

How to Track An FBAR



How To Track An FBAR

Here's a familiar scenario:

A client walks into your office or reaches out to you remotely. In the interview, you learn about the existence of foreign financial assets that may be unreported.

You review the back-year returns and don't see a FinCEN 114 (also known as the FBAR) Perhaps you were the original preparer, or maybe you were not. Your client gives you the typical "*I don't know*" answer to every subsequent question you ask.

Let's try to help this client out.

If the FBAR was filed via your tax software

You should be able to get an acknowledgement of the filing via your software, even for a back year. Contact your software company for assistance.

The taxpayer should try to contact the previous preparer if you did not do the back-year filing.

How To Track An FBAR

If you or the taxpayer filed via the BSA website (within the past 5-60 days)

Use this method

Use the **Individual FBAR: Submission Status Lookup**

<https://bsaefiling1.fincen.treas.gov/NoRegSubmissionStatusLookup>

Verify the status of your Individual FBAR submission by providing the information requested. Ensure the email address entered matches the email address entered during the initial submission of the Individual FBAR. Clicking "Cancel" will bring you back to the main FBAR filing page.

If the filing occurred more than 50 days ago, you cannot use this tool.

How To Track An FBAR

If the taxpayer filed at the BSA website more than 60 days ago / cannot reach the prior preparer / does not know if or how it was filed

Old rule:

Previous rules allowed a filer to call the IRS FBAR hotline for verbal verification of up to five FBAR filings at no charge.

Current rule:

No phone requests!

A verification request must be made in writing. The request should include the filer's name, their Taxpayer Identification Number, and the filing periods needed.

If the request is done by the Tax Professional, include a completed and signed Form 2848 to authorize the request.

There is a required payment with every request. For 1-5 FBARs, it's \$5 (total – not each), and it's \$1 for each request over the initial 5. If you filed on paper and want a copy, it's an additional \$.15 per copy.

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Checks or money orders need to be made out to:

U.S. Treasury

Mail the request and payment to:

IRS Detroit Federal Building
Compliance Review Team
Attn: Verification
Detroit, MI 48232-0063

Questions?

Contact the IRS Bank Secrecy Act Hotline in Detroit: (1-866-270-0733, option 1, option 5). Callers calling from outside the U.S. should call 313-234-6146 (not a toll-free number).

Hours: M-F 7 a.m.-3:30 PM Central time

The information is recorded, and you don't have to speak with a representative unless you prefer to do so.

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IMPORTANT TO NOTE

->> They do not provide information for FBARs filed within 60 days.
->> They do not provide copies of electronically filed FBARs. You can receive the information in a letter where they will confirm the filing and the date it was filed.
->> Copies of FBARs filed on paper are available. It's an additional \$.15 per copy.
->> This is current information as of October 2021, and is subject to change. You can confirm with the Bank Secrecy Act Help Line.

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The key to not having a problem with clients who may have foreign accounts...



Ask each and every client a series of questions to make sure they understand exactly what must be reported on an FBAR and other tax forms.



Have a robust toolkit with a done-for-you Organizer (with the exact questions you need to ask each client), templates, worksheets, cheat sheets, etc., - available at -

www.TaxSmartTraining.com

Save yourself days of extra work trying to come up with the right questions to ask. There are templates to put in front of the clients to complete, and cheat sheets to remind you of the rules and thresholds, worksheets for your due diligence, an Organizer, etc.



Tax Smart Training