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## 2018 1040 Schedule C Checklist

- \_\_\_\_ 1. Copies of 1099s sent and the related 1096 for 2018
  - a. You must provide a 1099-MISC to any individual or unincorporated entity you paid \$600 or more for services during the 2018 tax year.
  - b. We can prepare the 1099s for you (for an additional fee unless covered in our engagement) provided you supply us with the following information by **January 13, 2019**:
    - i. W-9 for each business or individual. W-9 can be downloaded from the IRS at [www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3](http://www.irs.gov/pub/irs-pdf/fw9.pdf?portlet=3)
    - ii. Amount paid to each business or individual in 2016
- \_\_\_\_ 2. Did you dispose of any businesses in 2018? If, yes please describe the nature of the disposal and provide any related documents.
- \_\_\_\_ 3. Summary of **income and expenses** by category, either as
  - a. An accountant's copy of your QuickBooks file, or
  - b. End of year Financial Statements (Profit & Loss Statement and Balance Sheet), or
  - c. Or other format as available
  - d. Examples of expenses include:
    - i. Advertising
    - ii. Auto-see #3 below
    - iii. Bank Charges
    - iv. Business Phone/Long Distance Calls
    - v. Commissions and Fees Paid
    - vi. Contract Labor
    - vii. Employee Benefit Programs
    - viii. General Office Supplies & Expenses
    - ix. Insurance (not including health)
    - x. Loan Interest
    - xi. Legal and Other Professional Fees
    - xii. Meals and Entertainment
    - xiii. Pension/Profit-Sharing Plan Contributions made for Employees
    - xiv. Postage and Freight
    - xv. Professional Dues and Publications
    - xvi. Rent Paid for Machinery and Equipment
    - xvii. Repairs & Maintenance
    - xviii. Supplies (including small hand tools
    - xix. Taxes
    - xx. Travel
    - xxi. Utilities: Electric Heat, Water, Sewer, Trash

- xxii. Wages Paid
- xxiii. Other Expenses (provide list)

- \_\_\_ 4. Automobile expenses
  - a. Must be substantiated with mileage logs and trip sheets for each trip. Commuting miles between your home and a fixed work location are not considered deductible. Can you substantiate your automobile expenses with the required supporting documentation? See questions below.
  - b. Provide the following information:
    - i. Auto Make, Model, and Year
    - ii. Date Placed in Service
    - iii. Total Miles Driven in 2018
    - iv. Total Business Miles Driven
    - v. Parking and Tolls
  - c. If actual expenses method is being used provide the following additional information
    - i. Lease payments
    - ii. Interest Paid on Vehicle
    - iii. Gasoline, Oil, Lubrication.
    - iv. Repairs, Maintenance, Car Washes
    - v. Tires and Supplies
    - vi. Insurance
    - vii. Tags and Licenses
- \_\_\_ 5. Sales breakdown by state, if the business operates in more than one state (has offices or employees in more than one state)
- \_\_\_ 6. Loan and credit records related to the business
  - a. Copies of any new business bank loans obtained during the year
  - b. Loan payoffs, by loan number, of all business loans at December 31
  - c. 2018 loan statements
- \_\_\_ 7. Did you use any part of your personal residence as a home office? See Home Office Checklist.
- \_\_\_ 8. Year-end Payroll Reports (if we are not your payroll service provider)
- \_\_\_ 9. List of assets purchased and used in the business in 2017 (date purchased, amount, name/type, new or used?), including their related receipts/invoices.
  - a. Also provide any information related to the disposal of any business assets (furniture, equipment, vehicles, real estate, etc.)
- \_\_\_ 10. Any 1099's received by the business, especially the new 1099-K
- \_\_\_ 11. Copies of any federal or state tax correspondence received during the year
- \_\_\_ 12. Any estimated tax payments (dates and amounts)
- \_\_\_ 13. Amount and type of Self-Employed Health Insurance and/or Long-Term Care
  - a. Do not include if self-employed person is eligible to participate under any employer's plan.
  - b. Contributions made to a Health Savings Account
- \_\_\_ 14. Contributions made to your SEP, SIMPLE or qualified retirement plan
- \_\_\_ 15. Any additional documentation/reports you feel we should have

*Questions for Claiming Vehicle Expenses:*

- 1) Do you have evidence to support your deduction? Yes No
  - 2) If yes, is the evidence written? Yes No
  - 3) Do you (or your spouse) have another vehicle available for personal use? Yes
- NoRecordkeeping: Your vehicle expenses will not be allowed by the IRS without adequate records or sufficient evidence verifying business use. Daily records provide the best protection in case of an audit.