Fortunate Fields, Inc
Professional Tax & Business Services

Fortunate Fields, Inc
(619) 220-0375
dave@fortunatefields.com

Tax Preparation Checklist – Nonprofit Organizations

Please do not attach sensitive tax information to ordinary email.
Please request access to use Liscio instead.

Please note, not all taxpayers will have all the documents listed below. Please send 100% of those items that you do have and cross out those items that do not relate to your 2023 tax situation. Thanks!

Special Notes for 2023 Tax Returns

- The best reports to send (from QuickBooks, for example) are:
  - Profit and Loss, Standard
  - Balance Sheet, Previous Year Comparison
  - General Ledger

- When possible, please send financial reports in Excel format.
- Please verify the correct dates and accounting basis for each report.

ALL ENTITIES

✓ Full legal name of the entity
✓ A description of the organization's activities
✓ Mission statement
✓ Federal employer ID number
✓ State(s) identification number(s)
✓ Current address, phone number, contact person, and email address
✓ Signed engagement letter
✓ NEW CLIENTS: please provide a complete copy of your 2022 taxes (and 2021 if available)

ALSO ALL ENTITIES

✓ If you received any SBA loans related to COVID-19 (for example, EIDG/EIDL, PPP) please provide complete reporting re: amounts received, forgiveness amounts, etc. Please also indicate in your engagement agreement that you have these items to discuss. I will have further questions for you.

✓ If you received Employee Retention Tax Credit (ERC or ERTC) please notify me. I will have further questions for you.

ORGANIZATIONS WITH GROSS RECEIPTS (INCOME) GENERALLY LESS THAN $50,000

- ✓ Gross receipts (total income) for current and previous two tax years
- ✓ Date of incorporation
- ✓ Identification of fiscal/accounting year
- ✓ Income Statement (Profit & Loss) that shows total income and categorized expenses
- ✓ Listing of in-kind/non-cash support received
- ✓ Balance sheet that shows total assets, liabilities, and equity as of 12/31/2023
- ✓ Full name, address, phone, email address, and title of principal officer

ORGANIZATIONS WITH GROSS RECEIPTS GENERALLY MORE THAN $50,000

- ✓ Gross receipts (total income) for current and previous two tax years
- ✓ Date of incorporation
- ✓ Identification of fiscal/accounting year
- ✓ List of board of all directors/officers who served at **any time** during the reporting year to include:
    - Full name and title (title as of end of reporting year)
    - Average hours worked per week
    - Total of reportable compensation received (W-2 or 1099, not reimbursements)
- ✓ Identification of who will sign the return
- ✓ Number of volunteers who provided service during the year
- ✓ List of donors of $5,000 or more during the year: full name, address, and amount given
- ✓ Program service accomplishments – how many people helped/served and in what ways

ALL ENTITIES

- ✓ All banking and credit accounts reconciled for the full year
- ✓ Income statement (profit & loss) for the year that shows all sources and types of income and expense separated and summarized by category (Sample categories below):
    - Gross receipts (ALL income you receive, whether or not you get a 1099)
    - Returns/refunds (money you give back to customers for whatever reason)
    - Cost of goods sold
    - Advertising
    - Auto expenses (either corporate reimbursements or mileage info)
    - Commissions and fees paid
    - Contract labor
    - Employee benefit programs
    - Insurances by type
    - Interest expenses by type
    - Legal and professional services by type
    - Office expenses
    - Pension and profit-sharing plans
    - Rent or lease of office
    - Rent or lease of vehicles, machinery, equipment

  - Repairs or maintenance
  - Supplies
  - Taxes and licenses by type
  - Travel (transportation, accommodation)
  - Travel meals (separate out entertainment for state purposes)
  - Local business meals (separate out entertainment for state purposes)
  - Utilities on business property
  - Wages (separate officer compensation from wages paid to others)
  - Telephone expense (business portion, never a first line into your home)
  - Dues and memberships/subscriptions
  - Other itemized/categorized expenses
- ✓ Expenses related to rental properties:
  - Advertising
  - Auto/travel
  - Cleaning and maintenance
  - Commissions paid
  - Insurance
  - Legal/professional fees
  - Management fees
  - Mortgage interest (only interest, not principal)
  - Repairs
  - Supplies
  - Property and rental unit taxes
  - Utilities you pay
  - Improvements
  - For depreciation – basis information

- ✓ Balance sheets as of the end of the current year and prior year
- ✓ Information on any assets acquired during the year – including description of asset, date placed into service, and cost
- ✓ For financial reports, granting access to your online QuickBooks, Xero, Wave, FreshBooks, LessAccounting, or other online accounting programs works well
- ✓ **Excel** format is best for financial reports, vs PDF or Word or another non-sortable format.

OTHER GENERAL NOTES

- ✓ **Please do not attach sensitive tax information to ordinary email. Please use our secure portal, Liscio, to send all sensitive tax information.**

- ✓ Not all taxpayers will have all these items or issues on their tax return – so if it doesn't apply to you, please don't worry about it.

- ✓ If you can provide reports in **Excel** format, that would be great. Excel is easier to use for verifying accuracy of the work.

- ✓ We are required by state and federal tax laws to electronically file most returns. When filing on paper and by mail is optional, we add a nominal charge to cover the additional resources needed to file this way

- ✓ If you have questions along the way, please call (619) 220-0375 or send an email to dave@fortunatefields.com

- ✓ **Please provide 100% of the required information to ensure efficiency in our communication and information sharing.**

Thank you very much for your trust!