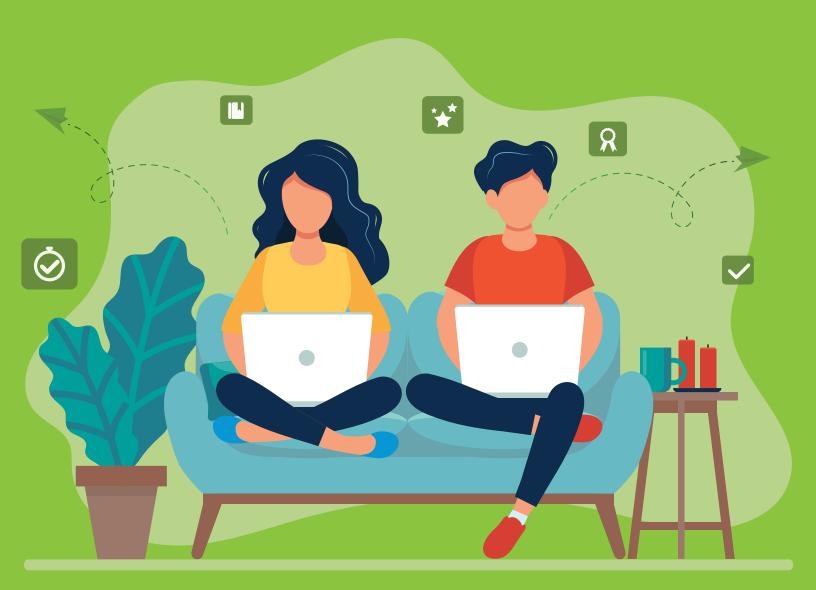
FAST Tips for Tax Submissions



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Are your parents ready to submit their taxes to FAST?

We understand that waiting for a financial aid application to reach verification can be frustrating.

Our team at FAST shares your concerns and works diligently to verify taxes as efficiently as possible. **The verification process is often delayed when families do not supply all the required documents on their first upload**. When documents are missing, we must contact the family for more information. Sometimes families do not respond for days or weeks or upload incomplete information again, resulting in another failed verification attempt. This delay causes frustration for our clients.

We see this circular exercise repeat multiple times at many schools—it results in an overloaded tax verification queue that stretches our typical verification time from days to weeks. During our non-peak processing times, we usually get a family verified in 5–7 business days. **During our peak period this can bloat** to a delay of 10–15 business days or longer.

How can I help my families?

- **COMMUNICATE**–Convey to families early and often what tax documents they must have readyto-go. Incorporate the tax requirements into your pre-application communication and stress to families that you expect them to have their tax documents gathered, scanned, and ready to upload as soon as they have submitted their application.
- SET EXPECTATIONS—Make it clear to families that applications that are not verified are considered incomplete and cannot be considered for an award.
- **SET DEADLINES**—Set and keep deadlines for taxes to be received by FAST.
- **MONITOR TAX STATUS**–Use your FAST console to keep an eye on your applications. Take full and robust advantage of the EMAIL BLAST feature to contact your Red (no tax documentation received) and Purple (missing information) families to prompt them to submit all documents. Remind them that applications that are not verified are considered incomplete and cannot be considered for an award.



What forms do families need to upload?

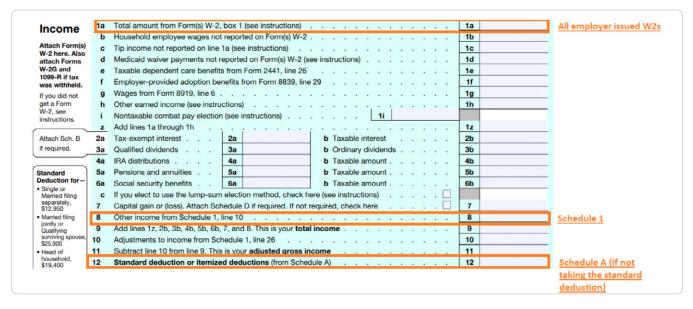
Tax forms typically required by schools are

- EMPLOYER ISSUED copies of W-2 Wage and Tax statements. FAST must see employer issued copies—State Summaries and Wage Statements are not sufficient for our purposes. We need all copies of everything issued for the year. The amount listed on line 1 of their 1040 must be fully accounted for. This is one of the most common reasons we can't verify a family fully on the first attempt.
- Full scans of every page of their most recent Federal 1040.
- Copies of all supporting tax schedules, if applicable. Not all families need all forms depending on where we find the income on their 1040.
 - <u>Schedule 1</u>–For Income types not listed on the 1040 (self-employment, farm, rental, LLC, S Corporation, Partnership income, as well as unemployment benefits or gambling profits)
 - Schedule A Itemized Deductions
 - Schedule C (Form 1040) for self-employed business income/loss
 - Schedule F (Form 1040) for farming income/loss
 - <u>Schedule E</u> (Form 1040) for rental real estate, royalties, partnerships, S corporations, estates, trust, etc.
 - Business Taxes: <u>Schedule K-1</u> and <u>Form 1065</u> for partnerships; <u>Schedule K-1</u> and <u>Form 1120-S</u> for S Corporation income/loss
 - Schedule K-1 (Form 1041) for estates/trusts
- State Taxes

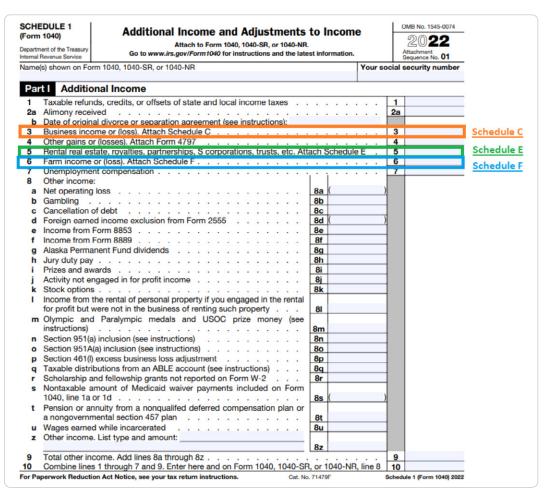


2022 US tax forms and instructions from the IRS

These are the particular lines on the 2022 Form 1040 that correspond with common forms and schedules your families may be asked to submit. Note: All form examples on this page are from 2022; previous years may be slightly different.



