

## Business Tax Returns **Shortie** Checklist

This is the shortie version of our more robust version. If you want the longer version with dates, contact information, and blah blah blah, use this link-

[www.wcgurl.com/2](http://www.wcgurl.com/2)

## Tax and Financial Records (You Do Your Own Books)

The quality of your tax return and the timeliness of its preparation depend strongly on obtaining all your tax-related documents and information. Therefore we have created the following checklist. You might also want to review or use our fillable Small Business Worksheet PDF-

[www.wcgurl.com/38](http://www.wcgurl.com/38) (pdf)

Or... an Excel spreadsheet to help organize your income and expenses-

[www.wcgurl.com/21](http://www.wcgurl.com/21) (excel)

**If you do not use a formalized accounting system** such as QuickBooks, Xero, Waveapps, etc., then we strongly encourage (up to the point of being obnoxiously demanding) that you use one of the links above.

### Income

- ▲ YTD Profit and Loss Statement
  - QuickBooks Data File, or MS-Excel (send us the actual file), or
  - Login credentials to your Wave or Xero or QBO or other online accounting provider
- ▲ 1099 MISCs (that you received from your clients or customers)
- ▲ 1099-Ks (issued by merchant card providers, such as PayPal and Google)

### Expenses

- ▲ YTD Profit and Loss Statement, or QuickBooks Data File
- ▲ Health Insurance Premiums, Health Savings Account (HSAs), Long-Term Care
- ▲ Health Reimbursement Arrangements (HRAs)
- ▲ 1099s, W2s You Issued Including W3s
- ▲ End of Year Payroll Summaries, or provide login credentials and we'll get it
- ▲ Accountable Plan Reimbursements, Company Expenses Paid Personally or Shared Expenses
  - Automobile Mileage, Home Office, Cell Phone, Internet
  - Health Insurance, Health Savings Account (HSA), Long-Term Care (LTC)
  - Health Reimbursement Arrangements (HRA)

Submit these here- [www.watsoncpagroup.com/APlan](http://www.watsoncpagroup.com/APlan)

9475 Briar Village Point, Suite 325 ■ Colorado Springs, Colorado ■ 80920  
[support@watsoncpagroup.com](mailto:support@watsoncpagroup.com)

## Retirement

- ▲ Plan Documents for new i401ks, SEPs
- ▲ Amounts deferred by Employees, Contributions made by Employer (we can compute the max)

## Balance Sheet Items

- ▲ Bank Statements, showing January 2017 and December 2017 cash balances (we need to tie out your cash)
- ▲ Accounts Receivable Balances, 01/01/17 and 12/31/17, Accounts Payable too (if you have it)
- ▲ Inventory Value on 01/01/17 and 12/31/17, including Purchases, Shrinkage, Depletion
- ▲ January 2017 and December 2017 Credit Card Statements
- ▲ Equipment Purchases and Dispositions, Including Autos
- ▲ New Loans, Paid Loans, to and from the Company
- ▲ Loan Statements, Year-End Summaries showing Interest / Principal paid, 12/31/17 Balances

# Housekeeping for New Clients

- ▲ Copy of your Articles of Organization, Formation or Incorporation
- ▲ Original EIN Issuance Letter, if you can
- ▲ Operating Agreement, if you have one
- ▲ S Corp Election, if you did
- ▲ 2015 Tax Returns and all K1s, if applicable
- ▲ Accountable Plan, As Adopted
- ▲ Shareholder Basis Information
  - Paid in Capital Amounts
  - Owner Names, SSNs, Addresses, Ownership Percentage

# Financial Documents are Not in Good Order

At times, the financial documents that are supplied to us cannot be translated into an **accurate business tax return**. What the heck does this mean? Good question... if we believe the information is not in good order we will need to have a discussion. We are very sensitive to every business owner's ability to perform accounting functions so we try to be gentle and put ourselves in your shoes.

We also understand from over a decade of working with business owners that they want to do the right thing; however for lack of a better way, business owners will do it their way. As such we can offer some guidance. There several paths we can take after our conversation-

- ▲ You add clarity to the information by chatting with us, and we carry on with a nice tax return for your review.
- ▲ You synthesize your financial information and documentation into a spreadsheet template that we've created-

[www.wcgurl.com/21](http://www.wcgurl.com/21)

- ▲ You synthesize your financial information and documentation into a fillable PDF-

[www.wcgurl.com/38](http://www.wcgurl.com/38)

- ▲ You authorize us to forward your financial information to our outside bookkeeper who will re-work the data into useable financial statements. This option is one that we do not take lightly since it costs additional money above tax preparation. If this option is entertained, the usual retainer is about \$400 to \$600 and the bookkeeping is billed at \$90 per hour. This is the high-water mark for most situations.
- ▲ The last option is extending the tax returns until May or June where we can re-assess what is needed without the pressures of deadlines and other tax season madness. Please remember that an extension is an extension to file tax returns, not an extension to pay. We can advise further if this option seems appealing to everyone.

We don't expect financial documents to be perfect. We work with a huge variety of formats, from bar napkins to audited financial statements. However, as mentioned before, there are times where the financial documents that are supplied to us cannot be translated into an accurate business tax return. We also fear that you might not be taking advantage of all the allowed deductions (**we want to minimize your tax exposure**). And... if financial documents are not in good order, it would not support the tax return in the event of an IRS audit or challenge.

Sorry to be all gloom and doom, but our goal is to truly be your advocate.

# Tax and Financial Records (We Do Your Books)

Even if the Watson CPA Group maintains your accounting records, there are things we need from you. Therefore we have created the following checklist.

## Income

- ▲ 1099 MISCs (that you received from your clients or customers)
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- ▲ Accountable Plan Reimbursements, Company Expenses Paid Personally or Shared Expenses
  - Automobile Mileage, Home Office, Cell Phone, Internet
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