

1730 East Northern Ave.  
Suite 120  
Phoenix, Arizona 85020  
www.rcthornton.com  
(602) 678-7067  
FAX (602) 395-0299

January 2017

Dear Client:

**COMPLETE THE ENCLOSED ORGANIZER - HELP US HELP YOU**

The enclosed business tax organizer has been designed to assist in compiling the information needed to prepare your return. The following pages contain many of the common income items, expenses, deductions and credits as well as questions that determine the proper handling of these items. Please answer all questions and attach supporting documentation as necessary. If our firm does not prepare year-end financial statements for your organization, please attach a detailed trial balance, depreciation schedules, balance sheet and profit and loss statement.

We hope this organizer will make your task easier. It will help us properly prepare your return. We are happy to have this opportunity to assist you in preparing your tax returns. If you should have any questions, please contact us.

After finalizing the organizer, please return the entire organizer to us.

Sincerely,

R.C. THORNTON & ASSOCIATES, CPAs, LLC



Roy C. Thornton, CPA

**R.C. THORNTON  
& ASSOCIATES, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

# 2016 Entity Tax Return Organizer

## Instructions for client and client's personnel.

No one likes to fill out forms, so we don't expect this questionnaire to be any different. However, since we are asking you to take the time to complete this, we thought it would be only fair to explain why we are asking for this information.

- 1) We want to **reduce the possibility of error and overlooked tax benefits** for you. You might think we already know the answers to these questions. Actually, we might, however, our experience is that when humans ASSUME, they can make errors. So even if you believe we know the answers, please respond anyway.
- 2) **Why pay us to call and ask these questions?** Questions on the organizer are the culmination of the types of questions that we find ourselves having to call clients to get answers for. By completing this organizer, you reduce the times we need to call, so you can help manage your fees with us, by providing complete and accurate information.
- 3) **You'll get your return quicker.** What generally holds up returns is the "phone tag", calling to get information, waiting, clarifying, etc.

**Summary:** We really do need answers to these questions. If you marked the boxes "yes", please ensure that you provide the supplemental information as requested. If the answers are "no", then there is nothing more to do. When you are done completing the organizer, please check to ensure that all questions are addressed.

**Please do not complete "CPA Firm Check". That is our input to review the information when you submit it to us.**

R.C. THORNTON  
& ASSOCIATES, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

When you have completed this organizer, please scan and return via email to [erlene@rcthornton.com](mailto:erlene@rcthornton.com) or mail to :  
R.C. Thornton & Associates, LLC  
1730 E Northern Ave Suite 120  
Phoenix, Arizona 85020  
Attn: Erlene

**The Contents of this Tax Organizer are:**

**We ask for this information because:**

Item
General Questionnaire
First Year Supplement
Entity Coverage Supplement
Electronic Trial Balance Supplement
Vehicle Supplement
Long Term Asset Supplement
Retirement Plan Supplement
Multistate Supplement
Related Party Supplement
Insurance Supplement

Almost everyone has some of these items to answer. By letting us know where items are posted in your accounts, we take less time to find and adjust if necessary--and that saves you fees.
We want to make sure we have all basic information. Our goal is <b>not</b> to be asking you for this each year.
This is a time saver for you. You can do one of these organizers for each of your entities, or provide one for all. However, be sure to delineate any items for the entities. Feel free to include attachments to clarify.
If you provide us your trial balance in Excel, it will reduce our time and save you fees.
Most owners have vehicles in businesses. The IRS has a variety of rules, and we want to make sure everyone complies with them.
The purchase and sale of assets has significant tax results. We want to make sure we get all assets you may have acquired and/or disposed of. Pay particular attention to assets acquired at the end of the year, where some payments might still be due.
Types and styles of pension plans are limitless. It is easy to confuse last year's payments with this year. Please ensure this is all recorded correctly.
Do you operate in more than one state? If so, let us know, and we can discuss filing requirements for those states.
If you have more than one entity, you might have transactions between them. Another way you can save fees is if you are able to "tie out" intercompany transactions, and record interest. Let us know if you are doing this instead of having us do it.
Typically insurance proceeds are tax free. However, if the policy isn't handled correctly, it can have adverse tax consequences.

