

# Earned Income Credit Due Diligence

(Keep for your records)

**2017**

Name(s) as shown on return

Tax ID Number

## Income

Does the income appear to be sufficient to support the taxpayer and qualifying children?

If "No," some additional inquiries might be needed . . . . .  Yes  No

## Taxpayers with self-employment income:

Not applicable

1. How long have you owned your business? . . . . . \_\_\_\_\_

2. Can you provide any documentation to substantiate your business?

- |   |  |
|---|--|
| <input type="checkbox"/> Business cards                                 | <input type="checkbox"/> Business/occupational license (if required)           |
| <input type="checkbox"/> Business stationary                            | <input type="checkbox"/> Other tax returns (sales/excise, employment, etc.)    |
| <input type="checkbox"/> Receipts or receipt book (with company header) | <input type="checkbox"/> Advertisements (newspaper, flyer, yellow pages, etc.) |

Other (list any other documentation you can provide to substantiate your business):

3. Who maintains the business records? . . . . . \_\_\_\_\_

4. Do you maintain separate banking accounts for personal and business transactions? . . . . .  Yes  No

a. If "Yes," what form of records were provided?

b. If "No," how do you differentiate between personal and business transactions and monetary assets?

5. Were satisfactory records of income and expense provided? . . . . .  Yes  No

a. If "Yes," in what form were these records provided?

- |   |   |
|---|---|
| <input type="checkbox"/> Accounting records     | <input type="checkbox"/> Car/truck expenses     |
| <input type="checkbox"/> Paid invoices/receipts | <input type="checkbox"/> Ledgers                |
| <input type="checkbox"/> Log books              | <input type="checkbox"/> Business bank accounts |
| <input type="checkbox"/> Computer records       |   |

Other (list any other forms of documentation you can provide to support your business):

b. If "No," how did you determine:  
The amount of income? \_\_\_\_\_  
The amount of expense? \_\_\_\_\_

6. Form 1099-MISC:

a. Do you have any Forms 1099-MISC to support the income? . . . . .  Yes  No

b. If not, is it reasonable that the business type would not receive Form 1099-MISC? . . . . .  Yes  No

7. Are the expenses consistent with the type of business? . . . . .  Yes  No

8. Are the amounts of expense reasonable? . . . . .  Yes  No

9. Are any expenses that are typical for this type of business missing? . . . . .  Yes  No

10. List any other information you can provide related to your business:

Your signature	Date	Spouse's signature. If joint return, BOTH must sign.	Date
Paid preparer's signature	Date		