



Dr. Bryce T. Bradley and Associates

CERTIFIED PUBLIC ACCOUNTANTS, P.L.L.C.

Decades of experience serving independent business owners at all levels

1519 WEST HAYS STREET • BOISE, IDAHO 83702 and 6103 WEST STATE STREET • BOISE, IDAHO 83703

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MONTHLY SUMMARY OF COST INFORMATION

For decades we have prepared the tax returns and financial records of independent business owners such as yourself. Feel free to photocopy this MONTHLY SUMMARY OF COST INFORMATION and share with others.

With all of your business costs, the key element of support is the documentation provided by your (1) personal daily planning and appointment calendar, (2) a guest book for your residence, (3) separate checking accounts for your business, (4) proof of purchase such as receipts and cancelled checks, and (5) written contemporaneous records of all travel, entertainment, automobile expenses and mileage.

We recommend that you establish two checking accounts. One for your company's business operations and products, and the other for association supplies/tickets/tools. All items should be paid by check whenever possible, thus establishing a source of reference. Items you personally pay cash for should be reimbursed to you in the form of a check written from your business account. This will provide a record in your business checking account. We recommend that separate credit cards be used for personal and business expenses, as they aid in accountability of business expenses.

Please complete a MONTHLY SUMMARY OF COST INFORMATION for each distribution business checking account that you have.

If you wish to consider deductions for (1) entertainment facilities, airplanes, beach houses, country clubs, boats, condominiums, (2) foreign travel, (3) gifts, (4) second homes, (5) samples, (6) home office deduction, and/or (7) income transfers, please consult with us for specifics. A "glossary - explanation of accounts" is available at no charge.

Your Name(s) \_\_\_\_\_ Your Business Name \_\_\_\_\_

Upline Diamond \_\_\_\_\_ Emerald \_\_\_\_\_ Platinum \_\_\_\_\_

Which months of this year were you a platinum independent business owner (IBO)? \_\_\_\_\_ What year did you start your business? \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

On which of the past five years tax returns have you reported your business? (Please circle) 20\_\_\_\_, 20\_\_\_\_, 20\_\_\_\_, 20\_\_\_\_, 20\_\_\_\_

Do IBOs in your group buy directly from the warehouse-commerce and/or the catalogs? yes no If yes, what is your group IBO's total volume IN DOLLARS for these warehouse-commerce and/or catalog purchases? Do not include your own personal warehouse-commerce and/or catalog purchases. \$ \_\_\_\_\_

You obtain this amount by adding up the "total price" figure of all their INVOICE ACTIVITY REPORTS received from Ada/or upline each month before you pass the INVOICE ACTIVITY REPORTS's downline. (If you have not done this for this year, please do so for next year.)

Do IBOs in your group buy directly from someone other than yourself (usually a platinum)? yes no If yes, how much a year? \$ \_\_\_\_\_

Table with columns for INVENTORY, HOME OFFICE ALLOCATION, TELEPHONE, and Total Telephone. Includes sub-sections for residence expenses, utilities, insurance, repairs, and telephone services.

Table with columns for VEHICLE #1, VEHICLE #2, and VEHICLE #3 OR MOTORHOME. Includes sub-sections for Make, Model year, Date purchased, Purchase price, Sales price, Auto expenses (fuel, repairs, insurance, etc.), Mileage at end of the year, and business purposes.



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Name \_\_\_\_\_ Year \_\_\_\_\_ Social Security Number \_\_\_\_\_

INDEPENDENT BUSINESS OWNERS (IBO) BONUS/PROFIT RECAP

Please feel free to use this INDEPENDENT BUSINESS OWNERS (IBO) BONUS/PROFIT RECAP sheet to help you calculate the amounts for Lines 1 and 28 of the SUMMARY OF COST INFORMATION. Complete a separate INDEPENDENT BUSINESS OWNERS (IBO) BONUS/PROFIT RECAP sheet for yourself and/or for each Independent Business Owner (IBO). As you are preparing the INDEPENDENT BUSINESS OWNERS (IBO) BONUS/PROFIT RECAP sheet, you may have questions. Feel free to contact Gayle or myself. Gayle's number during the hours of 12 noon - 4 PM (Mountain Time), Monday through Friday is (208) 342-3733. The best time to reach Dr. Bradley is 11 AM - 1 PM and after 4 PM (Mountain Time) at (208) 342-3733.

Large table for recording monthly gross purchases and sales from January to December. Includes columns for Gross Purchases/Sales, Gross Performance Bonus, VISA Cash Back, Bonus C, Bonus D, Bonus E, F, G, H, I, and Total of Columns A-I. Includes a Total Gross Purchases/Sales row and a Total gross bonuses/profits before adjustments row.