## Business Entity Tax Organizer

Name of Client \_\_\_\_\_

Calendar or Fiscal Year \_\_\_\_\_

Completed by (Client Personnel) \_\_\_\_\_

Date completed by client or client personnel \_\_\_\_\_

Reviewed by CPA Firm Personnel \_\_\_\_\_

Dates reviewed by CPA firm personnel \_\_\_\_\_

Questions	Client Responses	CPA Firm Check																					
<b>General Questionnaire</b>																							
<b>ENTITY COVERAGE SUPPLEMENT.</b> Does your completion of this organizer apply to more than one entity? If so, please realize that we will assume every answer to be the same for each entity, unless you specify to the contrary. If yes, please complete the <b>ENTITY COVERAGE SUPPLEMENT.</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check																					
<b>FIRST YEAR TAX RETURN SUPPLEMENT.</b> If this is the first time we have done your tax return, please complete the <b>FIRST YEAR TAX RETURN SUPPLEMENT.</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check																					
<b>EXTRA COPIES OF RETURNS.</b> Would you like extra copies of returns? If yes, indicate total number of copies you wish  Number of Copies                      Bound                      Unbound  _____                                      _____                                      _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check																					
<b>PROFESSIONAL ADVISORS.</b> Do you have other professional advisors? If yes, please complete below <u>unless</u> you specifically would not want us to contact them.  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Profession</th> <th style="width: 40%;">Name</th> <th style="width: 40%;">Phone #</th> </tr> </thead> <tbody> <tr> <td>Attorney</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Banker</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Broker</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Financial Planner</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Property Casualty Ins</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>Life Insurance</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>	Profession	Name	Phone #	Attorney	_____	_____	Banker	_____	_____	Broker	_____	_____	Financial Planner	_____	_____	Property Casualty Ins	_____	_____	Life Insurance	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check
Profession	Name	Phone #																					
Attorney	_____	_____																					
Banker	_____	_____																					
Broker	_____	_____																					
Financial Planner	_____	_____																					
Property Casualty Ins	_____	_____																					
Life Insurance	_____	_____																					
<b>ADDRESS FOR TAX RETURN.</b> Is the address shown on the return different from last year? If "yes" what address should be shown on the return?  New Address _____  _____  _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check																					
<b>PENALTIES &amp; FINES.</b> Did the business pay penalties/fines during the tax year? If "yes", list amounts and indicate the reason for the penalty/fine. If "yes", provide copy of notice, and indicate which GL these amounts are posted to.  Penalty Amount _____ Posted to G/L _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check																					

