



2021 NONPROFIT TAX ORGANIZER

Please review the engagement letter at the end of this organizer. After you finish, initial below to confirm you have read and accept the terms of our engagement.

Client initials: _____ Client Initials: _____

The filing deadline for your income tax return is **May 15, 2022**. Your completed tax organizer needs to be received no later than **April 11, 2022**.

If an extension of time is required, any tax due must be paid with that extension. Any taxes not paid by the filing deadline may be subject to late-payment penalties and interest.

The Internal Revenue Service (IRS) matches information returns/forms with amounts reported on tax returns. A negligence penalty may be assessed when income is underreported or when deductions are overstated. Accordingly, all information returns reflecting amounts reported to the IRS are also mailed or delivered to taxpayers in an envelope clearly marked **“IMPORTANT TAX DOCUMENTS ENCLOSED”** and should be submitted with this organizer.

ENTITY INFORMATION		
Organization Legal Name:		
Trade Name:		
Date Organization Began:		State Incorporated:
EIN:	Phone:	Email:
Current address:		
City:	State:	ZIP Code:
NEW CLIENTS		
	Your 2020 Federal and State Returns	
	Completed Form 1023 - Application for Tax exempt status (including narrative portions describing mission and programs)	
	IRS tax-exempt determination letter	



FOOTHILLS CPAs LLC

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DOCUMENTS TO UPLOAD

Please mark each as applicable and upload corresponding documents within your file:

Financial Statements:

If we have access to your QBO account - we will download all appropriate files. Please read below for reporting requirements that we should be able to easily locate through reports within your QBO account.

If we do not have access to your books - Please upload a Statement of Financial Position and Statement of Activity as of fiscal year reports as need to meet the below reporting requirements:

Reporting requirements

- A detailed report of fixed assets acquired or disposed during the fiscal year.
- Expenses should be broken out or allocated between program, administrative, and fundraising, if possible.
- Revenue should be broken down by category (i.e. individual contributions, board contributions, corporate contributions, contributions from other nonprofits, events, investment income, and misc. other categories).
- Contributions by donor for the year should be provided (with details or in total). Donor mailing addresses should be provided for donors who contributed >5% of Donations.

Payroll:

Payroll detail report for the final pay period of 2021. The report should include:

- Cumulative wages and employer and employee taxes paid detailed for each employee

Board and Officers

- Provide an organization chart or otherwise detailing the following:
 - Board member and officer
 - Name
 - Position
 - Salary
 - Approximate hours worked per week



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ORGANIZATION INFORMATION		
Please answer the following questions and submit details for any answered "Yes."	Yes	No
<p>Did the organization enter into loans, notes, or other financing (besides credit card) during 2021?</p> <p>If so, please provide:</p> <ul style="list-style-type: none"> • the approximate dollar amount and loan term here • loan term sheets or other applicable supporting documents with your uploads. 		
<p>Does the Organization operate: perform work in, have employee work locations, or otherwise have a presence in states other than its home state?</p> <p>If so, please provide the name of the other states and detail approximate sales or expense amounts related to each factor (ie. Sales, Payroll, Rent).</p>		
<p>Did the organization have transactions other than donations or payroll with any of its board members or officers?</p> <p>If so, please detail nature, dates and dollar amounts of transactions.</p>		
PLEASE LIST ANY QUESTIONS OR OTHER CONCERNS YOU MIGHT HAVE:		



Engagement Letter

January 2022

Dear Client:

Foothills CPAs LLC is pleased to provide you with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

We will prepare Federal and state business tax returns for the year ended December 31, 2021.

We will not prepare any tax returns except those identified above, without your written request, and our written consent to do so. We will prepare your tax returns based upon information and representations that you provide to us. We have not been engaged to and will not prepare financial statements. We will not audit or otherwise verify the data you submit to us, although we may ask you to clarify certain information.

We will prepare the above-referenced tax returns solely for filing with the Internal Revenue Service ("IRS") and state and local tax authorities. Our work is not intended to benefit or influence any third party or for any other purpose.

You agree to indemnify and hold us harmless with respect to any and all claims arising from the use of the tax returns for any purpose other than filing with the IRS and state and local tax authorities regardless of the nature of the claim, including the negligence of any party.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters.

