

Worksheet Instructions for Schd C - Businesses

PLEASE READ THROUGH ALL SECTIONS !!

For all Filers; the tax code requires all taxpayers to maintain adequate books and records to substantiate all expenses taken on a return. Preparer regulations now require our firm to make reasonable inquiries as to the existence and accuracy of your books, records and other documentation before we can prepare your return. We are also required to make additional inquiries if any of the information you furnish appears to be incorrect, inconsistent or incomplete. Therefore, we require you to furnish us with a written summary of your information for your income, expenses, mileage etc. compiled from your books, records, receipts and logs that relate to any business activity including rental properties, businesses, farms, employee business expense (including any vehicle expenses claimed for any of those activities) and also dependent and residency documentation for any claim of Earned Income Credit (EITC) or the Additional Child Tax Credit (ACTC). We are providing you with worksheets and instructions for each of these purposes and require that you complete them and bring them with you when you come in. If you have your own summaries (for example spreadsheets) that contain the same information in a format we can read you may use that but will be asked to also sign our worksheet as an attachment to your document. Failure to maintain adequate records will, upon audit, result in disallowance of deductions or inclusion of unreported income resulting in additional tax, interest and negligence penalties. This includes not properly separating business, rentals (by property) and personal income and expenses. We HIGHLY recommend that separate bank accounts be kept for each business and rental property with income and expenses for each being run through those accounts and not intermingled with your other personal accounts. You are also signing our engagement agreement in which you also agree that adequate records exist along with other disclosures and terms of service. Preparer penalties of up to \$5,000 are assessed if we are found to have failed to make these inquiries or fail to further question any discrepancies. While we are not required to audit your return or see every receipt, our responsibilities have been significantly elevated. We cannot prepare a return for which we have not been provided with written summaries and certifications prepared by you from your records. If you do not have this summary prepared using either our worksheet or your own, we will not be able to complete our return until we have that documentation. We hope that this extra step will not only protect both of us in case of audit but will also help you better organize your records so as not to omit any item of income or expense.

Business-Schedule C Filers; All business income in any amount is reportable whether a form 1099MISC form is issued to you or not. 1099MISC income will be matched to your return, and any credit card sales/income will be reported to you on new form 1099K. List your income by those categories as shown on the worksheet from your records and bank statements, then summarize your expenses into categories also per the worksheet. If you also have a qualifying home office as part of your business, also list those expenses in that section. Inventory, if any, is to be valued at your cost (what you paid for it... not what you will sell it for) as of 12-31 of the year. Note that any vehicle expenses and the accompanying mileage log data should be filled in on that separate worksheet. Capital expenses like equipment, tools, furniture etc. must be listed separately for depreciation in the appropriate section. If you have made payments for services to anyone who is not a corporation of more than \$600 during the calendar year you are required to file form 1099MISC. You will need the payees name, address and SSN or EIN to do this. Use IRS form W9 to request this information from the payee. AUR can help you file these for a fee if you bring in the information. The forms are due out to the payee by 1-31 and also must be filed with IRS by 1-31. Answer the questions on the worksheet and provide explanations for any indicated responses.

Business (Schd C) Income /Expense Summary Worksheet

prepared by Client from Clients books and records

Business Name	Tax Year	Inventory Jan 1	\$
		Purchases	\$
Business Address	EIN (if applicable)	Materials/Supp	\$
		Other-	\$
		Inventory Dec 31	\$

Business Income-from 1099K	\$
Business Income-from 1099MISC	\$
Business Income-Cash and/or no 1099	\$

Car or Truck Expense/Mileage-Please use separate Auto worksheet

Expenses

Advertising/Promotion	\$
Commissions or Fees	\$
Outside Labor (non employees)	\$
Insurance -other than health or auto	\$
Insurance - Health employees (if any)	\$
Insurance - Health Self & Family	\$
Interest (non-mortgage,non-vehicle)	\$
Office Expense (bank charges, postage, etc.)	\$
Rent for business premises	\$
Rent/Lease business equipment	\$
Repairs and maintenance	\$
Supplies - Operating	\$
Printing	\$
Utilities (business premises only)	\$
Cleaning/Janitorial	\$
Travel (not meals or entertainment)	\$
Meals & Entertainment @ 100%	\$
Legal/Prof/Acct	\$
Telecom / Internet Services	\$

Other Expenses-Describe

	\$
	\$
	\$
	\$
	\$

Home Office Expense Items (only if applicable)

	For Entire Home	Only for Home Office Area
Mortgage Interest From 1098	\$	N/A
Real Estate Taxes	\$	N/A
Insurance for Home	\$	N/A
Repairs & Maintenance	\$	\$
Utilities	\$	\$
Other-	\$	\$

List Furn/Equip/Tools Bought

	Date in Svc	Amount
		\$
		\$
		\$
		\$

Wages / Taxes

Wages	\$
Taxes-Payroll-Med/SS	\$
Taxes Sales	\$
Taxes-Other	\$
Telecom/Internet	\$

Questions

Any payments made requiring 1099s?

If Yes, did or will you file 1099's?

Y/N

Have you a separate business acct.?

If no, explain how you determined

your income and expenses on the back of this worksheet.

I/We certify to AUR that the summary on this worksheet is complete and that it is based on my written books/records and receipts. I acknowledge the receipt of the instructions for this worksheet.

Date _____

X _____