



**TAX GUARD**  
FUND WITH CONFIDENCE

CLIENT NAME:  
**ABC Staffing**

ENTITY: Corporation

ESTABLISHMENT DATE: 01-2009

DIN: \*\*\*\*\*1234

FILING SECTOR: 1234-5678-9012-3456

**79** **TOTAL LIABILITY**  
**\$79,679.89**

Liability not Lender Filing  
**\$0.00**

Liability At Risk For Levy  
**\$60,872.72**

DATE: 10-10-2015 LENDER: Sample Lender

**Potential for Default**

In Investment Agreement  
**\$73,496.57**

Out of Investment Agreement  
**\$6,183.32**

RETURN FILED	
FORM	FILED
990	FILED
991	FILED
992	FILED
993	FILED
994	FILED
995	FILED
996	FILED
997	FILED
998	FILED
999	FILED

# Understanding Your Tax Guard Report

# Table of Contents

This guide explains the four key sections of a Tax Guard Report and highlights information needed to make a confident funding decision.

## 1 Verify Client Information

View your client's information exactly as it is on file with the IRS. It is important to confirm that all of your client's information matches the IRS records; otherwise, you may be doing due diligence on the wrong company (your client may have given you incorrect information).

## Tax Guard Report Summary

- 2 You can view your client's Tax Risk Score, Total Liability with (or without) Liens, Risk of Levy, and Installment Agreement status in one snapshot. This allows you to quickly see your exposure at-a-glance and review federal tax risk data in one section.

## Tax Liability Details

- 3 Drill down on the details of your client's tax liability. See the liability by tax form and period, lien filing dates, and levy risk date, providing you with a big picture view of your total current risk.

## Tax Compliance Overview

- 4 Understand if your client is in total compliance with the IRS by viewing return filing statuses and tax deposits. Get deeper insight into current compliance and notice if there are trends that warrant further investigation prior to and throughout your funding relationship.

**TAX GUARD**  
FUND WITH CONFIDENCE

DATE: 12.11.2016 LENDER: Sample Lender

**1 CLIENT NAME:**  
**ABC Staffing**

ENTITY: Corporation  
ESTABLISHMENT DATE: 01.2009  
EIN: \*\*\*\*\*1234  
FILING REQ.: 1120, 940, 941, Civ Pen

**2 TAX RISK SCORE:**  
**79**

**TOTAL LIABILITY**  
**\$79,679.89**

Liability w/ Liens Filed  
**\$0.00**

Liability At Risk For Levy  
**\$60,872.72**

**INSTALLMENT AGREEMENT**  
**Potential for Default**

In Installment Agreement  
**\$73,496.57**

Not In Installment Agreement  
**\$6,183.32**

**3 LIABILITIES:**

FORM	PERIOD	RETURN FILED	LIABILITY	LEVY RISK DATE	LIEN DATE
940	2014	\$46,541.40	\$6,183.32	--	--
940	2013	\$52,972.05	\$2,228.43	--	--
941	2012 Q1	\$61,865.15	\$60,797.32	08.27.2015	--
941	2011 Q1	\$50,452.19	\$75.40	08.27.2015	--
941	2010 Q1	\$55,365.30	\$4,269.78	--	--
941	2009 Q1	\$60,241.15	\$6,125.64	--	--

**4 UNFILED RETURNS:**

FORM	PERIOD	DEPOSIT	RETURN STATUS
941	2014 Q3	\$4,352.80	--
1120	2014	\$109.15	Extension
941	2013 Q2	\$3,777.81	--

**DEPOSITS:**

FORM	PERIOD	DEPOSIT	RETURN STATUS
941	2015 Q2	\$4,352.80	--
941	2015 Q3	\$2,194.57	--
1120	2015	\$3,458.72	--
940	2015	\$4,439.82	--

**KEY:**  
LEVY = IRS's taking of property, typically bank account, receivable etc.  
LEVY RISK = The IRS can levy or seize property regardless of whether the IRS issued a federal tax lien.  
LIEN = Secures the government's interest and establishes priority.  
GOOD STANDING = There are no periods of liability outside the agreement or missing returns.  
POTENTIAL FOR DEFAULT = There are one or more periods of liability outside the agreement or one or more missing returns.

LENDER: Sample Lender CLIENT: Sample Client DATE: 12.16.2016 PAGE: 1/1



# Verify Client Information

## Rule Out Discrepancies in Your Client-Provided Information

### A Entity Type

Gain insight into your client's organizational structure. Knowing how the IRS classifies the entity allows you to manage risk. For example, the Secretary of State may indicate the business is an LLC; however, if your client does not file the proper paperwork with the IRS, it could be considered or treated as a partnership or sole proprietorship by the IRS. In this case, the IRS could pursue business assets to collect individual liabilities.



