

Schedule C / Tally Sheet

Consultants take to your tax preparer

Business Code #454390 modified accrual-cash accounting / cost inventory G. yes

Part III Cost of Goods Sold

Beginning Inventory: SECTION ONE ONLY

Total wholesale amount of inventory on your shelf (see last year's return) + _____
(January 1, 20____ taken off last year's Year End inventory, don't count section 2)

Total wholesale purchases in 20____ + _____

Your personal cosmetics use (wholesale no tax) no gifts - _____

Ending amount of wholesale products on your shelf 12/31/____ - _____

TOTAL COST OF GOODS SOLD (A) = _____

Part I

TOTAL RETAIL SALES + _____

(taken from Weekly Summary Sheets, w/out tax)

MINUS REFUNDS - _____

MINUS COST OF GOODS SOLD (see above figure) - _____ (A)

EQUALS ACTUAL SALES INCOME (B) = _____

I. Income

Your actual sales income (B) (see above figure) + _____(B)

Your total Recruiting Commission (1099 form) + _____

Prizes won (figure taken from 1099 form) + _____

Dovetail fees paid you by another consultant + _____

(C) **ACTUAL INCOME TOTAL** = _____(C)

II. Deductions

Line 8 Advertising Cost – business cards _____,
Web site _____, Yellow pgs _____, Business
Cards _____, booths _____, ads _____

Line 9 Bad Debt – uncollected sales + sales tax _____
Bank Service Charge – annual credit card fees _____
annual Propay fee _____, Propay service charges _____

Line 16b Interest on loans – (MK Visa/MC 100% deductible) _____
Charitable deductions of discontinued product _____
Membership Fees – Sam's, AAA, BNI, etc. _____

Car Expenses:

Starting odometer reading (1/1/____) _____

Ending odometer reading (12/31/____) _____

Chose method 1 or 2

1. Total mileage (keep log) (# of miles x 48.5 (2006) = _____) _____

2. Repairs, insurance, lease/car payments, gas, wash, oil, toll,
parking (keep all receipts) % _____ _____

II. Deductions (continued)

<u>Insurance</u> on inventory or liability	_____
<u>Dry cleaning/Alterations</u> (red jacket, clothes for Seminar)	_____
<u>Office supplies</u> (paper, ink cartridges, tape, etc.)	_____
<u>Product packaging supplies</u> (baskets, cello bags, ribbons)	_____
<u>Printing/copying</u>	_____
<u>Postage</u> (stamps, stamps.com fees, shipping to customers expenses)	_____
<u>Shipping charges</u> on orders from MK	_____
<u>Sales aids and tax</u> (taken from section 2 part of order)	_____
<u>Showcase</u> (if purchased this year)	_____
<u>Class expenses</u> (wash clothes, cotton balls, etc.)	_____
<u>Photos</u> (cost of film & development, etc. for portfolio)	_____
<u>Magazines & Tapes</u> (subscriptions, cds & books)	_____
<u>Gifts</u> (flowers, candy, business only)	_____
<u>Preferred Customer Program</u> (billed 4 times annually)	_____
<u>Legal fees</u> (tax preparer, legal, etc.)	_____
<u>Non recovered sales tax</u> (retail product given away or personal use)	_____
<u>Company prizes</u> (prizes you've won/business use – see 1099 from MK)	_____
<u>Office equipment</u> (computer, software, camera, phone, copier, furniture)	_____
<u>Phone charges</u> : 2 nd line_____, call waiting_____, long distance related to MK_____, other business phone options_____, cell phone_____	_____
<u>Entertainment</u> : classes in your home_____, guest luncheons_____, meals while traveling for mk conference & seminar_____, recruiting coffees_____, banquets_____ (50% is deductible with receipts)	_____
<u>Events</u> : meeting room fees_____, workshops_____, retreats_____	_____
Seminar (incl. hotel, airfare, parking, tips, cabs registration fee)_____	_____
Year In Gear_____, Career conference_____, etc.	_____
<u>Wages paid to office help</u>	_____
<u>Wages paid to child care</u> (see below)	_____
DEDUCTIONS TOTAL	= _____

III. Office in Home Deductions (if applicable)

See Business Use of Home Sheet. This deduction cannot create or add to a loss figure. If you can't use it this year, it can carry over to future years.

DEDUCTIONS TOTAL	_____
ADD HOME DEDUCTIONS	+ _____
TOTAL DEDUCTIONS (D)	= _____(D)
TAKE ACTUAL INCOME TOTAL	(C) _____
MINUS TOTAL DEDUCTIONS	(D) - _____
EQUALS PROFIT OR LOSS FIGURE	_____

Addition forms may be needed. Depreciation form 4562 (home/car/large office expenses.) Office Home Form 8829 (you must do at least 50% of your business at home to claim it.) Babysitting form 2441. Self employed Social Security tax due on any profit over \$400 (see schedule SE) If you pay this tax 50% is adjusted on your 1040 form. If you are BOTH self-employed YOU may deduct 60% of your health insurance premiums on Schedule A.

BUSINESS USE OF YOUR HOME (8829)

A. VALUE OF YOUR HOME (*homeowners only*)

- 1. Total original cost, plus improvements _____
- 2. Cost of land _____
- 3. Year purchased _____

B. Percentage of home used for business (*homeowners & renters*)

- 1. Area of home used for business (square feet) _____
- 2. Total square feet of home, finished basement, garage _____
- 3. Divide #1 by #2 to get the % used for business _____

C. Direct expenses to business part of home (*homeowners & renters*)

- 1. Painting of office _____
- 2. Repairs to office _____
- 3. Shelving, carpeting, etc. _____

D. Total Direct Expenses (add #1, #2 #3) use 100% _____

E. Indirect Expenses (you can only use % of business space on these deductions)

- 1. Real Estate Taxes _____ x _____ % = _____
- 2. Mortgage Interest _____ x _____ % = _____
- 3. Home Equity Interest _____ x _____ % = _____
- 4. (OR) Rent _____ x _____ % = _____
- 5. Water, Sewer, Garbage _____ x _____ % = _____
- 6. Heat _____ x _____ % = _____
- 7. Electric _____ x _____ % = _____
- 8. Insurance _____ x _____ % = _____
- 9. Roof Repairs _____ x _____ % = _____
- 10. Exterior Painting _____ x _____ % = _____
- 11. Depreciation of Home _____ x _____ % = _____
- 12. Lawn Service _____ x _____ % = _____
- 13. Snow removal _____ x _____ % = _____
- 14. Alarm _____ x _____ % = _____
- 15. Housekeeper _____ x _____ % = _____
- 16. Misc. _____ x _____ % = _____

F. Total Indirect Expenses _____ x _____ % = (_____)

G. Add Direct Expenses (D) and Indirect Expenses (F)

For total home office deductions TOTAL _____

This form 8829 can only be used if you are showing a profit on your Schedule C. If you are already at a loss this year, then keep this from for future years that you need the deductions when showing a profit on Schedule C (mortgage, interest & real estate taxes are still allowed – forward other expenses to another year). You may be asked to document that you have done at least 50% of your work out of your home when taking these deductions. It's best to mark your date book whenever you are working at home on the phone, unpacking orders, classes, reorder visits, placing orders, mailings & follow up.