### Domain 1: Financial Statements Accounting

**Task 1: Record Setup** – Design a system for record setup to organize the financial data.

**Knowledge of:**
- a. Accounting cycle
- b. Accounting methods
- c. Debits and credits
- d. Journals and ledgers

**Skill in:**
- a. Creating a chart of accounts

**Task 2: Establish a system to measure revenue and expense.**

**Knowledge of:**
- a. Cash vs. accrual

**Task 3: Documentation** – Detail the process and procedures used in engaging and preparing financial statements.

**Knowledge of:**
- a. Engagement letters
- b. Financial reporting framework (e.g., generally accepted accounting principles [GAAP]) or financial accounting framework (e.g., other comprehensive basis of accounting [OCBOA])
- c. Work papers

**Skill in:**
- a. Preparing financial statements
- b. Making adjusting and reversing journal entries

**Task 4: Balance Sheet** – Prepare financial statements to report financial condition.

**Knowledge of:**
- a. Accounting principles (e.g., cash and equivalents, accounts receivable, discounted notes, investments, inventory, property and equipment, intangible assets, liabilities, current liabilities, long-term liabilities, leases, pensions, stockholder’s equity)

**Task 5: Income Statement** – Prepare financial statements to report revenue and expenses.

**Knowledge of:**
- a. Accounting principles (e.g., revenue recognition, matching principle, owner's equity)

**Task 6: Statement of Cash Flows** – Prepare financial statements to report use and availability of cash.

**Knowledge of:**
- a. Direct or indirect method
- b. Operating activities
- c. Investing activities
- d. Financing activities

**Task 7: Reports** – Provide documents for owners and interested parties using client representations to provide additional information regarding financial statements.
### Knowledge of:
- a. Disclosures
- b. Report/Transmittals
- c. Statement analysis
- d. Accounting pronouncements
- e. Depreciation
- f. Cost basis
- g. Going concern

### Domain 2: Taxation

#### Task 1: Overview of Tax Structure – Identify the five basic taxable reporting entities (e.g., individuals, corporations, partnerships, estates, trusts).

Knowledge of:
- a. Tax entity determination reporting

#### Task 2: Individual Tax Returns (1040) – Collect information from the taxpayer to prepare a complete and accurate return.

Knowledge of:
- a. Self-employment (e.g., sole proprietor, farms)
- b. Rentals
- c. Inventory (e.g., FIFO, LIFO, lower cost of market)
- d. Depreciation (e.g., straight line, modified accelerated cost recovery system [MACRS], Section 179)
- e. Business use of home
- f. Farming activities
- g. Rental activities
- h. Basis of assets
- i. Independent contractor
- j. Taxability of gifts
- k. Taxability of insurance proceeds

Skill in:
- a. Selecting an inventory method
- b. Utilizing an appropriate depreciation method
- c. Calculating actual and simplified method
- d. Applying passive activity loss rules

#### Task 3: Filing Consideration – Determine the correct filing status and eligible dependents for an individual tax return.

