IRS

IRS Audits: Records We Might Request

When conducting your audit, we will ask you to present certain documents that support the income, credits or deductions you claimed on your return. You would have used all of these documents to prepare your return. Therefore, the request should not require you to create something new.

Your notice will instruct you on how and when to present your records. If we're conducting your audit by mail, the address to mail the requested records will be on your notice. If we're conducting your audit in person, bring the records with you.

Note: Never mail original records. Send us copies.

How to organize the requested records

Organizing the records you bring or send us will speed the process and prevent errors or misunderstandings. Organize them by year and type of income or expense, and include a summary of transactions.

Examples of records we might request

Every audit focuses on certain aspects of a return, but the kinds of records we request will most likely be on the following list. No record can stand on its own. You must include the circumstances surrounding any document you send. Remember, **only send us copies**.

- **Receipts** – Present these by date with notes on what they were for and how the receipt relates to your business. In addition to providing the dollars paid or received for a service or product, certain kinds of receipts can prove mileage.
- **Bills** – Include the name of the person or organization receiving payment, the type of service and the dates you paid them.
- **Canceled checks** – Group these with copies of the bills they paid and any applicable employer reimbursement.
- **Legal papers** – Include a description of what the case was about, when it happened and how it relates to your business, credit or deduction. Examples include:
  - Divorce settlements including custody agreements
  - Criminal or civil defense papers
  - Property acquisition

  - Tax preparation or advice
- **Loan agreements** – Include a copy of the original loan with the following:
  - Names of the borrowers
  - Location of the property
  - Financial institution making the loan
  - Amount borrowed
  - Terms (the number of months to pay)
  - Settlement sheet
  - If the loan was from an institution, include an end of tax year statement indicating interest paid
  - If the loan was not from an institution, provide a statement from the payee indicating the interest paid that year as well as the payee's address and Social Security number
  - Provide a break-down of how you used the money
- **Logs or diaries** – These might show the dates and locations of your travel as well as the business purpose and mileage. These might also show gambling winnings and losses as well as dates and locations. These might also show job-hunting activity and expenses.
- **Tickets** – Label travel tickets with the business purpose for the trip and group them with other receipts from the same trip. Lottery tickets help provide proof of profit or loss.
- **Medical and Dental records**
  - Medical savings account statements
  - A copy of a handbook or other statements showing benefit and reimbursement policies
  - Physician statements
  - Capital improvement records for medical purposes including appraisals of the property before and after the improvements
  - Contract for attendant care
- **Theft or loss documents**
  - Insurance reports detailing the nature of the loss or damage
  - If not insured, copies of fire department or police reports on the loss, theft or accident
  - Photos or video showing the extent of the damage (if available)
  - Appraisal from a qualified adjustor showing fair market value of the property before and after as well as an estimate of the damage
  - Brief explanation of the loss
- **Employment documents** – These might include uniform policies or dress codes, continued education requirements, W-2 reimbursement statements or policies.
- **Schedule K-1** – These are used to report each shareholder's share of income, losses, deductions and credits when an S corporation files its annual tax return.

Questionnaires

If the IRS conducts an audit with you by mail, we may also require you to fill out a questionnaire.