(\*) If \$5,000 or more, see "GLOSSARY - EXPLANATION OF ACCOUNTS" - Line 7-8. The glossary is available at no charge.

MONTHLY GROSS PURCHASES OF YOUR INDEPENDENT BUSINESS OWNERS (IBO), i.e. SALES TO INDEPENDENT BUSINESS OWNERS (IBO)

The Internal Revenue Service requires that a 1099-MISC be provided to all Independent Business Owners (IBO) who made gross purchases of \$5,000 or more per calendar year from you. Therefore, it is essential that you have a record of your year's gross sales made to each of your Independent Business Owners (IBO).

Since you are a cash basis taxpayer, sales are recorded only when money is received. As soon as you receive the money from your Independent Business Owners (IBO) in late December, you can compute their purchases from you for the year. You may decide to complete a INDEPENDENT BUSINESS OWNERS (IBO) BONUS/PROFIT RECAP sheet to help you organize this information. As you are preparing the INDEPENDENT BUSINESS OWNERS (IBO) BONUS/PROFIT RECAP sheet, you may have questions. Feel free to contact Gayle or myself. Report the information by using IRS Forms 1099-MISC and 1096 which are available free of charge from your local IRS office. The toll free telephone number of your IRS office is listed in your local telephone directory under United States Government - Internal Revenue Service. Refer to "GLOSSARY - EXPLANATION OF ACCOUNTS" for further information.

MONTHLY BONUSES/PROFITS EARNED BY INDEPENDENT BUSINESS OWNERS (IBO)

Since you are a cash basis taxpayer, your expenses for downline performance bonuses/profits are recorded only when they are actually paid. As soon as you pay your Independent Business Owners (IBO) in December for November's bonus/profit, you can compute the amount earned by them for the year. Report this information by using IRS Forms 1099-MISC and 1096 which are available free of charge from your local IRS office. The toll free telephone number of your IRS office is listed in your local telephone directory under United States Government - Internal Revenue Service. Refer to "GLOSSARY - EXPLANATION OF ACCOUNTS" for further information.

A "GLOSSARY - EXPLANATION OF ACCOUNTS" is available free of charge.

Table with multiple columns and rows, likely a continuation of the glossary or a data table related to the account information.

Vertical text on the right side of the page, possibly a continuation of the glossary or a list of items.

Please complete a separate SUMMARY OF COST INFORMATION sheet for each business checking account that you have. As you are preparing your SUMMARY OF COST INFORMATION sheets for your distribution business, you may have questions. Feel free to contact Gayle or myself. Gayle's number during the hours of 12 noon - 4 PM (Mountain Time), Monday through Friday is (208) 342-3733. The best time to reach Dr. Bradley is 11 AM - 1 PM and after 4 PM (Mountain Time) at (208) 342-3733. A "glossary - explanation of accounts" is available at no charge.

MONTHLY RECORDING OF CASH IN AND CASH OUT

CASH IN (CASH RECEIVED) from deposit register

I. BONUSES/PROFITS RECEIVED BEFORE ADJUSTMENTS:

- Gross performance bonus received
All other bonuses received such as MCI, VISA, etc.

1. Total Gross bonuses/profits received before adjustments - see INDEPENDENT BUSINESS OWNER BONUS/PROFIT

RECAP sheet (please send 1099-MISC)

- Less adjustments for: (a) standing order charges, (b) shortages/overages, (c) service charges, (d) shipping charges, (e) other (please detail amounts received)

(f) Net performance bonuses/profits received from upline or the company

- 2. Retail product and/or retail catalog sales made to customers that were deposited in your business, including sales tax
3. Personal use sales, i.e. retail product/tool and/or retail catalog/e-commerce sales made to yourself that were deposited in your business account
4. 4% Bonuses (please send us your 1099-MISC)
5. Profit sharing and all other bonuses (please send us your 1099-MISC)
6. Collection of door fees for functions and collection of monies for rental of equipment/supplies
7. Money received from independent business owners for company products/tools with tax and shipping
8. Money received from independent business owners for Association supplies/tickets/tools w/tax and shipping
9. Other business monies received, usually reimbursements for postage, gas, etc.
10. Personal or bank loans deposited in your business and non business (personal) monies received

11. TOTAL CASH IN (CASH RECEIVED) (add lines 1 through 10)

CASH OUT (CASH DISBURSED) Part I items purchased through upline/warehouse/catalog/e-commerce

- 12. Money paid to upline for company products/tools including their tax and shipping (checks written to your upline)
13. Money paid to upline for Association supplies/tickets/tools including their tax and shipping (checks written to your upline)
14. Money/bank drafts paid for warehouse purchases made by you (invoice activity report computer print outs)
15. Money/bank drafts paid to company for catalog/e-commerce purchases made by you
SUBTOTAL (add lines 12 through 15) (A)

PURCHASE DETAIL is a breakdown of lines 12 through 15 which contain various types of business costs that must be detailed. In order to prepare your taxes to your best advantage, the following reconciliation should be filled out. All of these items were purchased by you through upline/warehouse/catalog/e-commerce ONLY.

