**To:** ***The intended audience for the research memo***

**From:** ***Yourself***

**Date:** ***The date the memo was finalized/sent to the intended audience***

**Facts**

This section should ONLY include facts the reader needs to know to make an informed decision about whether they agree with your research conclusions.

For example, I might ask if a $20 charitable contribution I made to my local “We Luv Pets” store will be eligible for a tax deduction. The manager of the store said they had applied for 501(c)(3) status but hadn’t received confirmation back yet. I tell you that this is a very important matter for me, as I have 3 rats named Millie, Chaser and Bob, and “We Luv Pets” carries their most favorite lavender-scented bedding at a very reasonable price.

***Your Facts section might say something like this:***

***An individual taxpayer made a charitable contribution to a local pet store. At the date of the contribution, the store had applied for 501(c)(3) status, but their request was still pending.***

You would NOT need to add that the individual taxpayer is a rat-owner, or that lavender-scented bedding is ingenious. The amount and type of the contribution also isn’t relevant.

**Issue**

In my opinion, numbering the issues you’ve identified is the simplest way to organize the memo. Make sure you don’t “create” issues that aren’t relevant to the matter at hand; but on the other hand, you should be all-inclusive with your issue identification.

***Your Issues section might look like this:***

1. ***Will a charitable contribution made by an individual to an entity with an “Applied for” 501(c)(3) status be eligible for a tax deduction on Form 1040, Schedule A “Itemized Deductions”?***

You would NOT need to add an issue that asks, “should the taxpayer choose to itemize their deductions on their Form 1040”. The issue at hand is not how to maximize tax benefits for the individual; it is simply to determine whether the contribution is *eligible* for a tax deduction.

**Conclusion**

Your conclusions should directly address your issues, using a similar numbered format. ONLY conclude on the issues you identified.

***Your Conclusions section might look like this:***

1. ***There is no advance assurance of deductibility; the contribution will be tax-deductible in the period it was made if and only if the organization ultimately qualifies for exemption retroactively to the same period.***

You would NOT need to add a conclusion that states, “the pet store can treat itself as exempt and file Form 990 while its application is pending”. While that is true, the answer to the real issue remains the same regardless of how the pet store files its tax returns during the pending status stage. The individual requesting the research does not need to know how the pet store treats itself in the interim stage to determine whether and/or when the contribution will be tax deductible.

**Analysis**

This is where you defend your conclusion. Your analysis should start with Internal Revenue Code statutory/regulatory cites, and can then refer to “weaker” defenses (i.e. revenue rulings/procedures, court cases, IRS web site references, etc.) If you can reach your conclusion with statutory cites only, there is no need to continue to provide the weaker evidence. Stop at the point that your conclusion is fully defensible in your opinion.

Throughout the memo, **be as succinct as possible**. The tax rules and regulations are difficult enough to analyze as it is; **there is no need** to include “fluffy” language that provides no added benefit to the defense of your conclusion. **There is no need** to enter ancillary facts into the memo if the reader can reach a conclusion with or without them. **There is no need** to create issues that the client isn’t interested in resolving now.

The key to becoming a well-respected leader in the tax field, or any complicated field for that matter, is to be able to communicate tax concepts, issues, and proposed resolutions in layman’s terms.