Knowledge of:
- a. Filing status choices
- b. Rules of dependency

#### Task 4: Inclusions in Income – Determine the sources of income to be included on a tax return.

Knowledge of:
- a. U.S. tax law (e.g., compensation income, including fringe benefits, scholarships, fellowships, teaching stipends, interest, dividends, capital gains, state and local refunds, alimony received, business and farm income, rental activities and pass-through entities, debt relief, gambling
<table>
<thead>
<tr>
<th>Task 5: <strong>Deductions for AGI</strong> – Determine the eligible adjustments from total income to produce adjusted gross income.</th>
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</thead>
<tbody>
<tr>
<td><strong>Knowledge of:</strong></td>
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<tr>
<td>a. U.S. tax law (e.g., alimony, self-employment health insurance deduction, health savings account [HSA] deductions, Keogh/Self-employment plan [SEP], IRA contributions, self-employment tax deduction, moving expense, penalty on early savings withdrawal, student loan interest, tuition and fees deduction, educator expenses, domestic production deduction)</td>
</tr>
</tbody>
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<tr>
<th>Task 6: <strong>Itemized Deductions</strong> – Determine the use of standard or itemized deductions to calculate the lowest taxable income.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge of:</strong></td>
</tr>
<tr>
<td>a. Schedule A (e.g., medical expense, tax expense, interest expense, charitable contributions, miscellaneous, unreimbursed employee expenses, gambling losses, casualty/theft)</td>
</tr>
<tr>
<td><strong>Skill in:</strong></td>
</tr>
<tr>
<td>a. Applying reduction to appropriate deductions</td>
</tr>
<tr>
<td>b. Applying limitation on Schedule A</td>
</tr>
</tbody>
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<tr>
<th>Task 7: <strong>Income Tax Credits</strong> – Determine eligible reduction in income tax from various tax credits.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge of:</strong></td>
</tr>
<tr>
<td>a. U.S. tax law (e.g., earned income tax credit, due diligence requirements, foreign tax credit, retirement credit, child and dependent care credit, education, credits, child tax credits, energy credits)</td>
</tr>
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<tr>
<th>Task 8: <strong>Limited Liability Companies/Disregarded Entities</strong> – Determine the best method of reporting client income and expenses for LLCs and disregarded entities.</th>
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<tbody>
<tr>
<td><strong>Knowledge of:</strong></td>
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<tr>
<td>a. Single-member/multimember LLC tax law</td>
</tr>
<tr>
<td><strong>Skill in:</strong></td>
</tr>
<tr>
<td>a. Selecting the appropriate filing entity</td>
</tr>
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<tr>
<th>Task 9: <strong>S Corporations (1120S)</strong> – Compile client data to prepare a complete and accurate S corporation tax return.</th>
</tr>
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<tbody>
<tr>
<td><strong>Knowledge of:</strong></td>
</tr>
<tr>
<td>a. S corporation tax law (e.g., basis, built-in gains tax, shareholder compensation, S corporation election and revocation, shareholder benefits, shareholder loans and distributions, eligible owners, at-risk rules, capital accounts)</td>
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<tr>
<th>Task 10: <strong>Partnerships (1065)</strong> – Compile client data to prepare a complete and accurate partnership tax return.</th>
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</thead>
<tbody>
<tr>
<td><strong>Knowledge of:</strong></td>
</tr>
<tr>
<td>a. Partnership tax law (e.g., basis – inside and outside, capital accounts, elections, at-risk rules)</td>
</tr>
<tr>
<td>Task 11: Corporations (1120) – Compile client data to prepare a complete and accurate corporate tax return.</td>
</tr>
<tr>
<td>Knowledge of:</td>
</tr>
<tr>
<td>a. Corporate tax law</td>
</tr>
</tbody>
</table>

| Task 12: Trust and Estates Income Tax (1041) – Compile client data to prepare a complete and accurate fiduciary tax return. |
| Knowledge of: |
| a. Trust document |
| b. The will |
| c. Titling of assets (probate) |
| d. Roles of trustees, executor, beneficiary, surviving spouse |
| e. Fiduciary tax law |

| Task 13: Federal Estate Tax Return (706) – Compile client data to prepare a complete and accurate estate tax return. |
| Knowledge of: |
| a. The will |
| b. Trust document |
| c. Probate |
| d. Gift tax returns filed by decedent prior to death |
| e. Estate tax law |
| f. Roles of trustees, executor (personal representative), beneficiaries, and surviving spouse |

| Task 14: Nonprofit Issues (990) – Compile client data to prepare a complete and accurate nonprofit information return. |
| Knowledge of: |
| a. Type of nonprofit (e.g., churches, veteran’s organizations, hospitals, member organizations, schools) and related tax code section |
| b. Nonprofit tax law |

| Task 15: United States Gift (and Generation Skipping Transfer) Tax Return (709) – Compile and prepare gift tax returns to report the transfer of money or property. |
| Knowledge of: |
| a. Limits on annual gift exclusion |
| b. Transfer of assets to reduce estate tax |

| Task 16: Specialty Topics – Review additional topics that might affect the client. |
| Knowledge of: |
| a. Investment taxation |
| b. Divorce issues |
| c. Community property |
| d. Social Security and Medicare issues |
| e. Retirement issues |
| f. Net operating loss (NOL) |
Above & Beyond IRS Standards


g. Payroll

h. Tax estimates for all types of entities (e.g., individuals, corporations)

i. Affordable Care Act

Skill in:

a. Assessing tax liability of divorce settlements
b. Assisting clients in financial decisions during and after divorce
c. Recognizing issues related to community assets and income
d. Counseling appropriate age to take benefits
e. Discussing correct time to apply for Medicare benefits
f. Determining the appropriate retirement plan
g. Determining whether a client has enough income to retire
h. Understanding carryback vs carryforward
i. Clarifying for client health insurance options vs. penalty for no health insurance

Domain 3: Business Law

Task 1: Recognize different business entities and transactions to advise clients.

Knowledge of:

a. Business law principles (e.g., property law, contracts, Uniform Commercial Code, agency, partnerships, corporations, trusts, limited liability companies)

Domain 4: Ethics

Task 1: Determine best practices and procedures for tax professionals.

Knowledge of:

a. Circular 230
b. Practice procedures
c. Due diligence

Skill in:

a. Determining when an attorney referral is necessary
b. Knowing when to hire, refer, or gain skill in a specific area