Questions	Client Responses	CPA Firm Check												
<b>ENTERTAINMENT EXPENSE.</b> Did the corporation have any meal and/or entertainment expenses? If yes, to which accounts were these items posted?  Meals & Entertainment Amount _____ Posted to G/L _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>CLUB DUES.</b> Did the corporation pay any club dues? If "yes", to which account were these items posted?  Club Dues Amount _____ Posted to G/L _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>LIFE AND DISABILITY INSURANCE.</b> Does the corporation pay life insurance, disability, and/or long term care insurance premiums (other than group term life) for officers of the corporation? (Note, this question does not include any reference to health insurance.) If "yes", please complete the attached <b>INSURANCE SUPPLEMENT</b> .  Life Insurance Amount _____ Posted to G/L _____ Disability Insurance Amount _____ Posted to G/L _____ Long Term Care Ins Amount _____ Posted to G/L _____  <b>REMINDER - PLEASE COMPLETE INSURANCE SUPPLEMENT ATTACHED</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>BUSINESS ACTIVITIES.</b> Did the business engage in any new activities during the year which are different from the prior years? If "yes", describe new activities below:  Description of new activities _____ _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>HEALTH INSURANCE.</b> Does the company pay any health insurance for any owner of the business? If "yes" please indicate the following item:  <table border="0"> <thead> <tr> <th style="text-align: left;">Owner Name</th> <th style="text-align: left;">Health Ins Amount</th> <th style="text-align: left;">Posted to G/L Account</th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>	Owner Name	Health Ins Amount	Posted to G/L Account	_____	_____	_____	_____	_____	_____	_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check
Owner Name	Health Ins Amount	Posted to G/L Account												
_____	_____	_____												
_____	_____	_____												
_____	_____	_____												
<b>GOVERNMENTAL CORRESPONDENCE AND/OR CHANGES.</b> Has the corporation received any notices or correspondence from the IRS or any other tax agency? If "yes", provide copies.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>OWNERSHIP CHANGE.</b> Has there been any ownership changes during the year? If "yes", please provide a copy of the final signed agreement which changes the ownership.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>CHANGES TO SHAREHOLDER BUY SELL AGREEMENTS.</b> Have there been any changes to the shareholders' buy/sell agreement? If "yes", provide a copy of the new signed buy sell agreement.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>MINUTE BOOK.</b> Has the business updated its minute book for the year? If there are any discussions concerning tax matters, please provide copies of that section.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>BUSINESS SEGMENTS.</b> Did the business purchase or sell a business or business segment during this year? If "yes", provide a copy of contract or agreement.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												
<b>MULTI STATE BUSINESS.</b> Does the business operate in states other than that listed in the address indicated on the return? If "yes", list the states that the corporation did business in during this year. If "yes" please complete the <b>MULTI STATE SUPPLEMENT</b> :	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Firm Check												

**Questions**

**Client Responses**

**CPA Firm Check**

**ESTIMATED TAX PAYMENTS.** Have you made any estimate payments during the year, and will you be making your remaining payments after the end of the year? (Note: This generally only applies to C Corporations).

Yes

No

Firm Check

Quarter	Date	Federal	Home State	Other State
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____
4	_____	_____	_____	_____

**SMALL EMPLOYER HEALTH INSURANCE CREDIT.** An eligible small employer may qualify for a tax credit based on the cost of health insurance paid on behalf of employees. To qualify for the credit, an employer must meet the requirements below. If you think your entity meets (or is close to meeting) the requirements, please check the "yes" box and we will contact you for additional information in order to make a determination of eligibility.

Yes

No

Firm Check

- Requirements for Small Employer Health Insurance Credit:
1. Employ no more than 25 full-time equivalent (FTE) employees during the tax year (FTE based on 2,080 hours per employee)
  2. Pay average annual FTE wages of \$50,000 or less for the tax year
  3. Have a qualified health insurance plan or arrangement that requires the employer to make a nonelective contribution of at least 50% of the premium cost, on a uniform percentage basis, on behalf of all employees who enroll in the plan

**HEALTH INSURANCE** Provide detail of health insurance paid for employees, including a copy of Form 1094-C, if applicable.

Yes

No

Firm Check

**WORK OPPORTUNITY CREDIT** Provide copies of certification for employees of target groups and associated wages paid qualifying for Work Opportunity Credit.

Yes

No

Firm Check

**OTHER TAX CREDITS** Has an entity engaged in activities or entered into transactions which might qualify for an available tax credit? If so, mark yes and we will contact you. Additionally, please provide any relevant information along with this completed organizer. Available tax credits include, but are not limited to:

- \* Research and Development Credit
- \* Energy Efficiency Credits
- \* Empowerment Zone Credit

Yes

No

Firm Check

**1099 COMPLIANCE.** The IRS asks questions related to the filing of Form 1099. Currently, there is no guidance as to the level of "matching" done by the IRS on this issue. Each return should address the questions in a true, correct and complete manner. Please answer the questions below for each entity covered by this organizer:

Did the entity make any payments during the year that would require it to file Form(s) 1099? If unsure, please leave blank and we will contact you during the return preparation.

Yes

No

Firm Check

If yes to above, did or will the entity file all required Forms 1099?

