

Alert To All Day Care Providers

1. **Audits** are on the rise so be prepared and accurate. If the IRS informs you of an audit in writing, send the notice to us. If the IRS calls you to schedule an audit, be sure to exercise your constitutional rights..... and inform them you want representation. Get their name and phone number, then call us.
2. **Hours** -Be accurate on reporting your hours of operation, no guessing or approximations can be used. We will add on the new extra hours available to be added to your actual hours available.
3. **New Home?** -If you moved during the year, you will be required to prepare two business returns based upon income and expenses per each location. Call the office to discuss this.
4. **Meals** - Do not assume the days and meals served, count them. If audited and you guessed wrong, your whole meal deduction could be disallowed.
5. **100% Day Care Use-** Notice the left side of Page 2 of the daycare sheet is for items that are used exclusively for daycare.
6. **Shared Expenses-** Notice the right side of Page 2 lists those items you share with daycare. If you do not separate items like household supplies, cleaning supplies, kitchen supplies, bottle water, etc., then you will list the total expenses here and we will allocate.
7. **Square Footage Use-** New court ruling states you need to deduct the space of non-100% rooms. This means unless **your bedroom** and or any of **your children rooms** are not used regularly for the daycare you cannot use the space. Measure the rooms and the total needs to be subtracted from your total home square footage.
8. Use the following to complete those large 100% day care items:

	DATE	COST		DATE	COST
Computer	_____	_____	Fencing	_____	_____
Swing Set	_____	_____	Television	_____	_____
Furniture	_____	_____	Other	_____	_____

Be sure to call the office, or e-mail your questions to us any time one arises. It is much better to have answers prior to spending time to doing something incorrect. If you need more time to get your records in proper order, please call for a schedule change; otherwise, see you at our meeting. Lake Stevens Tax 425-334-8138.

Sandy-- sandyestes@gmail.com or Gary-- garyestes@gmail.com