

NOSEWORTHY FINANCIAL SERVICES

DUE DILLIGENCE BUSINESS INCOME

We may have to ask you the following questions!

Schedule C – Questions for Compliance

Taxpayer name: _____

Business Name: _____

Date: _____

“The IRS wants to know”

No expenses:

Schedule C with little information:

We will make additional reasonable inquiries regarding the taxpayer's business to determine whether the information regarding both income and expenses is substantially correct.

The IRS requires all income and allowable expenses be reported on the tax return. If the IRS examines the tax return, you will have to provide support for the income and expenses claimed on the return.

We can try to help you reconstruct your business income and expenses. We do charge for this, but it will be less than getting audited without the best information we can provide.

- How did you compute your income? ___Bank Statements___ Invoices _____Other: _____
- Do you have an accounting program that you use???? YES NO – If so what? _____
- _____
- What types of records do you keep? _____
- Do you keep your receipts? _____
- What do you charge for an hourly rate? _____
- _____
- Do you add a % onto the materials you re-sell? If so how much? _____
- _____
- Do you do this Full-time, part-time? _____
- Do you keep a calendar or schedule of the Jobs you complete? _____
- _____
- Does the business require any licenses or permit. If so, do you have one? _____
- _____
- _____
- Do you have business cards? _____
- Are you listed in the yellow pages? _____
- Do you have any other sources of income? _____
- _____

I understand the above questions that I have been asked. The numbers I have provided are truthful and accurate. I understand I could be liable to interest and penalties if I am audited for the information I have provided.

Name: _____ **Date:** _____