



BUSINESS EXPENSES - Guidelines

1. Name of business
2. Total income for the calendar year
3. Purchases of goods and materials if you resell them as part of your business
4. If you sell goods, inventory value January, 1 & on December 31 of last year
5. Amounts paid to a subcontractor or employees
6. Advertising- radio, newspaper, website etc.
7. Bad Debts - amounts due to you that you do not expect to ever collect
8. Business taxes paid to local municipalities, fees, licenses, dues
9. Business related memberships and subscriptions
10. Delivery, freight and express, couriers
11. Equipment rental
12. Insurance (fire, theft, liability)
13. Interest on money borrowed to run the business (get a bank statement)
14. Bank charges on business account
15. Maintenance and Repairs, Leases of equipment, computers, etc.
16. Management and Administration fees paid to other companies
17. Meals and entertainment (write invitee's name on receipt)
18. Office expenses (including, postage, business cards, stationery & other supplies)
19. Supplies under \$ 500 for any one item.
20. Accounting, legal, collection and consulting expenses
21. Rent (if you had a store or if you rented a storage locker)
22. Purchases of any supplies over \$ 500 each such as computers, printers, furniture, software, musical instruments, etc.
23. Salaries (including the employer's contribution to CPP/QPP, EI etc.)
24. Travel expenses such as taxi, trains, airlines, car rental, buses and hotels
25. Business Telephones (you are not allowed to deduct the phone line in your home, Long distance business only), only cellular phones, pagers, Internet
26. Other expenses such as utilities in your store, etc.
27. Premiums paid for coverage under a private health services plan
28. Convention or Course expenses

Auto Expenses

You can claim the portion of your expenses relating to business use, but remember that restrictions apply to “luxury” vehicles. The ceiling on which you can claim depreciation (CCA) is \$30,000 plus GST and PST. Cost of vehicle or worth at time of business.

Leasing is restricted to \$800 per month plus GST/HST and PST.

- 29. Car mileage (it is very important to keep a daily log of business and personal mileage)**
- 30. How much you spent in gasoline during the year**
- 31. Car repairs & maintenance, oil, windshield washer etc.**
- 32. Car Insurance**
- 33. Leasing costs if you do not own the car**
- 34. How much you paid for your car and when you bought it (if car is not leased)**
- 35. Car License - renewal fees**
- 36. Automobile Club - BCAA**
- 37. Parking fees & Car wash are 100% deductible**
- 38. If you borrowed money to buy the car, how much interest did you pay the bank (the bank will let you know if you ask them)**

Home Office:

- 39. If you have an office in the house: Square footage of office/house**
- 40. How much did you spend to heat the house during the year?**
- 41. Electricity for the year**
- 42. House insurance & any specialty items**
- 43. House maintenance such as painting, house repairs, etc.**
- 44. Interest on the mortgage (get statement from your bank)**
- 45. Property taxes on the house**
- 46. Other expenses, for example cable TV if you have a daycare business**
- 47. Internet connection fees.**

Keeping track of all of these expenses will help us in your income tax preparation & save you accounting costs!