

SCHEDULE C (SELF-EMPLOYED BUSINESS) DOCUMENT CHECKLIST

In order to ensure that we help you to pay the least amount of tax possible, PLEASE use this list to organize the information necessary to prepare the Schedule C for your business. This list may not cover all the income and expenses for your particular rental property. If you are not sure of the deductibility of an expense, provide the documentation anyway and we will make the determination.

- Name, Address and Federal ID # of business
- Description of Business Activity, Product Sold, or Service Performed
- Number of months in operation

Income:

- Sales of Product of Income (Bring any 1099-Misc forms received)
- Other income related to business activity
- Sale of business equipment

Cost of Goods Sold:

- Purchases of product for resale (less product withdrawn for personal use)
- Inventory at beginning of year
- Inventory at end of year

Operating Expenses

- Operating expenses you incurred for your business, sorted by category (see attached worksheet). List equipment purchases and expenses over \$100 separately by date.
- List of individuals who provided services of \$600 or more to your business (subcontractors, labor hired, etc). Did you make them a 1099?
- For each business vehicle, please provide make and model of vehicle, date purchased, total miles driven for year, commuting miles driven, and business miles driven. To use actual expenses, a list of operating costs is needed.
- If you have an exclusive area in your home where substantial business is conducted (ie. daycare provider or home office business), please provide square footage of entire home, and square footage of space used for business. Also provide all expenses for your home for the year, including taxes, utilities, insurance, repairs, etc.



SCHEDULE C (BUSINESS OWNERS & CONTRACTORS) WORKSHEET

Business Name/ Type of Work: _____ Tax Year: _____

Note: You *MUST* provide supporting documentation for all income and expenses claimed.

INCOME

Gross Receipts

This is the total of all monies received (sales) from your business activities. This does not include any money received from business loans, investors (including you, the owner), or the sale of fixed assets (like old equipment). It does include 1099-MISC income.

NOTE: Do not count sales tax you collected and paid to the state as income or expense.

Total Gross Receipts _____

Total Cost of Goods Sold

This includes:

- Purchases of inventory
- Purchases of materials, parts, ingredients, or other supplies directly used in producing or procuring your product

Packaging or shipping expenses, when not paid by customers or accounted for elsewhere. The value of any year-end inventory will be subtracted from the costs you paid out over the year; if you had inventory left at year end, list that amount.

Total Costs of Goods Sold _____

Other Business Income

This will not be relevant to most businesses. If you have business-related income from sources other than your actual business activities, include this income here. Such income may include:

- grants, awards, or prizes received by your business
- scrap sales
- recovered bad debt
- earnings from investments held by the business (not by you personally)
- federal or state gasoline or fuel tax credits or refunds
- miscellaneous business income

Total Other Business Income _____

EXPENSES

The expense categories used on the Schedule C are listed below, with examples and notes. You may determine into what categories your individual expenses fall. In some cases, an expense could be considered one of several types of expenses (example: you might consider a printer cartridge to be an office expense; another person might call it supplies).

Advertising and related marketing expenses, including:

Business cards, Newspaper & other print ads, Radio/TV ads, Brochures, Website design & maintenance, Signs, Flyers, etc.)

Total Advertising Expenses: _____

Car & Truck Expense:

You may deduct car/truck expenses for local or extended business travel, including:

- between one workplace and another,
- to meet clients or customers,
- to visit suppliers or procure materials,
- to attend meetings,
- for other ordinary and necessary managerial or operational tasks or needs of your business.

You cannot deduct the costs of driving your car or truck between your home and your main or regular workplace. These costs are personal commuting expenses.

You must provide record of your business-related mileage over the year. We will use the IRS's standard mileage rates for your deduction of business-related travel. This rate accounts for gas, repairs, maintenance, depreciation, and auto insurance (but not interest on a car loan).

Total Miles Driven for Business: _____

Date vehicle was put into use for business: _____

Do you or your spouse have another vehicle available for personal use?

___ Yes ___ NO

Was your vehicle available for use during off-duty hours?

___ Yes ___ NO

Insurance:

Includes liability insurance, property insurance for business assets & equipment, business interruption insurance, fire/flood insurance, rider on homeowner's insurance policy to cover business use of your home).

Note: This does not include self-employed personal health insurance. Please itemize this separately.

Total Insurance (Non-Health): _____

Total Personal Health Insurance: _____

Interest:

You may deduct interest paid on business loans, other loans for business property, and credit cards or lines of credit that are used solely for business expenses.

- If you own your home and use it as your principal place of business, you may be able to deduct your mortgage interest; however, do not include that here. *See Business Use of Home below.*
- You may not deduct the principal portion of any loan payments, or the entire loan payment amount. Most lenders or creditors will send you an annual statement indicating how much interest was paid in 2012; if you are unsure how to determine this, contact your lender/creditor.

