

# 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 \$ \_\_\_\_\_  
---- OR----

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	_____

# DAY CARE EXPENSES FOR THE YEAR OF \_\_\_\_\_

## EXPENSES

### 100% DAYCARE EXPENSE

(ENTER DOLLARS AND CENTS)

- ADVERTISING \_\_\_\_\_
- ARTS & CRAFTS \_\_\_\_\_
- BABY-NURSERY- DIAPERS \_\_\_\_\_
- BEDDING / LINENS \_\_\_\_\_
- BOOKS & MAGAZINES \_\_\_\_\_
- BOTTLE WATER 100% \_\_\_\_\_
- CLEANING SUPPLIES-100% \_\_\_\_\_
- COMPUTER GAMES \_\_\_\_\_
- COMPUTER SUPPLIES \_\_\_\_\_
- CELL PHONE \_\_\_\_\_
- DAYCARE INSURANCE \_\_\_\_\_
- DECORATIONS-required \_\_\_\_\_
- DUES-Costco/association \_\_\_\_\_
- EDUCATION \_\_\_\_\_
- FIELD TRIPS—NO FOOD \_\_\_\_\_
- PHOTO AND FILM \_\_\_\_\_
- GARAGE SALE ITEMS \_\_\_\_\_
- GIFTS - Promotions \_\_\_\_\_
- HOUSEHOLD ITEMS 100% \_\_\_\_\_
- KITCHEN SUPPLIES 100% \_\_\_\_\_
- LAUNDRY (#LOADS) \_\_\_\_\_
- LEGAL / TAX FEE \_\_\_\_\_
- LICENSE FEES \_\_\_\_\_
- ANIMAL SUPPLIES \_\_\_\_\_
- NO DOG OR CAT FOOD \_\_\_\_\_
- OFFICE SUPPLIES \_\_\_\_\_
- PRESCHOOL ITEMS \_\_\_\_\_
- PAPER SUPPLIES \_\_\_\_\_
- PARTY SUPPLIES \_\_\_\_\_
- REPAIRS 100% DAYCARE \_\_\_\_\_
- SAFETY ITEMS \_\_\_\_\_
- SMALL APPLIANCES \_\_\_\_\_
- & SMALL EQUIPMENT \_\_\_\_\_
- TOYS & GAMES \_\_\_\_\_
- VIDEOS AND DVD'S \_\_\_\_\_
- YARD MAINTENANCE \_\_\_\_\_
- REQUIRED FOR DAYCARE \_\_\_\_\_
- PER WAC REQUIRED \_\_\_\_\_
- OTHER \_\_\_\_\_
- OTHER \_\_\_\_\_
- OTHER \_\_\_\_\_
- OTHER \_\_\_\_\_

## LARGE ITEMS-SHARED

(APPLIANCES, FURNITURE)

FIRST AIDE SUPPLIES \_\_\_\_\_  
(COMPUTERS, ETC)

ITEM	DATE	AMOUNT

### OTHER SHARED ITEMS

- Cleaning supplies \_\_\_\_\_
- Paper supplies \_\_\_\_\_
- Household supplies \_\_\_\_\_
- Kitchen supplies \_\_\_\_\_

### BUSINESS USE OF HOME

#### BRING YOUR MORTGAGE STATEMENTS

- # OF DAYS OPEN \_\_\_\_\_
- TOTAL HOURS OPEN \_\_\_\_\_
- SQ. FT. OF HOME \_\_\_\_\_
- SQ. FT. FOR DAY CARE \_\_\_\_\_
- MORTGAGE INTEREST \_\_\_\_\_
- MORTGAGE INTEREST \_\_\_\_\_
- MORTGAGE INTEREST \_\_\_\_\_
- REAL ESTATE TAXES \_\_\_\_\_
- INSURANCE \_\_\_\_\_
- RENT \_\_\_\_\_
- CLEANING SERVICE \_\_\_\_\_
- ELECTRICITY \_\_\_\_\_
- GARBAGE \_\_\_\_\_
- GAS \_\_\_\_\_
- REPAIRS / MAINT \_\_\_\_\_
- WATER \_\_\_\_\_
- WOOD OR PELETS \_\_\_\_\_
- SEWER \_\_\_\_\_
- ON LINE FEES \_\_\_\_\_
- CABLE TV / SATELITE \_\_\_\_\_
- SECURITY SERVICE \_\_\_\_\_
- YARD MAINT \_\_\_\_\_
- OTHER \_\_\_\_\_

Use this sheet OR bring in your own computer print out of your expenses

# Alert To All Day Care Providers

1. **Audits** are always possible, 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, ID number 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 as you will need more time for your appointment.
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.

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