This engagement is limited to the professional services outlined above.

CPA Firm Responsibilities

Unless otherwise noted, we will perform our services in accordance with the Statements on Standards for Tax Services ("SSTS") issued by the American Institute of Certified Public Accountants ("AICPA") and U.S. Treasury Department Circular 230 ("Circular 230"). It is our duty to perform services with the same standard of care that a reasonable income tax preparer would exercise in this type of engagement. It is your responsibility to safeguard your assets and maintain accurate records pertaining to transactions. We will not hold your property in trust for you, or otherwise accept fiduciary duties in the performance of the engagement.

Confidentiality

If the tax returns prepared in connection with this engagement are filed using the married filing jointly filing status, both spouses are deemed to be clients of the firm under the terms of this Agreement. Both individuals



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acknowledge that there is no expectation of privacy from the other concerning our services in connection with this Agreement. We are at liberty to share with either of you, without prior consent of the other, documents and other information concerning the preparation of your tax returns.

Bookkeeping assistance

We may deem it necessary to provide you with accounting and bookkeeping assistance solely for the purpose of preparing the tax returns. These services will be performed solely in accordance with the AICPA Code of Professional Conduct. We will request your approval in writing before rendering these services. Additional charges will apply for such services.

Estimated tax payments

You may be required to make quarterly estimated tax payments. We will calculate these payments for the 2022 tax year based upon the information you provide to prepare your 2021 tax returns and have no obligation to update recommended payments after the engagement is completed. If you ask us to update your estimated tax payments, we will confirm this update in a separate engagement letter.

Tax planning services

Our engagement does not include tax planning services. During the course of preparing the tax returns identified above, we may bring to your attention potential tax savings strategies for you to consider as a possible means of reducing your taxes in subsequent tax years. However, we have no responsibility to do so, and will take no action with respect to such recommendations, as the responsibility for implementation remains with you, the taxpayer. If you ask us to provide tax planning services, we will confirm this representation in a separate engagement letter.

Government inquiries

This engagement does not include responding to inquiries by any governmental agency or tax authority. If your tax return is selected for examination or audit, you may request our assistance in responding to such an inquiry. If you ask us to represent you, we will confirm this representation in a separate engagement letter.

Third-party verification requests

We will not respond to any request from banks, mortgage brokers or others for verification of any information reported on these tax returns.

Client Responsibilities

We will provide you with an income tax organizer to help you compile and document the information necessary to prepare your income tax returns. You must complete the income tax organizer with accurate and complete information. Income from all sources, including those outside the U.S., is required.

We rely upon the accuracy and completeness of both the information you provide in the income tax organizer and other supporting data you provide in rendering professional services to you.

Documentation

You are responsible for maintaining adequate documentation to substantiate the accuracy and completeness of your tax returns. You should retain all documents that provide evidence and support for reported income, credits, and deductions on your returns, as required under applicable tax laws and regulations. You are responsible for the



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adequacy of all information provided in such documents. You represent that you have such documentation and can produce it, if necessary, to respond to any audit or inquiry by tax authorities. You agree to hold our firm harmless with respect to any additional tax, penalties, interest and professional fees resulting from the disallowance of tax deductions due to inadequate documentation.

Gift Tax Returns

The IRS considers a gift to be any transfer to an individual, either directly or indirectly, where full consideration (measured in money or money's worth) is not received in return. Under federal tax law, certain gifts are taxable and subject to an annual gift tax exclusion amount, which for 2021 is \$15,000 per taxpayer, per gift recipient. You are responsible for informing us if gift tax returns are required to be filed. If you ask us to prepare these returns, we will confirm this representation in a separate engagement letter.

Personal expenses

You are responsible for ensuring that personal expenses, if any, are segregated from business expenses and that expenses such as meals, travel, entertainment, vehicle use, gifts, and related expenses are supported by necessary records required by the IRS and other tax authorities. At your written request, we are available to provide you with written answers to your questions on the types of supporting records required.

