

Mary Kay Worksheet to Prepare "Schedule C"

Part I – Income Section

1. _____ Sales (Net total of all pink tickets. Make sure to include your sales to other consultants.)
2. _____ Returns (Money **refunded** to customers. Don't include sales tax.)
6. _____ Other income: MK may send you an Income Advisory Statement. Please see below for other income possibilities.
 Recruiting Commission and Bonuses: _____
 Prizes and Awards: _____
 "Dovetail" Income Received: _____

Part II – Expense Section

8. _____ Advertising (MK Personal website, PCP enrollment fees, business cards)
9. _____ Car Expenses
 Number of business miles logged (Log is necessary for deduction.) _____
10. _____ Commissions and Fes ("Dovetail" expenses)
13. _____ Depreciation – New Business Equipment purchased (list item, cost, date purchased)
15. _____ Insurance (Product Replacement Insurance)
- 16b. _____ Interest (Loans or business credit cards)
17. _____ Legal and Professional Services (Prior year tax prep fee or bookkeeping expense)
18. _____ Office Expenses:
 Freight and Phone order charges (Find this on order printouts.) _____
 Postage _____
 Bank Charges _____
 Cost of Business Checks _____
 Credit Card Processing Fees _____
 Printing/Copying Charges _____
 Business Cards, Labels, Checks (unless recorded in Advertising) _____
 Tapes/CD's from Workshops _____
 Cost of Recruit Prospect or Team Members Meal (If you pay hers, but not yours)
 _____ Computer Tech Help _____
 Any Other Expenses – Please List:

- 20b. _____ Rent (Meeting rooms, fair booths)
22. _____ Supplies (New consultant starter kit, section 2 sales aids, any expenses related to selling appointments.)
23. _____ Taxes (Non-recovered sales tax – amount you paid on product that was not sold. This would include personal use products, hostess gifts or prizes, product donated to charity or thrown away.)
- 24a. _____ Travel (Hotel, airfare, taxi, parking lot, tolls, tips.)
- 24b. _____ Meals
 _____ Entertainment

- 25. _____ Utilities (Phone, internet. Etc.)
- 27. _____ Other Expenses:
 - Seminars and Workshops _____
 - Uniforms _____
 - Prizes and Gifts _____
 - Bad Debts (Any sales included above that payment was never received.)

Part III – Cost of Goods Sold

- 35. _____ Beginning Inventory at **COST** (Same as last year’s ending inventory. New consultants who started during the year have a ZERO balance beginning inventory.)
- 36. _____ Purchases at **COST** (Section 1 plus any you purchased from other consultants.)
- 36. _____ **COST** of Products Withdrawn for Personal Use (Include gifts to family and friends.)
- 37. _____ **COST** of Labor
- 41. _____ Ending Inventory at **COST** (Try to settle everything by the end of the year)
 - Add in Cost of Products on Shelf _____
 - Add in Costs of Products to Return to MK _____
 - Add in Costs of Products Other Consultants Owe You _____
 - Add in Cost of Products Currently Backordered _____
 - Subtract Products you Owe Others _____

Business Use of Home

Yes or No- Do you store inventory at your home?

- _____ Square Footage of your Entire Home
- _____ Square Footage of your Business Use Areas (Office or inventory storage area.)
- _____ Value of Home
- _____ Value of Land
- _____ Mortgage Interest or Rent
- _____ Real Estate Taxes
- _____ Homeowner’s or Renter’s Insurance
- _____ Repairs and Maintenance (Please provide detailed description of each cost below.)

- _____ _____
- _____ _____
- _____ Cost of Utilities for the Year (Please provide detailed description of each cost below.)
- _____ _____
- _____ _____
- _____ _____

Other Comments and FAQ’s

Drycleaning expenses for the Director Suits and Red Jackets are not deductible.
 Food costs at or on your way to business appointments with other MK people are not deductible.
 Hostess credits are not deductible separately because you have already received the deduction by claiming the cost you paid in your inventory.
 Retail products used as demos are not deductible separately for the same reason as hostess credits.