

PLEASE KEEP A COPY OF THIS WORKSHEET FOR YOUR RECORDS

# VETSCHER & ASSOCIATES, LLC

## CERTIFIED PUBLIC ACCOUNTANTS

NAME: \_\_\_\_\_ 2550 UNIVERSITY AVE. W, SUITE 185S YEAR: \_\_\_\_\_  
SS #: \_\_\_\_\_ SAINT PAUL, MINNESOTA 55114  
PHONE #: \_\_\_\_\_ PHONE 651-690-2250, FAX 651-696-5183  
E-MAIL: \_\_\_\_\_ TOLL-FREE 888-690-2250  
Web Site: www.vetscher-cpas.com  
Email: tvetscher@vetscher-cpas.com

### INCOME TAX SUMMARY FOR MARY KAY BUSINESS

#### A) INCOME:

- 1) Total of all sales slips after discounts excluding sales tax - actual cash received..... \$ \_\_\_\_\_  
(Total Sales - Discounts = Net Sales) Don't include sales to yourself/personal use sales
- 2) Subtract any money refunded to customers - actual cash (Don't include exchanges)..... \$ \_\_\_\_\_
- 3) Total of all other income including company commissions, prizes, etc..... \$ \_\_\_\_\_  
Attach Form 1099 and copy of Income Advisory Statement (IAS)

#### B) COST OF GOODS SOLD (Section I only): Attach copy of Income Advisory Statement (IAS).

- 1) Beginning Inventory January 1, 2011 (WHOLESALE, EXCLUDE SALES TAX)..... \$ \_\_\_\_\_  
-first year consultants put date started Mary kay business.....
- 2) Product purchases - Add up MK invoices (if using IAS - add December purchases to IAS total)  
(WHOLESALE, EXCLUDE SALES TAX)..... \$ \_\_\_\_\_
- 3) Wholesale cost of products NOT business related, i.e. used personally..... \$ \_\_\_\_\_  
or for family or personal gifts..... \$ \_\_\_\_\_
- 4) Ending Inventory December 31, 2011 (WHOLESALE, EXCLUDE SALES TAX)..... \$ \_\_\_\_\_  
Use copy of "Consultants Order Sheet" to count inventory, then multiply by discounted value,  
i.e. 50%, (don't include free or obsolete product on your shelf)

#### C) EXPENSES: (Include sales tax)

- 1) Automobile Expenses:
  - Gas..... \$ \_\_\_\_\_
  - Insurance..... \$ \_\_\_\_\_
  - Lease Payments..... \$ \_\_\_\_\_
  - Maintenance..... \$ \_\_\_\_\_
  - Repairs..... \$ \_\_\_\_\_
  - Washes..... \$ \_\_\_\_\_
  - Other..... \$ \_\_\_\_\_
  - Total Mary Kay miles driven during year (Mileage Rate: 51 Cents Jan - June, 55.5 July - Dec)
  - Total miles driven during year (12/31/11 Odometer reading \_\_\_\_\_)
  - Car License X \_\_\_% used for MK..... \$ \_\_\_\_\_
  - Interest on car loans X \_\_\_% used for MK..... \$ \_\_\_\_\_
  - Parking fees & tolls..... \$ \_\_\_\_\_
- 2) Advertising, newsletter..... \$ \_\_\_\_\_
- 3) Subscriptions and dues..... \$ \_\_\_\_\_
- 4) Conference Fees: Seminar, Career, Management, Leadership & Workshop..... \$ \_\_\_\_\_
- 5) Unit meeting Fees..... \$ \_\_\_\_\_
- 6) Purchases of business equipment, i.e., computer, telephone, etc X \_\_\_% used for MK..... \$ \_\_\_\_\_
- 7) Purchases of business furniture, i.e., desk, chairs, file cabinet, etc X \_\_\_% used for MK..... \$ \_\_\_\_\_
- 8) Product & liability insurance..... \$ \_\_\_\_\_
- 9) Interest - business loans, charge cards & finance chgs X \_\_\_% used for MK..... \$ \_\_\_\_\_
- 10) Legal and professional..... \$ \_\_\_\_\_
- 11) Tax preparation..... \$ \_\_\_\_\_
- 12) Office supplies..... \$ \_\_\_\_\_
- 13) Printing..... \$ \_\_\_\_\_

