



If You Complete Your Own Bookkeeping: self-employed earnings

In order for Trout Lake Group to prepare your personal tax return if you have self-employed income, it is necessary to provide us with complete and accurate documents related to your business.

If you are completing your own bookkeeping, the following checklist will assist you in gathering the required information and documents.

For both revenue and expenses: have all your receipts and paperwork available. CRA does not require you to submit them with your return, but may, at any time, request these items. If you cannot provide documentation, CRA may deny the claim.

Credit card and bank statements are NOT acceptable forms of receipts (as per CRA)!

Revenue and expense totals for the year

Revenue

Your annual revenue for all services and/or products. We need the three following figures:

1. Total revenue (including GST/HST)
2. Net revenue (sales before GST/HST)
3. GST/HST collected

The total revenue amount should be equal to the net revenue plus GST/HST.

Note: the GST/HST portion only applies if you are HST registered. If you are NOT GST/HST registered, simply use the total amount of your revenue.

If you have somewhat complicated revenue (eg. multiples sources), please ensure you provide us with the exact figures for each item (eg net revenue, HST collected). If there are “complications” such as payments through third parties or deductions for shared expenses, please make sure the figures you provide to us show only the final numbers.

Expenses

To complete your personal tax return, we use form T2125 *Statement of Business or Professional Activities*. This form includes all your expenses. Please use the following categories when compiling your expenses.

Note: if you are GST/HST registered (regular method*), only include the pre-GST/HST amount (ie net) value of your expense. For example, if you spent \$100 plus \$12 HST on office supplies, use the \$100 amount for your expenses.

Cost of Goods Sold

Purchases during the year (net of returns, allowances, and discounts)

Subcontracts

Direct wage costs

General Expenses

Advertising

Meals and entertainment: although only 50% is eligible for tax purposes, please provide the total cost. **Important note:** *meals and entertainment expenses can only include those incurred in the process of generating revenue. Personal meals, single meals, or those not incurred in the process of generating revenue are not eligible. For any meals you are claiming, write the name of the client and purpose of the meeting on the receipt.*

Bad debts

Interest

Business tax, fees, licences, dues, memberships, and

Office expenses

Supplies

Legal, accounting, and other professional fees

Management and administration fees

Maintenance and repairs

Rent

Salaries, wages, and benefits (including employer's contributions)

Property taxes

Travel (including transportation fees, accommodations, and allowable part of meals)

Telephone and utilities

Fuel costs (except for motor vehicles)

Delivery, freight, and express

Motor Vehicle Expenses

Fuel and oil (note that only GST is charged on fuel)

Insurance

Licence and registration

Maintenance and repairs

Leasing costs

What % are you using your vehicle for business purposes? Total km drive? How many of those were for business?

Did you purchase or sell your vehicle during the year? Please provide the cost of this transaction.

Home Office Expense (provide 100% of the annual costs for the following items)

Heat

Electricity

Insurance

Maintenance

Mortgage interest
Property taxes
Rent
Other expenses (specify)

What % are using for your home office calculation? Example: your home is 1,000 sq feet. You have an office that is 100 sq feet. Your home office is 10%.

Link to PDF on CRA's website for template. This template shows all the categories of revenue and expenses as required by CRA. Printing this template will provide an excellent worksheet to assist with your self-employed

<http://www.cra-arc.gc.ca/E/pbg/tf/t2125/t2125-12-11e.pdf>

*If you are registered for the Quick Method for GST/HST, you do NOT need to remove the GST/HST from your expenses. Use the total amount for the expense. You do, however, need to track the GST/HST amount collected on your revenue.