**TIP:** If your client is considered a Single-Member LLC by the IRS, you should obtain a separate Tax Guard report on the personal tax account to assess and measure complete credit risk and exposure.

### B Establishment Date

This is the date the IRS has on file for when your client was granted its Federal Employer Identification Number (EIN). If there is a gap between the date on file with the IRS and the date provided by your client, you will want to investigate this discrepancy.

### C Filing Requirements

These are the returns, according to the IRS, that your client is required to file within the periods provided on your 8821 (typically based on the type of entity). With this information, you can ensure that you have all the filing records needed to complete underwriting and better understand your client's history.



CLIENT NAME:

**ABC Staffing**

- A** ENTITY: Corporation
- B** ESTABLISHMENT DATE: 01.2009
- EIN: .....1234
- C** FILING REQS.: 1120, 940, 941, Civ Pen

TAX RISK  
SCORE:

**79**

TOTAL LIABILITY

**\$79,679.89**

Liability w/ Liens Filed

**\$0.00**

Liability At Risk For Levy

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# Report Summary

## Get the Tax Guard Report Overview At-A-Glance

### A Tax Risk Score

Reflects the risk of loss to the IRS and ranges from best of 100 to worst of 0. You can use this score as a benchmark in your credit decision process, specific to your risk tolerance.

### B Total Liability

The amount owed based on transcripts obtained directly from the IRS as of the date of the report. This includes the original tax as well as assessed accruals of penalties and interest.

### C Installment Agreement

This status verifies whether your client has a payment agreement in place to resolve the outstanding tax liability, and indicates the current agreement standing with the IRS.

**"None"** indicates no current Installment Agreement is in place. In this situation, there is no agreement preventing the IRS from levying bank accounts or receivables or offsetting government receivables.

**i Tax Guard can assist in negotiating an agreement, thereby protecting the client, the lender, and the funding relationship.**

**"Good Standing"** means an Installment Agreement is in place and there are no missing returns or liabilities outside the agreement.

**"Potential for Default"** means an Installment Agreement is in place, but is in jeopardy due to a missing return or new tax liability that could default the agreement.

### D Liability with Liens Filed

The current dollar amount of tax liability subject to federal tax lien(s). Once filed, federal tax liens are not updated with the Secretary of State or county as liability increases or decreases.

### E Liability at Risk for Levy

The dollar amount truly at risk of seizure (bank account and/or receivable levies) by the IRS regardless of the total outstanding tax liability.

**i If your client is High Risk, you may want to refer your client to our resolution team of professionals who negotiate with the IRS.**



DATE: 12.1.2016 LENDER: Sample Lender

A TAX RISK SCORE:	B TOTAL LIABILITY	C INSTALLMENT AGREEMENT
79	\$79,679.89	Potential for Default
D Liability w/ Liens Filed	\$0.00	In Installment Agreement
E Liability At Risk For Levy	\$60,872.72	Not In Installment Agreement
		\$73,496.57
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RN FILED	LIABILITY	LEVY RISK DATE	LIEN DATE
1.40	\$6,183.32	--	--
2.05	\$2,228.43	--	--
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levy regardless of whether the IRS issued a federal tax lien.



# Tax Liability Details

## Understand Your Client's Total IRS Liability

### A Return Filed

The amount due per the return processed by the IRS.

### B Liability


A breakdown of the current amount owed to the IRS, including assessed penalties and accrued interest, as of the date of the report. This amount includes any credits for deposits, estimated payments, and any additions for penalty or interest assessments.

### C Levy Risk Date

The date on which the IRS issued a Final Notice of Intent to Levy. Generally, thirty days from the date of the letter, the IRS is in a position to seize assets, including bank accounts and receivables. The risk of levy is specific to each period of liability – some periods may be subject to levy while others are not.

### D Lien Date

Indicates the date when the IRS filed a federal lien against the outstanding period of tax liability. As with a levy, the lien filing is specific to each period of liability – some periods may have liens filed while others do not.

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# Tax Compliance Overview

## Is Your Client in Total Compliance?

### A Unfiled Returns

Returns that have not been sent to or processed by the IRS. Tax liabilities do not show up until the returns are filed. An unfiled return can become a liability once the return is filed, which means significant tax issues could be around the corner and should be monitored closely.

**i** For example, a client with missing tax returns could file them at any time without payment and incur a liability that could seriously impact your funding arrangement.

### B Tax Deposits

This data can be used to determine if a client appears to be falling behind on compliance even before the return is due based on the trend of the deposit amounts.

**i** For example, the amount due for the previous quarter can give you a general idea whether your client is making the proper amount of deposits for the current quarter.



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