Yes

No

Firm Check

Questions
<p><b>RENTAL ACTIVITY.</b> Does the corporation engage in any rental activity? If "yes", provide information below:</p> <p>Provide property description and amounts of rent. For each rental location, also provide the number of days rented during the year (and number of days of personal use, if any).</p> <hr/> <hr/> <hr/>

Client Responses		CPA Firm Check
<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check

<p><b>LOBBYING EXPENSES.</b> Did you incur any expenses to influence legislation and "lobbying"? If "yes", provide a schedule of "lobbying expenses" and indicate which accounts these expenses were posted to.</p> <p>Lobbying &amp; Political Exp Amount _____ Posted to G/L _____</p>
--

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check
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<p><b>RETIREMENT PLANS.</b> Does the business have any retirement plans? If "yes" please complete the <b>RETIREMENT PLAN SUPPLEMENT</b></p>
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<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check
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<p><b>COMPANY AUTOMOBILES.</b> Does the business own or lease any passenger vehicles, including SUV's and any general use trucks with passenger seats? If "yes", please complete the <b>VEHICLE SUPPLEMENT</b>.</p>
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<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check
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<p><b>RELATED PARTY LOANS.</b> Did the corporation have loans to/from shareholders and other related parties during the tax year? If "yes", please complete the <b>RELATED PARTY LOAN SUPPLEMENT</b>.</p>
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<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check
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<p><b>SALE OF PROPERTY.</b> Did the business acquire or sell any property during the year, including, but not limited to tax free exchanges and installment sales? If "yes", please complete the <b>LONG TERM ASSET SUPPLEMENT</b>.</p>
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<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check
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<p><b>CHARITABLE CONTRIBUTIONS.</b> Did the business make any charitable contributions this year? (Note: It is necessary to have receipts for amounts in excess of \$250). If "yes", please complete below. Attach additional sheets if necessary.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Organization</th> <th style="width: 30%;">Amount</th> <th style="width: 40%;">Posted to G/L</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> </tbody> </table>	Organization	Amount	Posted to G/L	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Organization	Amount	Posted to G/L																			
_____	_____	_____																			
_____	_____	_____																			
_____	_____	_____																			
_____	_____	_____																			
_____	_____	_____																			
_____	_____	_____																			

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check
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<p><b>ACCRUALS</b> Will all compensation-related accruals (including vacation pay) be paid within two and one-half months of year end? If no, provide details of unpaid amounts.</p>
--

<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check
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<p><b>TAX PLANNING</b> If we did tax planning before the end of the year, are there any action items which you did not take, as outlined in the tax planning letter? (If we did not do tax planning, indicate "no"). If "yes", please copy and attach the tax planning letter and circle the items not done.</p>
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<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Firm Check
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## First Year Return Supplement

Instructions: If this is the first year we will do a tax return for an entity, please provide us the following: We realize we may have some of this information. However, sometimes clients think we have information which we don't. In the event you believe we have some of this information, please call us first before assuming we do have it. If you have called to confirm that we have any information, please indicate with whom you discussed this.

Discussed with: \_\_\_\_\_

Please provide the following:

Tax returns for the prior three years.

Depreciation Schedules

Copies of Shareholder Agreements

For corporations, copies of Articles of Incorporation.

For partnerships or LLC, copies of agreements.

For S Corporations, copies of IRS approval of S election.

Provide a list of all business owners and the following information.

Enclosed	CPA Firm has them--you have called to confirm.	No such items exist
<input type="checkbox"/> Enclosed	<input type="checkbox"/> Confirmed	<input type="checkbox"/> N/A
<input type="checkbox"/> Enclosed	<input type="checkbox"/> Confirmed	<input type="checkbox"/> N/A
<input type="checkbox"/> Enclosed	<input type="checkbox"/> Confirmed	<input type="checkbox"/> N/A
<input type="checkbox"/> Enclosed	<input type="checkbox"/> Confirmed	<input type="checkbox"/> N/A
<input type="checkbox"/> Enclosed	<input type="checkbox"/> Confirmed	<input type="checkbox"/> N/A
<input type="checkbox"/> Enclosed	<input type="checkbox"/> Confirmed	<input type="checkbox"/> N/A
<input type="checkbox"/> Enclosed	<input type="checkbox"/> Confirmed	<input type="checkbox"/> N/A

(Please use additional pages for additional information.)

