following conditions?<br>• The corporation's total receipts for the tax year were less than \$250,000, and<br>• The corporation's total assets at the end of the tax year were less than \$250,000.     |
| Yes | No | Did the corporation pay \$600 or more of nonemployee compensation to any individual?<br>If yes, include a copy of Form 1099-NEC for each.  |

## Principal Shareholders Ownership Information

| Name/Title | Tax ID number (SSN or EIN) | Address | Ownership percentage | Shareholder stock basis | U.S. citizen? |
|------------|----------------------------|---------|----------------------|-------------------------|---------------|
|            |                            |         | 0.00%                | \$                      |               |
|            |                            |         | 0.00%                | \$                      |               |
|            |                            |         | 0.00%                | \$                      |               |
|            |                            |         | 0.00%                | \$                      |               |

How many shareholders were there on the last day of the year?

## Shareholders - Provide the following information for any shareholder who was an officer or 2% or more owner of the corporation during the year

| Shareholder/Office name | Wages paid | Health insurance premiums paid | Capital contributions from shareholder | Distributions to shareholder | Shareholder loans to corporation | Loans repaid by corporation to shareholder |
|-------------------------|------------|--------------------------------|--|------------------------------|----------------------------------|--|
|                         |            |                                |  |                              |                                  |  |
|                         |            |                                |  |                              |                                  |  |

## All Clients - Additional information and documents required

- Provide the business income/financial statements for the year (per books), balance sheet, depreciation schedule per books, and cash reconciliation of all business bank accounts with ending cash balances.
- If the S corporation has employees, provide a copy of Form W-3, Form 940, Form 941, and any state quarterly tax filing reports.
- If the S corporation made payments of \$600 or more to independent contractors, provide copies of Form 1099-NEC issued.
- If any shareholders live in a different state or outside the United States, provide details. The corporation may be subject to withholding requirements.

## New Clients - Additional information and documents required

- Date incorporated
- State of incorporation
- Date of S corporation election
- Corporation state residence
- Provide a copy of the Articles of Incorporation, bylaws, and any corporate resolutions.
- Provide a copy of the depreciation schedules for book, tax, and AMT.
- Provide copies of returns for the last two years, including state returns. Enclose a copy of IRS Form 2553, Election by a Small Business Corporation, and IRS acceptance.

**S Corporation Balance Sheet**

| Corporation assets at year end          |    | Corporation debts and equity at year end |    |
|---|----|--|----|
| Bank account end of year balance        | \$ | Accounts payable at year end             | \$ |
| Accounts receivable at end of year      | \$ | Payables less than one year              | \$ |
| Loans to shareholders                   | \$ | Payables more than one year              | \$ |
| Mortgages and loans held by corporation | \$ | Mortgages, notes payable                 | \$ |
| Stocks, bonds, and securities           | \$ | Loans from shareholders                  | \$ |
| Other current assets (include list)     | \$ | Capital stock (common)                   | \$ |
| Inventories                             | \$ | Retained earnings                        | \$ |

**S Corporation Income (include all Forms 1099-K received)**

|  |       |  |    |
|--|-------|--|----|
| Gross receipts or sales                      | \$    | Dividend income (include all 1099-DIV Forms) | \$ |
| Returns and allowances                       | \$( ) | Capital gain/loss (include all 1099-B Forms) | \$ |
| Interest income (include all 1099-INT Forms) | \$    | Other income (loss) (include a statement)    | \$ |

**S Corporation Cost of Goods Sold (for manufacturers, wholesalers, and businesses that make, buy, or sell goods)**

|                                    |    |                                  |    |
|------------------------------------|----|----------------------------------|----|
| Inventory at beginning of the year | \$ | Materials and supplies           | \$ |
| Purchases                          | \$ | Inventory at the end of the year | \$ |
| Cost of labor                      | \$ |                                  |    |

**S Corporation Expenses**

|  |    |  |    |
|--|----|--|----|
| Advertising                              | \$ | Management fees                                | \$ |
| Annual corporation fees                  | \$ | Meals - business                               | \$ |
| Bad debts                                | \$ | Office supplies                                | \$ |
| Bank charges                             | \$ | Organization costs                             | \$ |
| Business licenses                        | \$ | Pension and profit sharing plans - employee    | \$ |
| Cleaning/janitorial                      | \$ | Pension and profit sharing plans - shareholder | \$ |
| Commissions and fees                     | \$ | Professional education and training            | \$ |
| Compensation of officers                 | \$ | Rent or lease - car, machinery, equipment      | \$ |
| Contract labor (include Forms 1099-MISC) | \$ | Rent or lease - other business property        | \$ |
| Employee benefit programs                | \$ | Rent paid                                      | \$ |
| *Entertainment                           | \$ | Repairs and maintenance                        | \$ |
| Health care plans - employee             | \$ | Salaries and wages (include Forms W-2)         | \$ |
| Health care plans - shareholder          | \$ | Taxes - payroll                                | \$ |
| Insurance (other than health insurance)  | \$ | Taxes - property                               | \$ |
| Interest - business credit cards         | \$ | Taxes - sales                                  | \$ |
| Interest - business loans/credit lines   | \$ | Telephone                                      | \$ |
| Interest - mortgage                      | \$ | Utilities                                      | \$ |
| Internet service                         | \$ | Other expense                                  | \$ |
| Legal and professional services          | \$ | Other expense                                  | \$ |

\*Entertainment is no longer deductible for taxes.