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- 14) Postage, UPS, etc..... \$ \_\_\_\_\_
- 15) Clothing/Uniforms i.e. Beauty Coat, Dry cleaning, etc..... \$ \_\_\_\_\_
- 16) Meeting room and other rental/leases (Less reimbursements received)..... \$ \_\_\_\_\_
- 17) Repairs and maintenance of business equipment..... \$ \_\_\_\_\_
- 18) Mary Kay supplies - Sec. 2, Preferred Customer Program - includes mailings & gifts (less personal use),  
 Starter Kit and other sales aides - Add up invoices (If using IAS, add December purchases)  
 ABOVE AMOUNT \$ \_\_\_\_\_ + SALES TAX \$ \_\_\_\_\_ TAX = TOTAL..... \$ \_\_\_\_\_
- 19) Uncollected sales tax on Section I product at retail, i.e., discounts, promo, demo, free product,  
 personal use (50%), hostess gifts, bad debts, obsolete product, prizes, charity, etc..... \$ \_\_\_\_\_
- 20) Travel expenses, i.e., plane, public transit, taxi, lodging, tips, parking,  
 car rental, dry cleaning, etc. when out of town overnight..... \$ \_\_\_\_\_
- 21) Meals and entertainment @ 100%: local..... \$ \_\_\_\_\_  
 away from home overnight... (# of Days \_\_\_\_\_)..... \$ \_\_\_\_\_
- 22) Bank service chgs & annual business credit card fees (not interest)..... \$ \_\_\_\_\_
- 23) Credit Card Processing Fees (Pro-Pay)..... \$ \_\_\_\_\_
- 24) Freight paid and phone charges on order forms to Mary Kay (See Order Forms/In-Touch).... \$ \_\_\_\_\_
- 25) Promotional prizes excluding products from inventory..... \$ \_\_\_\_\_
- 26) Child Care (Include Provider's Name, Address, and SS#)..... \$ \_\_\_\_\_
- 27) Telephone - including long distance, call waiting, voice mail, web-site, cellular phone, DSL,  
 2nd line, 2nd phone, Internet, In-Touch, etc. (do not include base cost on 1st line only).... \$ \_\_\_\_\_
- 28) Wages paid (W-2 given) and/or Contract Labor (1099 given)..... \$ \_\_\_\_\_
- 29) Open house expenses i.e. food, clean-up, etc..... \$ \_\_\_\_\_
- 30) Supplies - Other..... \$ \_\_\_\_\_
- 31) Other..... \$ \_\_\_\_\_

**D) OFFICE-IN-HOME (OIH):**

- 1) Rent.....(Homeowners - see 2 & 3)..... \$ \_\_\_\_\_
- 2) Mortgage interest..... \$ \_\_\_\_\_
- 3) Real estate taxes..... \$ \_\_\_\_\_
- 4) Insurance..... \$ \_\_\_\_\_
- 5) Utilities..... \$ \_\_\_\_\_
- 6) Trash removal..... \$ \_\_\_\_\_
- 7) Repairs to home - include cleaning..... \$ \_\_\_\_\_
- 8) Repairs to office area..... \$ \_\_\_\_\_
- 9) Total finished area of home in square feet..... \_\_\_\_\_
- 10) Area of home used exclusively for business plus area for inventory storage in square feet.... \_\_\_\_\_
- 11) Years you have been in your Mary Kay Business..... \_\_\_\_\_
- 12) Original Cost of your home - including improvements (not current market value)..... \$ \_\_\_\_\_
- 13) The year you purchased your home..... \_\_\_\_\_

**NOTE: OIH IS ONLY DEDUCTIBLE IF PROFIT IS MADE, OTHERWISE IT IS CARRIED FORWARD.**

**E) GET SMART ABOUT TAXES:**

- 1) Start today keeping good records!  
 Keep a small datebook on the seat of your car to record all Mary Kay trips!
- 2) Get receipts for every Mary Kay expenditure - lunches, parking, purchases, etc!
- 3) Keep good records of product used for hostess credit, demonstration, sold at discount,  
 personal use and money not collected on product sold.  
 Prepare sales slips for all product taken out of inventory.
- 4) Because Mary Kay is a unique business, make sure your tax preparer  
understands the Mary Kay business.

**F) ADDITIONAL INFORMATION (not used for tax preparation):**

- 1) Total discounts given - actual cash..... \$ \_\_\_\_\_
- 2) Product (wholesale) given away i.e. promo, demo, gifts, hostess (Sec I only)..... \$ \_\_\_\_\_
- 3) Obsolete inventory (product that is not saleable) - don't include in inventory (wholesale)..... \$ \_\_\_\_\_
- 4) Wholesale cost of free product received during year..... \$ \_\_\_\_\_