Name	_____
Address	_____
Social Security Number/EIN	_____
Type of Entity	_____
Position in company	_____
Ownership Percentage	_____
Name	_____
Address	_____
Social Security Number/EIN	_____
Position in company	_____
Type of Entity	_____
Ownership Percentage	_____
Name	_____
Address	_____
Social Security Number/EIN	_____
Position in company	_____
Type of Entity	_____
Ownership Percentage	_____
Name	_____
Address	_____
Social Security Number/EIN	_____
Position in Company	_____
Type of Entity	_____
Ownership Percentage	_____



# Entity Coverage Supplement

Instructions: If you opt to complete this organizer for a variety of different business entities, please list the ones that this organizer applies to. Please note, we will assume any answer to any question to be the same for each entity below, **unless** you provide information to the contrary. Do not complete "Client Number", we will do.

Name of Business Entity	If not calendar year, indicate Fiscal Year	Client number (we will provide)

Please attach additional pages if necessary.

## Electronic Trial Balance Supplement

You can provide your "core" accounting information in many forms. We define "core" as a trial balance or a QuickBooks or Quicken file.

We will need to get these numbers into our software. There are cost effective and/or costly ways to do this. This is an area where you can save additional accounting fees. If you have a QuickBooks file there is little to do, other than send it to us with your password.

If you are not using a QuickBooks file there are several ways for you to send us your trial balance. We are listing these options in the order of the most efficient (least costly) to the most inefficient (most costly) way.

1. The trial balance can be an electronic file which you print out from your software in an Excel format. In our experience, almost all current software allows you to do this. When we get your Excel file, we will import it into our own software, thereby avoiding repetitive input. You can usually get information from your technical software support, if necessary.

2. An alternative is for us to create an Excel file for you from last year's file, and have you manually input your information into Excel. This is less efficient, since we need to spend time in creating the file, and you need to spend time doing manual input. This works for older software when you cannot do an Excel file and when there are over 50 accounts.

3. You can send a hard copy or PDF file. If you do this, we will manually input this into our trial balance software. This way is the most expensive for you. Usually individuals with old software and no time use this option.

Please review below and check the approach you would like to use.

1 We have enclosed a QuickBooks disk.

Your Password \_\_\_\_\_

Software Version \_\_\_\_\_

2 We have enclosed an Excel trial balance. We have checked to ensure it is the appropriate trial balance and that it balances.

3 You have provided us an Excel file. We have updated it this year for both new accounts and amounts. We have checked to ensure these balance.

4 We are enclosing a hard copy or PDF file for you to use. We understand that you will input this manually into your software, and it is the more expensive way to do this.

Check only  
one

 Yes Yes Yes Yes

## Vehicle Supplement

Instructions: Please complete questionnaire if you have any automobiles or trucks. Be sure to include documents on sales and purchases (including leases) of automobiles.

	Auto #1	Auto #2	Auto #3	Auto #4	Auto #5
Vehicle description	_____	_____	_____	_____	_____
Date placed in service	_____	_____	_____	_____	_____
Business miles	_____	_____	_____	_____	_____
Commuting miles	_____	_____	_____	_____	_____
Other Personal Miles	_____	_____	_____	_____	_____
Total miles	_____	_____	_____	_____	_____
Average Daily round trip commute mileage	_____	_____	_____	_____	_____
Does the business have evidence to support the claimed business use?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If "yes", is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Were the vehicles available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Were the vehicles used primarily by a more than 5% owner or related person?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Have you acquired or disposed of (including a trade) any automobile or truck with financing or as a lease?					<input type="checkbox"/> Yes <input type="checkbox"/> No

If "yes", please provide a copy of any purchase, sale, lease and/or financing contracts.