Total Interest: _____

Legal & Professional Services:

Includes bookkeeping, payroll, accounting, legal fees

**Total Legal &
Professional Fees:** _____**Office Expenses:**

Includes:

- paper goods & stationery
- general office supplies
- photocopying, printing, and office-related services

Total Office Expenses _____

Note: Do NOT include purchase or printing of business cards or other marketing materials. These go in Advertising Expenses above.

Rent or Lease of Property or Equipment:**Including:**

- Office or retail space
- Production or workshop space
- Storage space for inventory or equipment
- Vehicles for business use
- Business equipment

Total Rent/Lease: _____

Note: If you rent your home and use part of it as your place of business, you may be able to deduct a portion of your rent. Do NOT include this here. This will fall under Business Use of Home.

Repairs & Maintenance:

For owned, rented or leased business property or equipment, including upkeep of property:

- Mowing & snow removal
- Repairs to buildings
- Repairs to equipment

**Total Repair &
Maintenance:** _____

Do NOT include repair/maintenance for vehicles whose use was included in the Car & Truck Expense section above.

Supplies:

Includes small goods or equipment used for general operational needs of the business.

Total Supplies: _____

NOTE: materials, ingredients, parts, or components of your product(s), or supplies that are exclusively used for production of your product(s), should not be included here. These are included in Cost of Goods Sold, as explained above in the Income section. Be sure you do not count any of these expenses twice.

Taxes & Licenses:**Includes:**

- Fees for permits or licenses that are ordinary and necessary for your line of business
- Property / real estate taxes on property you own that is used for business purposes, not including your home. Real estate taxes on your home should go under Business Use of Home, below.

Total Tax & Licenses: _____

NOTE: Do not include sales tax here. If you paid sales tax on goods and services you purchased for your business, this should be included with the cost of those goods and services in the relevant expense categories. Sales tax paid to Nebraska that was collected on goods and services you sold is not a business expense, nor is it counted as gross income.

Travel, Meals & Entertainment:

For the ordinary and necessary expenses of traveling away from home, when you are required to be away substantially longer than an ordinary day's work, including:

- Transportation (not including car/truck expense, covered above)
- Baggage and shipping
- Lodging, including associated tips
- Meals and entertainment, including associated tips
- Other services such as telephones and dry cleaning

Total Travel (excluding meals) _____

50% of Total Meals _____

NOTE: In general, meals taken while on business travel are only 50% deductible, and you must be away from home overnight. You cannot claim meals when you are away from home for a usual workday. For rules on allowable entertainment expenses, see IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses.

Utilities

For services supplied solely to your place of business, and NOT to your home, including:

- Gas/Heat
- Electric/Water/Sewer
- Telephone
- Trash/garbage removal

Total Utilities _____

NOTE: If you use your home as a place of business, you may be able to deduct part of your home utility bills. See Business Use of Home, below.

Other/Miscellaneous Business Expenses:

If you have other, legitimate business expenses that do not appear to fit in any of the expense categories listed above, you may include them here. These expenses must be itemized (listed individually), unlike for the categories above.

Business publications/subscriptions _____

Other (Describe) _____

Uniforms _____

Other (Describe) _____

Postage & Shipping _____

Other (Describe) _____

Janitorial/Cleaning Service _____

Other (Describe) _____

BUSINESS USE OF HOME

If you use a portion of your home as your principal place of business, you may be able to deduct part of your rent or mortgage, as well as certain other relevant home expenses. In order to claim these business expenses, the part of your home used for business generally must be used exclusively and regularly for business purposes. These purposes can include home office, production/workshop space, storage, etc. For in-home daycare providers, the usage need not be exclusive.

An expense that covers the entire home, such as rent or central heating, is considered an indirect expense. You may only deduct a percentage of these expenses equal to the percentage of the home’s area that your business uses. For example, a 150 square foot office in a 1500 square foot home is 10% of the home’s total area and would mean 10% of relevant home expenses could be deducted.

An expense that applies only to the business area of the home is called a direct expense. If you heat your basement work studio (and only the studio) with a pellet stove, the cost of the pellets would be fully deductible as a direct expense. If you paint your home office (but not the rest of the house), you can claim the whole expense.

Total Square Footage of Home: _____	Square Footage of Area Used for Business: _____
-------------------------------------	---

Daycare providers: Because you can deduct home business expenses even if you don’t use an area exclusively, we need additional information about the operating hours of your business in order to calculate your percentage.	Days open per year _____	Hours per day _____
---	-----------------------------	------------------------

Rent (for whole home) _____	Homeowners’/Renters’ Insurance _____
Mortgage Interest _____	Repairs/Maintenance and Improvements _____
Electric/Water/Sewer _____	Gas/Heat _____
Other (describe): _____	Other (describe): _____
Other (describe): _____	Other (describe): _____