**Car Expenses (use a separate form for each vehicle)**

|                            |    |   |   |    |                |
|----------------------------|----|---|---|----|----------------|
| Make/Model                 |    |   | Date car placed in service                  |    |                |
| Yes                        | No | Car available for personal use during off-duty hours?         |   |    |                |
| Yes                        | No | Do you (or your spouse) have any other cars for personal use? | Did you trade in your car this year? Yes No |    |                |
| Yes                        | No | Do you have evidence?   | Cost of trade-in                            |    | Trade-in value |
| Yes                        | No | Is your evidence written?                                     | \$  |    | \$             |
| <i>Mileage</i>             |    |   | <i>Actual Expenses</i>                      |    |                |
| Beginning of year odometer |    |   | Gas/oil                                     | \$ |                |
| End of year odometer       |    |   | Insurance                                   | \$ |                |
| Business mileage           |    |   | Parking fees/tolls                          | \$ |                |
| Commuting mileage          |    |   | Registration/fees                           | \$ |                |
| Other mileage              |    |   | Repairs                                     | \$ |                |

Generally, you can use either the standard mileage rate or actual expenses to figure the deductible costs of operating your car for business purposes. However, to use the standard mileage rate, it must be used in the first year the car is available for business. In later years, you can then choose between either the standard mileage rate method or actual expenses.

**Equipment Purchases - Enter the following information for depreciable assets purchased that have a useful life greater than one year**

| Asset | Date purchased | Cost | Date placed in service | New or used? |
|-------|----------------|------|------------------------|--------------|
|       |                | \$   |                        |              |
|       |                | \$   |                        |              |
|       |                | \$   |                        |              |

**Equipment Sold or Disposed of During Year**

| Asset | Date out of service | Date sold | Selling price/FMV | Trade-in? |
|-------|---------------------|-----------|-------------------|-----------|
|       |                     |           | \$                |           |
|       |                     |           | \$                |           |
|       |                     |           | \$                |           |
|       |                     |           | \$                |           |

**S Corporation Business Credits (if answered Yes for any of the below, please provide a statement with details)**

|     |    |  |                           |
|-----|----|--|---------------------------|
| Yes | No | Did the corporation pay expenses to make it accessible by individuals with disabilities?         |                           |
| Yes | No | Did the corporation pay any FICA on employee wages for tips above minimum wage?                  |                           |
| Yes | No | Did the corporation own any residential rental buildings providing qualified low-income housing? |                           |
| Yes | No | Did the corporation incur any research and experimental expenditures during the tax year?        |                           |
| Yes | No | Did the corporation have employer pension plan start-up costs?                                   | Total number of employees |
| Yes | No | Did the corporation pay health insurance premiums for employees?                                 | Total number of employees |

**COVID-19 Related**

|     |    |  |
|-----|----|--|
| Yes | No | Did the business receive a Paycheck Protection Program loan?   |
| Yes | No | Did the business receive an Economic Injury Disaster Loan or Emergency Advance through the SBA?        |
| Yes | No | Did the business delay payment of employer payroll taxes?  |
| Yes | No | Did the business receive a payroll tax credit for sick leave paid to employees due to COVID-19?        |
| Yes | No | Did the business receive a payroll tax credit for paid family leave paid to employees due to COVID-19? |
| Yes | No | Did the business receive a payroll tax credit for a business suspension or slowdown?                   |

**Tax Return Preparation**

We will prepare the corporation's tax return based on information provided. In the event the return is audited, you will be responsible for verifying the items reported. It is important that you review the return carefully before signing to make sure the information is correct. Unless otherwise stated, the services for preparation of the corporation's return do not include auditing, review, or any other verification or assurance.

**Taxpayer Responsibilities**

- You agree to provide us all income and deductible expense information. If additional information is received after we begin working on the return, you will contact us immediately to ensure the completed tax returns contain all relevant information.
  - You affirm that all expenses or other deduction amounts are accurate and that you have all required supporting written records. In some cases, we will ask to review documentation.
  - You must be able to provide written records of all items included on the return if audited by either the IRS or state tax authority. We can provide guidance concerning what evidence is acceptable.
  - You must review the return carefully before signing to make sure the information is correct.
  - Fees must be paid before the tax return is delivered to you or filed for you. If you terminate this engagement before completion, you agree to pay a fee for work completed. A retainer is required for preparation of late returns.
  - You should keep a copy of the tax return and any related tax documents. You may be assessed a fee if you request a copy in the future.
- Signatures. By signing below, you acknowledge that you have read, understand, and accept your obligations and responsibilities.

| Taxpayer | Title | Date |
|----------|-------|------|
|          |       |      |

**Privacy Policy**

The nature of our work requires us to collect certain nonpublic information. We collect financial and personal information from applications, worksheets, reporting statements, and other forms, as well as interviews and conversations with our clients and affiliates. We may also review banking and credit card information about our clients in the performance of receipt of payment. Under our policy, all information we obtain about you will be provided by you or obtained with your permission.

Our firm has procedures and policies in place to protect your confidential information. We restrict access to your confidential information to those within our firm who need to know in order to provide you with services. We will not disclose your personal information to a third party without your permission, except where required by law. We maintain physical, electronic, and procedural safeguards in compliance with federal regulations that protect your personal information from unauthorized access.