## Vehicle Supplement

### Regarding business policy for vehicles:

Does the business maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by employees?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Does the business maintain a written policy statement that prohibits personal use of vehicles, excluding commuting, by employees?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Does the business treat all use of vehicles by employees as personal use?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Does the business provide more than five vehicles to employees and retain the information received from employees concerning the use of vehicles?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

Does the business require or maintain copies of vehicle logs?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

## Fixed Asset & Disposition Supplement--Non Vehicles.

Instructions: Utilize this Fixed Asset & Disposition Supplement for any assets acquired or disposed of during the year. However, do not use this supplement for vehicles.

Note: If you have numerous acquisitions and dispositions or if you keep your own depreciation schedule, please call our firm before proceeding.

List any special instructions: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tax Free Exchanges & Installment sales (selling price collected over several years).

If you believe you have a tax free exchange or installment sale, please call us first before submitting this organizer to us.

We'll discuss what information is necessary.

We have no tax free exchanges or installment sales

We have a tax free exchange, and we have called you.

The information is enclosed.

<input type="checkbox"/> Not applicable
<input type="checkbox"/> Info requested is enclosed

Asset Acquisitions (exclude installment sale, and/or tax free exchanges):

(Use Additional pages if necessary)

Date Acquired	Asset Description	Purchase Price	Approx. Cash Payment before end of year	Approximate Loan Balance at end of year

Check if you did not receive or place this item in service by the end of the year.

- Not in Service End of Year
- Not in Service End of Year
- Not in Service End of Year
- Not in Service End of Year
- Not in Service End of Year
- Not in Service End of Year
- Not in Service End of Year
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- Not in Service End of Year
- Not in Service End of Year
- Not in Service End of Year
- Not in Service End of Year
- Not in Service End of Year

Asset Disposition (excludes installment sales and/or tax free exchanges):

Review of Depreciation Schedule. You should review the depreciation schedule at least every other year. Some clients prefer to review them every year. If there are assets on the schedule which are no longer in place, it is possible there are deductions that might be taken this year. If you would like to review any depreciation schedule we have, please call use to get a copy. We will assume you are satisfied with the components of the depreciation schedule if you do not ask us to send you a copy. Or, if you have received a copy, we will assume you are satisfied with it, with the exceptions that might be noted below.

Please check to acknowledge that you have **noted** this comment.

Noted

Disposition (Please attach additional schedules if necessary.)

Dep Schedule Line #--if you have reviewed the schedule	Description	Date Sole/Abandoned	Sales Price	Comments (if any)

## Retirement Plan Supplement

Instructions: Please complete the following information. Please don't assume we have the information. If you have any questions, please call first before submitting.

Indicate the type of plan below.

Simple Plan

Check if this plan

401(k) Plan (with or without other components of retirement plan)

Check if this plan

Pension Plan

Check if this plan

SEP Plan

Check if this plan

Other

Describe: \_\_\_\_\_

What is the name of the organization that prepares the pension plan's returns (if any required)

(Note: R. C. Thornton & Associates, LLC, CPA's, does not prepare these types of returns.)

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

Contribution Expense for the current year.

What will be the total employer contribution expense for the current year?

Total Contribution expense for year: \_\_\_\_\_

Check if you do not know what the total contribution expense for the year

will be and would like to discuss this with us.

Please call to discuss

Payments made in current year.

What G/L (s) have you posted your pension amounts to:

G/L Account	Amount
_____	_____
_____	_____
_____	_____



List your payments in the pension plan below.