If we see an amount on Line 8, we need the Schedule 1



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If we see an amount on Line 3, we also need the Schedule C. If we see an amount on line 6, we also need the Schedule F. Those two incomes/losses need no further forms or schedules.

If we see an amount on Line 5, we need to see Schedule E.

• Income from Part I is Rental Income/Loss and doesn't require any supporting forms.

	DULE E	(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)							
Form	1040) (F								
	ent of the Treasu y Revenue Service	Attach to Form 1040, 1040-SR, 1040-NR, or 1041. Go to www.irs.gov/ScheduleE for instructions and the latest information.							
lame(s)	shown on return				Your soci	al security r	umber		
	rentar income Did you make any p	e in the business of renting personal property, use Scher or loss from Form 4835 on page 2, line 40. ayments in 2022 that would require you to file Formi will you file required Form(s) 1099?	s) 1099? S	ee instructions .		. 🗌 Ye	s 🗌 No		
1a		of each property (street, city, state, ZIP code)							
Α									
в									
С	Type of Property	2 For each rental real estate property listed		Fair Rental	Person		QJV		
C 1b	(from list below)	above, report the number of fair rental and		Days	Da	ys			
-		personal use days. Check the QJV box only	Α	Days	Da	ys			
1b			A B	Days	Da	ys			

• Income/loss from Part II is from LLC or Partnerships, and means we also need Schedule K-1. Additionally, may need 1120-S and 1065 forms for each listed S Corp/Partnership.

	e E (Form 1040) 2022 Attachment Sequence No. 13							Vourecei	Page 2 our social security number				
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Part		come or Loss From											
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27	Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes												
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28	see instructions before completing this section			<u> </u>				(d) Employer	(e) (Check if (f) Check if			
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(attach Form 8582 if required				Schedule K-1			from Schedule K-1		Schedule K-1				
Α													
в													



Example families



Jim works for an architectural firm and Linda is a pharmacist. They take the standard deduction. They like to spend all their spare time relaxing with their family. Likely need: 1040, employer issued W-2s, State tax forms



Raul is a firefighter. He itemizes his deductions. In his spare time he enjoys crafting handmade cutting boards and sells them online for a decent profit. Likely need: 1040, Schedule 1, Schedule A, Schedule C, employer issued W-2s, State tax forms



Mike is a Retail Manager and Meaghan is an Engineer. They have two income properties. They take the standard deduction. Likely need: 1040, Schedule 1, Schedule E, employer issued W-2s, State tax forms



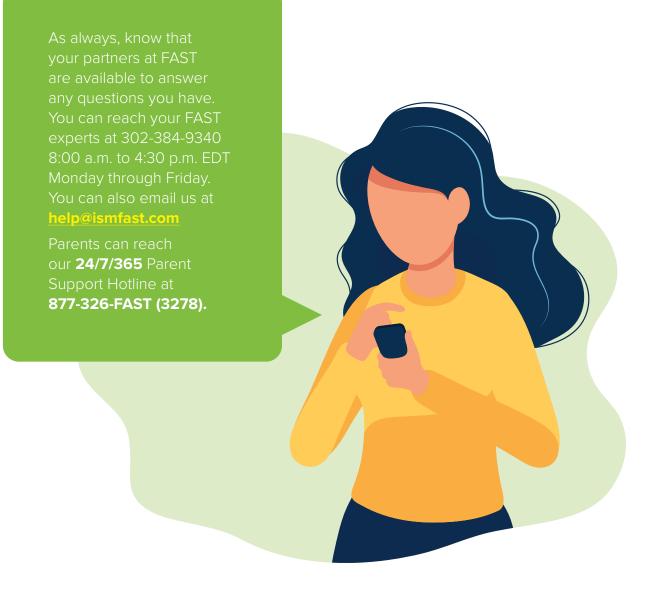
Paula is a Real Estate Broker, Agent, and Property Manager. She has an incorporated company with several employees. She itemizes her deductions. Likely need: 1040, Schedule 1, Schedule A, Schedule E, Schedule K-1, form 1120s, State tax forms

To see your school's exact tax requirements, you can navigate to the gear icon in your system located to the left of your username, then to **TAX DOCUMENTS & SETTINGS** and then to **TAX DOCUMENTS TO COLLECT**.



Examples of ways to set expectations

- Add a **School Specific Question** (also found in Global Settings) to your application. We suggest something like:
 - We/l attest that we/l will submit all required forms to FAST in as timely a manner as possible and will be responsive to FAST's requests for additional information as needed. I understand that my application cannot be considered for an award if all required documents have not been submitted and verified by FAST.
- Use the Addendum Letter (also found in Global Settings) to reinforce the requirement for documentation and the need to ensure all documents are included in the first upload. Clearly state the need for EMPLOYER ISSUED W-2s, as Wage Statements and Summaries are not sufficient for verification purposes. Many tax preparers include these rather than the actual W-2s with their completed tax paperwork and the families simply provide what the tax preparer gave them.





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