

Earned Income Credit Due Diligence

(Keep for your records)

2016

Name(s) as shown on return

Tax ID Number

Filing Status - Head of Household

The IRS could require additional information/documentation if you are divorced, legally separated, or married and did not reside with your spouse the last 6 months of the year to determine if you qualify for the head of household filing status.

1. Marital status:

- Never married
- Spouse deceased
- Divorced, separated or spouse deceased
- Married but lived apart from spouse during the last 6 months of the year
- Separation agreement

2. If you are divorced or legally separated, can you provide the IRS with any of the following documents?

- Divorce decree
- Separate maintenance agreement or separation agreement

3. If you are married but did not reside with your spouse for the last 6 months of the tax year, can you provide the IRS with any of the supporting documents verifying that your spouse did not live with you?

- Not applicable
- Lease agreement
- Utility bills
- Letter for a clergy member
- Letter from social services
- Other supporting documentation

If so, what type of documentation? _____

4. Can you provide the IRS with receipts and bills substantiating the cost of maintaining more than half of the cost of the home? Documentation that the IRS requires to substantiate the cost of maintaining the home includes:

- Utility bills
- Property tax bills
- Grocery receipts
- Rent receipts or mortgage interest statement
- Maintenance and repair bills
- Other household bills

5. Did you receive any non-taxable support/income?

- Family support
- Food stamps
- Housing assistance
- Childcare assistance
- Other _____

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

Earned Income Credit Due Diligence

(Keep for your records)

2016

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		

Earned Income Credit Due Diligence - Notes

(Keep for your records)

2016

Name(s) as shown on return

Tax ID Number

Use the notes fields below to document any additional inquiries made by the tax return preparer to help determine if the information furnished by the taxpayer is complete and correct.

Date of interview

Name of taxpayer interviewed

Taxpayer interviewed by

Note: _____

Note: _____

Note: _____

Note: _____

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

Earned Income Credit Due Diligence

(Keep for your records)

2016

Name(s) as shown on return

Tax ID Number

Age - Qualifying Child (complete only if qualifying child is over age 18)

For children over age 18 who are students or permanently and totally disabled, the following additional information and documentation should be available:

	Child 1	Child 2	Child 3
1. Children who are students	<input type="checkbox"/> Not a student	<input type="checkbox"/> Not a student	<input type="checkbox"/> Not a student
a. What school does the child attend?	Child 1 _____ Child 2 _____ Child 3 _____		
b. Can you provide documentation showing that the child was a full-time student for at least 5 months? The school records need to show the dates of attendance. The months don't have to be consecutive	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Children with a permanent and total disability	<input type="checkbox"/> Not disabled	<input type="checkbox"/> Not disabled	<input type="checkbox"/> Not disabled
a. What type of disability does the child have?	Child 1 _____ Child 2 _____ Child 3 _____		
b. Does the child receive SSI or other disability payments?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
c. Do you have a letter from the child's doctor, other healthcare provider, or any social service program or agency verifying that the child is permanently and totally disabled?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Relationship - Qualifying Child (complete only if relationship is other than son or daughter)

For relationships with children other than son or daughter, the following additional information and documentation should be available:

1. If the biological parent is NOT living with the child, where is the parent?

	Child 1	Child 2	Child 3
Mother _____			
Father _____			

2. Adopted children:

	Child 1	Child 2	Child 3
a. Is the adoption final or pending?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
b. If the adoption is pending, do you have a letter from an authorized adoption agency?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

3. Foster children:

a. Do you have a letter from the authorized placement agency or applicable court document?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
--	--	--	--

4. Brother, sister, niece, nephew, grandchild, great-grandchild:

a. Can you provide a birth certificate that verifies your relationship to the child?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
--	--	--	--

5. Stepchildren or descendent of them, step-grandchildren, step-great-grandchildren:

a. Can you provide a birth certificate & marriage certificate verifying the relationship to the child?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
--	--	--	--

Residency - Qualifying Child

Can you provide any of the following documentation to prove that your child lived with you for more than half of the year? More than one type of documentation may be required by the IRS.

Child 1	Child 2	Child 3
<input type="checkbox"/> School records	<input type="checkbox"/> School records	<input type="checkbox"/> School records
<input type="checkbox"/> Medical records	<input type="checkbox"/> Medical records	<input type="checkbox"/> Medical records
<input type="checkbox"/> Letter*	<input type="checkbox"/> Letter*	<input type="checkbox"/> Letter*
<input type="checkbox"/> Social service records	<input type="checkbox"/> Social service records	<input type="checkbox"/> Social service records
<input type="checkbox"/> Daycare records	<input type="checkbox"/> Daycare records	<input type="checkbox"/> Daycare records
Daycare provider	Daycare provider	Daycare provider

*The letter must be on official letterhead from one of the following: school, medical provider, social service agency, place of worship, or other acceptable entity. The letter must include the name of the child, name of the child's parent or guardian, child's address, and dates during the year child lived with taxpayer.

Adjusted Gross Income - Qualifying Child

For tax years beginning after December 31, 2015 a taxpayer other than the parents of a qualifying child can claim the child, but only if the adjusted gross income (AGI) of the taxpayer is higher than the AGI of any parent of the child. If you are not a parent of the qualifying child, is your AGI higher than any parent of the child?

	Child 1	Child 2	Child 3
.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

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