Date Payment made/or automatic payment made	Check Number	Check if for last year	Check if for this year	Check if you don't know which year these payments apply?
		<input type="checkbox"/> Last Yr Payment	<input type="checkbox"/> Curr Yr Payment	<input type="checkbox"/> Don't Know
		<input type="checkbox"/> Last Yr Payment	<input type="checkbox"/> Curr Yr Payment	<input type="checkbox"/> Don't Know
		<input type="checkbox"/> Last Yr Payment	<input type="checkbox"/> Curr Yr Payment	<input type="checkbox"/> Don't Know
		<input type="checkbox"/> Last Yr Payment	<input type="checkbox"/> Curr Yr Payment	<input type="checkbox"/> Don't Know
		<input type="checkbox"/> Last Yr Payment	<input type="checkbox"/> Curr Yr Payment	<input type="checkbox"/> Don't Know
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		<input type="checkbox"/> Last Yr Payment	<input type="checkbox"/> Curr Yr Payment	<input type="checkbox"/> Don't Know
		<input type="checkbox"/> Last Yr Payment	<input type="checkbox"/> Curr Yr Payment	<input type="checkbox"/> Don't Know

End of the year accruals.

What is the end of the year amounts withheld from employees' pay which has not been remitted as of the end of the year? \_\_\_\_\_

Have you entered amount in your G/L for the following items?

If answer is "no", enter zero. If answer is "yes", complete and no further action is necessary.

Item	Check if "unsure"	Dollar Amount	G/L Account if posted
Employee Withholdings	<input type="checkbox"/> Unsure	_____	_____
Employer Match Accrual	<input type="checkbox"/> Unsure	_____	_____
Other Employer Accruals	<input type="checkbox"/> Unsure	_____	_____

## Multi-State Supplement

Please list states where you do business and the components listed below:

State	Sales	Labor	Assets	Not sure? Do you want to discuss this with us?
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss
_____	_____	_____	_____	<input type="checkbox"/> Please call to discuss

State: If you do business in more than one state, list all the states which you do business.

In general you are subject to taxation in other states if you have activities there which subject you to their jurisdiction. You are subject to their jurisdiction if sales take place in that state, you have employees in that state, or you have assets in that state.

Sales excluded: Internet sales, sales shipped from your resident state where you have no employees or assets in that state.

Labor: Includes employees working in that state.

Assets: Includes equipment and/or real estate.

If you have any questions, please call us before you submit this tax organizer.

We will assume you only need to file a resident state return, unless you tell us that you have any activities in another state.

## Related Party Transactions

The purpose of this section is to make sure you have properly accounted for transactions between various entities and owners. A related party is any owner of the business or another entity which has some ownership by an owner of the present entity.

Our goal in this section is to ensure all related party transactions agree to other entities and individuals. You may reduce our time and fees, if you are willing to take the responsibility for this. If you do, we have a series of questions for you to answer in assisting you.

Most clients have us do this. But with many multiple entities, you can reduce our time and your fees if the entity's personnel do this. If you want to do this work yourself, please consider us a resource, and call us if you need some assistance.

If you do not wish to do work related to intercompany transactions, or are not comfortable in doing so, we will be glad to do so for you. However, please realize that this will probably cause you to incur more professional fees.

Do you want to have us handle and resolve all intercompany balance sheet items and any related interest? If yes, there is no further action necessary on your part. (UNLESS, of course, we call you for more additional information)

 Yes No

If you answered "**no**" to the above, the following list will help you check yourself. Please call if you have any questions. However, we will assume that all items are handled correctly by your accounting personnel.

### **Note these are helpful tips for you if you are going to resolve all intercompany transactions.**

If one related party pays expenses to the other related party, ensure that the amount recorded as an expense on one book equals the same amount on the other set of books of the other entity.

#### **Interest expense for accrual basis entity taxpayers--for intercompany loan balances with stated interest on notes.**

If there are any related party loans, ensure that interest expense and income has been posted on both sets of books.

Owners' books (In most cases owners do not keep books.) Please provide a separate schedule listing any amounts accrued or paid to owners during the year.

**Life Insurance Supplement**

Instructions: Life insurance has different tax treatments depending on ownership, beneficiaries, and insured. A few definitions:  
 Insured: The person whose life is insured.  
 Beneficiary: The person who will get the proceeds upon death of the insured.  
 Owner: The person who has the right to change the beneficiary on the policy.

If you acquired a new insurance policy this year, please provide us a copy of the cover page which shows owner, insured, and beneficiary.