State and local filing obligations

You are responsible for determining your tax filing obligations with any state or local tax authorities, including, but not limited to income, franchise, sales, use, property or unclaimed property taxes. You agree that we have no responsibility to research these obligations or to inform you of them. If upon review of the information you have provided to us, including information that comes to our attention, we believe that you may have additional filing obligations, we will notify you of this responsibility in writing and ask you to contact us. If you ask us to prepare these returns, we may decide to confirm this representation in a separate engagement letter.

U.S. filing obligations related to foreign financial assets

As part of your filing obligations, you are required to report the maximum value of specified foreign financial assets, which include financial accounts with foreign institutions and certain other foreign non-account investment assets that exceed certain thresholds. You are responsible for informing us of all foreign assets, so we may properly advise you regarding your filing obligations.

These assets include any ownership interests you directly or indirectly hold in businesses located in a foreign country, and any assets or financial accounts located in a foreign country over which you have signature authority. Based upon the information you provide, this information will be used to calculate any applicable foreign tax credits. We will also use this data to inform you of any additional filing requirements, which may include Form 8938, Statement of Specified Foreign Assets, and FinCEN Form 114, Report of Foreign Bank and Financial Accounts ("FBAR"). Failure to file required forms can result in the imposition of both civil and criminal penalties, which may be significant. The FBAR is not a tax return and its preparation is not within the scope of this engagement. If you ask us to prepare the FBAR, we may decide to confirm this representation in a separate engagement letter.

Foreign filing obligations



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You are responsible for complying with the tax filing requirements of any other country. You acknowledge and agree that we have no responsibility to raise these issues with you and that foreign filing obligations are not within the scope of this engagement.

Ultimate responsibility

You have final responsibility for your tax returns. We will provide you with a copy of your electronic tax returns and accompanying schedules and statements for review prior to filing with the IRS and state and local tax authorities (as applicable). You agree to review and examine them carefully for accuracy and completeness.

You will be required to verify and sign a completed Form 8879, IRS e-file Signature Authorization, and any similar state and local equivalent authorization form before your returns can be filed electronically.

In the event that you do not wish to have your tax returns filed electronically, please contact our firm. Additional procedures will apply. You will be responsible for reviewing the paper returns for accuracy, signing them, and filing them timely with the tax authorities.

Extensions of Time to File Tax Returns

The original filing due dates for your tax returns are May 15, 2022 for federal and State. Due to the high volume of tax returns prepared by our firm, the information needed to complete the tax returns must be received no later than April 11, 2022 so that the returns may be completed by the original filing due dates.

It may become necessary to apply for an extension of the filing deadline if there are unresolved issues or delays in processing, or if we do not receive all of the necessary information from you on a timely basis. Applying for an extension of time to file may extend the time available for a government agency to undertake an audit of your return or may extend the statute of limitations to file a legal action. All taxes owed are due by the original filing due date. Additionally, extensions may affect your liability for penalties and interest or compliance with governmental or other deadlines.

To the extent you wish to engage our firm to apply for extensions of time to file tax returns on your behalf, you must notify us of this request in writing. Our firm will not file these applications unless we receive an executed copy of this Agreement and your express written authorization to file for an extension. In some cases, your signature may be needed on such applications prior to filing. Failure to timely request an extension of time to file can result in penalties for failure to file tax returns, which accrue from the original due date of the returns, and can be substantial. We are available to discuss this matter with you at your request. Additional charges will apply for such services.

Penalties and Interest Charges

Federal, state, and local tax authorities impose various penalties and interest charges for non-compliance with tax laws and regulations, including failure to file or late filing of returns, and underpayment of taxes. You, as the taxpayer, remain responsible for the payment of all tax, penalties, and interest charges imposed by tax authorities.

We rely on the accuracy and completeness of the information you provide to us in connection with the preparation of your tax returns. Failure to disclose or inadequate disclosure of income or tax positions may result in the imposition of penalties and interest charges.



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We appreciate the opportunity to be of service to you. Please execute this agreement by initialing on page 1 of the 2021 Tax Organizer. We will not initiate services until this engagement letter has been executed by you.

Very Truly Yours,

Foothills CPAs LLC

Rajani Pudipeddi, CPA
Managing Member