

**SPECIFIC RECORDS AND INFORMATION REQUIRED TO SUPPORT CERTAIN EXPENSES**

Type of Expense	Figuring the Amount	Time	Place or Description	Business Purpose and Business Relationship
<b>TRANSPORTATION</b>				
Vehicle	Use the standard mileage rate (published by the IRS annually) multiplied by the business miles, or actual expenses multiplied by the percent of business use. With either method, a record should be kept of the date the vehicle was first used for business, the mileage for each business use, and the total miles for the year. To use actual expenses, keep track of the costs of the vehicle, operating expenses and improvements.	Date of the expense. For car expenses, the date of the use of the car.	The business destination	<b>Purpose:</b> Business purpose for the expense <b>Relationship:</b> N/A
Other transportation	Cost of each separate expense	Date	Destination	<b>Purpose:</b> Business purpose of the expense
<b>TRAVEL</b>				
TRAVEL	Cost of each separate expense for travel, lodging, and meals Incidental expenses may be totaled in reasonable categories such as taxis, daily meals, telephone, etc. Special rules apply on cruise ships.	Dates of departure and return for each trip and number of days spent on business	Destination or area of travel (name of city, town, or other designation)	<b>Purpose:</b> Business purpose for the expense or the business benefit gained or expected to be gained <b>Relationship:</b> N/A
<b>ENTERTAINMENT</b>				
ENTERTAINMENT	Cost of each separate expense. Incidental expenses such as taxis, telephones, etc. may be totaled on a daily basis. Only 50% of entertainment expenses are deductible.	Date of entertainment	Name and address or location of place of entertainment Type of entertainment if not otherwise apparent	<b>Purpose:</b> Business purpose for the expense or the business benefit gained or expected to be gained For entertainment, the nature of the business discussion or activity. If the entertainment was directly before or after a business discussion, the date, place, nature, and duration of the business discussion, and the identities of the persons who took part in both the business discussion and the entertainment activity.

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(continued)

Type of Expense	Figuring the Amount	Time	Place or Description	Business Purpose and Business Relationship
<b>GIFTS</b>	<p>Cost of the gift</p> <p>The maximum amount of deductible gifts is generally \$25 per person per year.</p>	Date of the gift	Description of the gift	<p><b>Relationship:</b> Occupations or other information, such as names, titles, or other designations about the recipients that shows their business relationship to the business</p>
<b>MEALS</b>	<p>The cost of the meal if it was for entertainment purposes</p> <p>If the meal expense was incurred while traveling out of town, use either the actual cost of the meals or figure the costs using the published meal and incidental rates by city multiplied by the number of days at each location.</p> <p>The rates can be found on the internet at <a href="http://www.policyworks.gov/perdiem">www.policyworks.gov/perdiem</a> or in IRS Pub. 1542, <i>Per Diem Rates (For travel within the continental United States)</i>.</p>	Date	<p>Date</p> <p>Dates of travel</p>	<p>See <b>Entertainment</b> above. In addition, records must show that an employee or owner was present during the entertaining meal.</p> <p>See <b>Travel</b> above.</p>
<b>LISTED PROPERTY</b>	<p>A log must be kept which shows the amount of business use and personal use. Expenses related to the property must be prorated based on the percentage of business use.</p> <p>A log is not required if the property is exclusively used on the business premises or as part of the business purpose.</p>	Dates used	Dates used	Business purpose for the expense
Cell phones				
Computers and peripherals				
Cameras				
Other property generally used for entertainment, recreation, or amusement				