Your insurance agent might be able to help you complete this section.

Check if New Policy this Year	Only for New policies acquired this year. Please attach cover page.	Name of Insurance Company	Face amount (i.e. death benefit)	Premium paid	Owner	Insured	Beneficiary	Premium Paid	Posted to Which G/L Account	Cash Surrender Value	Loan Balance on Policy	Interest Paid on Policy Loan	Posted to Which G/L Account?

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## **Charitable Giving Acknowledgement and Substantiation**

Americans donate millions of dollars to charities every year. The Tax Code encourages charitable giving by allowing a deduction. However, there are strict acknowledgement/substantiation rules that must be followed in order for you to claim your deduction.

### **Acknowledgements**

You must have an acknowledgement from the charity by the time you file your return for the contribution year to claim your deduction. In the event that you file your return late, you can claim a deduction only if you can prove you had the written acknowledgement in hand by the filing deadline or filing extension date.

Here's what you need from charitable organizations to claim your deductions:

1. If your contribution is an outright donation of \$250 or more made in cash or by check, the organization must indicate the amount that you gave and state that you received nothing in return (or designate that a certain amount did benefit you, in which case that portion is not deductible).
2. If your contribution is an outright donation of \$250 or more of property, or cash and property, the organization must describe the property and state that you received nothing in return. It does not have to put a value on the property it received.

***Cash donations of less than \$250.*** All donors of charitable contributions by cash, check or other monetary gift must retain records that each charitable contribution was actually made, regardless of the amount. To fulfill this burden, a donor has two choices on what paperwork to retain:

1. A bank record; or
2. A receipt, letter or other written communication from the donee indicating the name of the donee organization, the date the contribution was made and the amount of the contribution.

***Donations of clothing and household goods.*** All donations of clothing and household goods are subject to all of the regular rules on substantiation, plus the taxpayer must prove that they are items in at least good condition. Only clothing and household goods in good condition or better qualify for a deduction.

Keep in mind that the fair market value of used clothing and household goods is usually much lower than the price paid when new. Valuation of these items does not lend itself to fixed formulas or methods.

Other donations, such as vehicles and boats, contributions through payroll deduction or larger gifts of property have special rules and/or record keeping requirements. If you should have any questions regarding these requirements or any of the other requirements noted above, please do not hesitate to call.

R.C. THORNTON & ASSOCIATES, LLC

**R.C. THORNTON  
& ASSOCIATES, LLC**  

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### **Travel and Entertainment Documentation Requirements**

The Internal Revenue Service requires that in the event of an audit, entertainment expenditures must be documented in the following manner:

1. Amount,
2. Who was entertained (name of person being entertained),
3. The business purpose of the meeting,
4. The date and place of the entertainment,
5. The business relationship of the person being entertained (customer, vendor, employee, etc.).

In the absence of the above documentation, your entertainment expenditures, upon audit, will be disallowed.

The Tax Reform Act of 1986 also requires:

1. The entertainment directly precedes or follows a substantial business meeting, or substantial business must be conducted at the time the expense occurs.
2. The people in attendance are the taxpayer, business associates and spouses only. (The taxpayer or the taxpayer's representative must be in attendance).
3. An expectation of a specific business benefit is derived from the meeting.

Adequate documentation is also required for auto and travel expenses. The Internal Revenue Service requires written documentation of miles driven and their business purpose. These requirements may be met by maintaining a mileage log or an appointment book.

Cellular phones purchased after December 31, 1989 and before January 1, 2010 are subject to the substantiation requirements. The amount, purpose and date of use need to be documented for business usage. For cell phones purchased after December 31, 2009, employers may deduct the cost of providing cell phones to employees for business-related use without having to satisfy the former strict substantiation requirements.

It is important that you review your records to ensure that you have the documentation for these expenses. If you find that the documentation is not available, please notify our office to discuss the propriety of deducting these expenses.

If you should have any questions regarding the above, please do not hesitate to call.

R.C. THORNTON & ASSOCIATES, LLC

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& ASSOCIATES, LLC**  

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