**Business Expense Checklist**

Name:

Business Name:

Business Address:

Date business began (if in current year):

Date business ended (if in current year):

Main product or service:

Your percentage of ownership:

GST number (if applicable):

 Sort your invoices, receipts, etc. into each file folder (preferably as you receive them) before you complete this checklist.

 **If you are registered for GST, *please subtract any GST paid*** from your expense totals. Enter the total for each category on this checklist.

 Only include expenses that were incurred for business. Do not include any personal expenses.

 If you bought or sold the business during the year (or in a prior year and we do not have the documents on hand), please provide a copy of the Vendor Purchase and Sale Agreement for the purchase or sale.

 Please complete the **Schedule of Home Office Expense** page if you used part of your home and/or your personal vehicle for business. **Do not** include these expenses anywhere else on this checklist.

 If you are in a partnership, please complete this checklist for all your joint expenses (advise us of your percentage of profit/loss but let us do the calculations). Note **separately** those expenses which are 100% yours and ***should not*** be split with your partner(s).

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| --- | --- | --- | --- | --- |
| **Item** | | **Total Amount**  (Mark n/a if not applicable to your business) | | **Description** |
| **1. Sales, commissions, or fees** |  | | You must include all sales whether received or not (advise us of the receivable amount separately so it can be deducted from next year’s receipts. Be sure to include income received by way of grants and subsidies, vacations, prizes, etc. | |
| **2. Opening inventory** |  | | This is the cost of inventory on hand at the beginning of the year and should be the same as your closing inventory as reported on your previous tax return. | |
| **3. Closing inventory** |  | | This is the **lower** of your cost or the fair market value of the inventory on hand at the end of the year. It should be based on a physical count or a reasonable estimate if a physical count is not practical. | |
| **4. Purchases during the year** |  | | The cost (including freight) of goods you buy for resale or use in making goods for resale. | |
| **5. Subcontract** |  | | Amounts paid to subcontractors. You are required to be prepared to prove that there is a legitimate contract relationship and not just an employee relationship (if in doubt, Pamphlet RC4110 can be obtained from our office). If you are in the construction business, you **must** issue T5018s for each subcontractor. | |
| **6. Advertising** |  | | Advertising costs incurred for ads in Canadian newspapers and TV, including finder’s fees. | |
| **7. Business tax, fees, licenses, dues, memberships, and subscriptions** |  | | Include annual dues and fees to keep your membership in a trade or commercial association. You **cannot** deduct club membership dues if the main purpose of the club is dining, recreation, or sporting activities. Golf fees are also not deductible. | |
| **8. Delivery and freight** |  | | Include all freight expenses to ship purchased items to customers. | |
| **9. Fuel costs (excluding motor vehicles)** |  | | This is the cost of fuel to run equipment (this **does not** include your vehicle – see Schedule Motor vehicles). | |
| **10. Insurance** |  | | Premiums for insurance coverage on buildings and equipment, and liability insurance such as malpractice (**does not** include home or motor vehicle insurance which are detailed below, nor life insurance). | |
| **11. Interest and bank charges** |  | | Interest on money borrowed to run your business (does not include your vehicle loan or home mortgage which are detailed below). Also, advise us the amount you paid in fees such as appraisal, brokerage and legal fees. We will claim these at 20% per year.  For each loan, please provide confirmation from your lender indicating the interest paid. Let us know the loan details and what percentage (if any) of the loan was for personal purposes. | |