

# DAY CARE PROVIDERS WORKSHEET

For the tax year \_\_\_\_\_

Welcome back for another tax preparation adventure. This past year the IRS has launched a campaign of new audits and is concentrating on small business owners. We have seen an increase in the number of audits, along with an increase in the scrutiny of deductions that are allowed. Our job is to qualify the deduction, the IRS has a job to verify the income, and **your job is to prove the income & deductions with receipts.** Payroll expenses must be verified with checks, as cash payments are not allowed. Auto records must be contemporaneous (recorded as incurred), and justified if requested in an audit. Be sure to call the office with any questions you may have at any time during the year.

<b>INCOME</b>		<b>FOOD PROGRAM</b>	
		<b><u>NUMBER OF MEALS SERVED</u></b>	
		<b>(Do not count your own children)</b>	
		<b>Jan-----December</b>	
Day Care :	_____	<b>BREAKFAST</b>	_____
Preschool:	_____	<b>LUNCH</b>	_____
Registration:	_____	<b>DINNER</b>	_____
Late Fees / Interest	_____	<b>AM SNACKS</b>	_____
Food Program:	_____	<b>PM SNACKS</b>	_____
D S H S	_____		
<b>TOTAL INCOME</b>	_____		

**PAYROLL** – If we do your payroll or if you do your own, please be sure we send you a payroll worksheet for you to record wages and payroll taxes you paid. We **DO NOT** have these records as we **DO NOT** know what you paid and when.

**TAX ALERT** –Be sure to bring in your mortgage interest statements and also your HUD statement if you refinanced, took out equity, or purchased a new home.

## AUTO EXPENSES

The IRS allows two (2) ways to claim the expenses for your business use of auto. Both methods **require a mileage log** and/or expense records to be kept as your drive, and should be recorded on a daily basis. Thinking back a year and guessing does not meet the IRS test of contemporaneous recordkeeping requirements. No switching from method #1 to #2 or # 2 to #1 without incurring tax implications. Please discuss your options at tax time to select the best method for you.

Method #1 – Total miles the car was driven from Jan. – Dec. \_\_\_\_\_ (All miles)  
Total business only miles from Jan. – Dec. \_\_\_\_\_ (Just the business miles)  
Total of any interest paid on the vehicle if financed \$ \_\_\_\_\_  
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Method #2 – In addition to Method #1 requirements we also need the following:  
This method might be best if your car is around 80-90% business use.

Cost and/or value of vehicle when placed into service (if not already listed) \$ \_\_\_\_\_

Gas	_____	Insurance	_____	Repairs	_____
Oil	_____	License	_____	Other	_____