

IRS Due Diligence Videos  
Recordkeeping—Surfer John  
FINAL

## VIDEO

OPEN ON A LAWN MOWER CUTTING GRASS. THEN MOVES TO SHOT OF CASUAL GUY SLEEPING IN A HAMMOCK OUT IN THE YARD. MOWER PARKED NEARBY. INTERCUT SLEEPER WITH DETAIL SHOTS OF PREPARER IN HIS OFFICE WAITING FOR A LATE CLIENT. HE CHECKS THE CLOCK AND HIS WATCH. SHUFFLES PAPER. HITS A GOLF BALL. TAPS FINGERS. SLEEPER AWAKENS AND REALIZES HE IS LATE.

TITLE CARD UP:

TAX TALES

### **THE CASE OF THE MISSING LEDGER**

CUT TO PREPARER'S OFFICE AS CASUAL JOHN FINALLY ARRIVES AND TAKE S A SEAT.

JOHN PULLS OUT WALLET PHOTOS.

## AUDIO

MUSIC UP

JOHN: Hey man, how's it going?

PREPARER: John? Nice you could make it. Have a seat.

JOHN: So, I've never done this tax thing before. I mean with a professional.

PREPARER: Well, basically, this is called the interview. I ask you a lot of questions, and you give me the answers.

JOHN: Cool.

PREPARER: So John, what do you do for a living?

JOHN: I'm a mower man. Got my own lawn business. Made \$12,000 last year.

PREPARER: Are you married? Have any children?

JOHN: A beautiful daughter, Leslie. She's three. See?

PREPARER: So last year it was just you and Leslie living at home?

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## VIDEO

JOHN MAKES HIMSELF MORE AT HOME. PUTS FEET UP ON PREPARER'S DESK.

JOHN POINTS TO HIS HEAD.

PREPARER WALKS OVER, SETS JOHN'S FEET ON FLOOR AND SITS ON CORNER OF DESK IN SOMEWHAT ASSERTIVE POSITION.

## AUDIO

JOHN: Yeah man. See my girlfriend—Leslie's mother—bailed after the baby was born. We haven't seen her since. Heard she was out in California—tattoo artist—you know how it goes.

PREPARER: And you cover all of Leslie's expenses? No one else helps out?

JOHN: Just me. That's why I started the lawn business last year.

PREPARER: Do you work for yourself?

JOHN: Yes, I like to keep things casual. So, just me and my mower. 35 bucks a lawn.

PREPARER: John, did you bring any paperwork with you? Invoices, expenses?

JOHN: No, who needs all that stuff? I keep everything up here.

PREPARER: Well, John. Taxes aren't casual. I'm afraid I cannot do your taxes unless I am comfortable that the income and expenses you're telling me about are accurate. Since you didn't keep records, the IRS does allow you to reasonably reconstruct these figures and provide receipts. Come back to me when you have those.

JOHN: Ok, alright man....whatever....

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## **VIDEO**

JOHN SAUNTERS OUT CASUALLY AS  
ARTCARD WITH GRAPHICS APPEARS:

### **DUE DILIGENCE MUST DO'S:**

DO YOU BELIEVE YOUR CLIENT IS  
ACTUALLY CONDUCTING A  
BUSINESS?

DOES YOUR CLIENT KEEP RECORDS?

ARE THE RECORDS SUFFICIENT?

SAME SCENE DAYLIGHT. IN COMES  
JOHN WITH FOLDER IN HAND. HE IS  
NOT AS CASUALLY DRESSED—HE IS  
WEARING A SHIRT WITH BUTTONS  
AND KHAKI PANTS. JOHN HANDS  
OVER A FOLDER. PREPARER LEAFS  
THROUGH PAPERS.

## **AUDIO**

PREPARER: Joh..John? Good to see you. I almost didn't recognize you. Wow, you did your homework.

JOHN: Man, I went all over town to get copies of my bills of what I spent. I dug up all these receipts. Then I figured out my income and my mileage. Of course, it wasn't that hard since all my customers are regulars. Oh, I even brought a social security cards for my daughter.

PREPARER: Now we're getting somewhere. OK, let me go through these numbers with you.

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## **VIDEO**

QUICK DETAIL SHOTS OF  
PREPARER WORKING .  
JOHN STARTS TO PUT FEET ON DESK,  
BUT PREPARER COUGHS ABOUT  
FEET. JOHN QUICKLY REMOVES  
THEM AND SITS UP.

JOHN AND THE PREPARER SHAKE  
HANDS.

## **ARTCARD: DUE DILIGENCE MUST DO'S:**

DO THE INCOME AND EXPENSES  
SEEM REASONABLE COMPARED TO  
YOUR EXPERIENCE WITH OTHER  
CLIENTS?

TEACH CLIENTS ABOUT  
RECORDKEEPING

**DUE DILIGENCE**  
**Give your clients their due.**

## **AUDIO**

PREPARER: Ahem.

PREPARER: John, these are the kinds of records you need to keep every year. I'll get started on your Schedule C. And by the way, it looks like you do qualify for the Earned Income Tax Credit. That should lower your tax bill.

JOHN: Cool. I mean, thanks.