

**THIS IS YOUR LIFE
TAX AND FINANCIAL PLANNING AND COMPLIANCE PROJECT
ACCOUNTING 470/570**

Here is an opportunity to describe your life ten years from now, 2014. This is your opportunity to apply what we have learned to you.

1. Using about 1250 words, tell the story of your family, businesses, careers, investments, liabilities, retirement plans, and then some. In addition, describe tax-planning opportunities that you plan to incorporate into your life. Graduate students have 1500 words.

2. Prepare a set of tax returns for your life as described by you. We will use 2004 forms if they become available, if not, we will use 2003. (So, we will use current forms and laws to compile the tax information for 2014.) These can be downloaded from the World Wide Web—www.irs.ustreas.gov. At a minimum, you must include the following forms:

Please put them in the following order:

Form 1040 U.S. Individual Income Tax Return
Schedule A Itemized Deductions
Schedule B Interest and Dividend Income
Schedule C Profit or Loss from Business (must have a sole pro)
Schedule E Supplemental Income and Loss (must have rental property)
Schedule SE Self-Employment Tax
Form 4797 Sales of Business Property (must have recapture)
Form 8283 Noncash Charitable Contrib (must donate LTCG property)
Form 4562 Depreciation (must have one form for each business or activity)

You may include any other tax schedules you need given the description of your life. Tax returns may be done in pencil. No need to use cents, just round to the nearest whole dollar amount.

Note: Graduate students must include 5 additional forms. You choose. Please discuss this with me.

Any possible alternative treatment should be resolved in a manner that will minimize taxable income. Include any explanations for your decisions in “your story” or in the pages attached to the tax returns.

Cash, financial, and tax planning

In addition to your set of tax returns, you will do some critical thinking about cash, financial, and tax planning for yourself. You must include the following:

- Cash flow budget for the year that supports the life you have described showing all cash inflows and outflows
- Net worth statement showing all your assets, liabilities, and net worth
- List of taxes paid
- Medical insurance coverage
- Description of and projections for retirement planning
- Saving to send kids to college with projections
- Selling business assets
- A depreciation schedule for each asset from the date placed in service to date of disposition or to 12/31/2014
- List of tax planning ideas used in project

Packaging your product

- Comb or Spiral binding with front and back cover is mandatory
- No more than 1250 words (about 5 pages), exclusive of pictures, charts, graphs, tables, etc.
- Table of contents
- Introduction, body and conclusion to your story
- Headings and subheadings in your story
- Use of pictures, charts, graphs, and tables, using calculations to show the impact of tax planning decisions is mandatory
- Use normal margins (1 inch sides and 1.25 inch top/bottom)
- Use size 12 font
- Double space
- Have a friend proofread for spelling, grammar, punctuation, etc.
- Number all the pages

Grading of This is your life (35% of your final grade)

Packaging	20%
Completeness and accuracy of tax returns	30%
Quality of planning recommendations, numerical analysis of your recommendations, and evidence of critical thinking	50%

Teams

My strong preference is that you work in teams of two. Each team must turn in a one-page outline of your project on Monday November 1 by 1:00 PM. Bring your outline to my office in 455 Lillis. Late outlines will lose 5 points for any part of a day that they are late. These points will be deducted from your final project grade.

When you turn your outline in, you will find a sign-up sheet on my door. Please sign-up for a 30 minute consultation. It is mandatory that both team members attend this consultation. Failure to have a timely consultation will result in the loss of 10 points on your final project grade.

Due date

Final Projects are due on Wednesday November 24 at Noon. Deliver to my office. Unfortunately, late projects will lose 5 points for any part of a day that they are late. If you do not turn your project in on Wednesday, then by Monday, you will have lost 30 points.