- D. Items used by you to build your business
(1) Information pack products/tools used by you in your business
(2) Sales, promotion, demonstration, and/or training aids used by you in your business
(3) Business gifts such as Christmas gifts to prospects and/or IBOs (\$25/each person maximum)
(4) Office equipment, shelves, furniture, filing cabinets, etc.
(5) Tools used by you in your business this year
(6) Office supplies
E. Cost of items sold to independent business owners
(1) Amount on line 7 above
(2) Amount on line 8 above
(3) Bad debts (products distributed that you have no hope of being paid for)
(4) Damaged goods you were not reimbursed for
(5) (a) Cost of retail sales sold to customers on line 2 (usually your wholesale cost, freight and sales tax)
(b) Cost of retail sales sold to yourself (personal use sales) on line 3 (usually your wholesale cost, freight and sales tax)
F. Items used personally
(1) Cost of product/catalog/e-commerce purchases used by yourself for personal use that are not included in E(5)(b) (usually your wholesale cost, freight and sales tax)
G. Changes in inventory
(1) Increase/(decrease) in inventory on December 31 compared to what you had on January 1
H. Other (please detail categories and amounts)
Other (please detail categories and amounts)
TOTAL (be certain that A equals B) (B)

CASH OUT (CASH DISBURSED) from check register Part II Items NOT purchased through upline/warehouse/catalog/e-commerce

- These include reimbursing yourself for cash slips
16. Airline tickets and other commercial transportation
17. Auto expenses (please detail on page 1)
18. Bank charges on your business account
19. Breakfasts/lunches/dinners/entertaining - local
20. Door fees for seminars, rallies, open meetings, SLMs, etc.
21. Dues, subscriptions, renewal fees
22. Family wages: clean stock room, answer business phone, fill orders, etc. (time sheets are needed)
23. Business gifts such as Christmas gifts to prospects and/or IBOs (\$25/each person maximum) not purchased through upline/warehouse/catalog/e-commerce
24. Interest related to the business
25. Meals while away from home - overnight
26. Office equipment, repair, shelves, furniture, filing cabinets, etc. not purchased through upline/warehouse/catalog/e-commerce
(a) costing over \$300 each (please detail categories and amounts paid)
(b) costing under \$300 each
27. Office supplies not purchased through upline/warehouse/catalog/e-commerce

II. BONUSES/PROFITS EARNED BY IBOs BEFORE ADJUSTMENTS:

- Gross performance bonus earned by downline
All other bonuses earned such as MCI, VISA, etc.

28. Total Gross bonuses/profits earned by IBOs before adjustments - see INDEPENDENT BUSINESS OWNER BONUS/PROFIT

RECAP sheet (1099-MISC's reported to IRS must agree with this amount) (please send us your copies)

- Less adjustments for: (a) standing order charges, (b) shortages/overages, (c) service charges, (d) shipping charges, (e) other (please detail amounts received)

(f) Net performance bonuses/profits paid to independent business owners

- 29. Postage, freight, UPS, Federal Express
30. Professional fees (legal, accounting, etc.)
31. Promotional/advertising/literature not purchased through upline/warehouse/catalog/e-commerce
32. Rental of meeting room/business equipment/supplies
33. Rental of private airplane, autos, taxis, and other transportation
34. Returned checks not reimbursed (bad checks)
35. Rooms/lodging/registrations - including dream nights, family reunions, etc.
36. Telephone/Voice Mail/FAX/KATE
37. Tools for your use not purchased through upline/warehouse/catalog/e-commerce, i.e., books, blank tapes, etc.
38. Xeroxing, photocopying, printing, film, etc.
39. Other business monies disbursed, usually for refunds, product insurance, etc. (please detail categories and amounts disbursed)
40. Loans paid back to yourself or the bank and non business (personal) monies disbursed (please detail categories and amounts disbursed)
41. SUBTOTAL (add lines 16 through 40)
42. TOTAL CASH OUT (CASH DISBURSED) (add lines 12 through 41)

To the best of my knowledge, the enclosed information is correct and includes all income, deductions, and other information necessary for the preparation of this year's Income Tax Return for which I have adequate contemporaneous records.

SIGNATURE DATE

Table with columns for months (JAN. to DEC.) and YEARLY TOTAL. Rows correspond to the items listed in the adjacent columns.

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