

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 2020
 - Federal [Form 941](#) (FICA) quarterly reports for periods ending 3/31, 6/30, 9/30 & 12/31 of 2020
 - Oregon Combined Quarterly Reports (other states if applicable) for periods ending 3/31, 6/30, 9/30 and 12/31 of 2020
- **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 to these businesses or individuals. [Did you issue Forms 1099-MISC where so required?](#) Yes ☐ No ☐
If not, do you want us to prepare [Forms 1099-MISC](#) 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:

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.

<i>Preparer use only</i>	Net COGS
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\$

Business Expenses	\$
Supplies and small tools <i>(Items that cost more than \$500 must be listed on Depreciation Worksheet on page 3)</i>	
Taxes - Local & business licenses <i>(eg. City, Trimet, personal property)</i>	
Taxes - Payroll (941, 940 & OR)	
Taxes – Other <i>(business - not personal)</i>	
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 5 of this organizer)	
Utilities (Do not include home office)	
Wages <i>(W-2s issued to employees) Provide copies of W-3, Annual 940 & Quarterly 941 reports filed.)</i>	
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)	
Last year's 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)	

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

Travel Expense Worksheet

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 travelled 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

Documentation must be kept to prove business use of vehicles

If you used your automobile for active conduct of your 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.

Section A

Provide the following information for each vehicle you used for your 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 (not including commute miles)	
Commuting miles (miles you drove to/from main work location)	
Total of all miles you put on the car for the year	
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"/>	
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"/>	

Automobile Expenses

Mileage reimbursement amount you paid to employees for the year.	\$		
(Provide these expenses if you are NOT claiming the standard mileage rate)			
Garage rent	\$	Repairs	\$
Gas		Tires	
Insurance		Tolls	
Licenses		Registration fees	
Oil		Other expenses (list):	
Parking fees			
Lease payments			

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 the 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 \$ _____

ENGAGEMENT LETTER

Thank you for choosing Pacific Northwest Tax Service to assist with the preparation of your business tax return. This letter confirms the terms of this engagement and outlines the nature and extent of the services we will provide.

We will prepare tax year _____ income tax returns for you. We will depend on you to provide the information we require to prepare complete and accurate returns. The law imposes penalties when taxpayers underestimate their tax liability. Pacific Northwest Tax Service and its personnel are not liable for errors or omissions that result from a failure on your part to fully and properly disclose information needed to accurately complete the Corporation's returns.

Our fees for preparation of your tax returns are based on a fixed schedule. Additional fees may apply if we provide bookkeeping, accounting, consulting or research services. Fees are due at the time services are rendered. To the extent permitted by state law, an interest charge may be added to all accounts not paid within thirty (30) days. We will use information obtained during this engagement for collection of any and all fees due.

Your records will be returned to you at the end of this engagement. These records, along with all supporting documents, canceled checks, etc., should be securely stored, as these items may later be needed to prove accuracy and completeness of a return. We will retain copies of the records and our work papers from this engagement for four years, after which these documents will be destroyed.

Our engagement to prepare your tax returns will conclude with the delivery of the completed returns to you (if paper filing) or by you signing, and the subsequent submittal, of the tax return(s) (if e-filing). If you have not elected to e-file the returns with our office, you will be solely responsible to file the returns with the appropriate taxing authorities. You should review all tax-return documents carefully before signing them.

To affirm that this letter correctly summarizes the arrangements for this work, and that all information provided on the accompanying Self-Employment Organizer is true and correct, please sign this letter in the space indicated below.

Thank you for your confidence in Pacific Northwest Tax Service.

Accepted By:

Sole-Proprietor

Date