IRS audit checklist: steps and client documents

Part one is the practitioner's file; the rest is the client request, trimmed to the items named in the IRS letter. Strike any group the letter does not mention.

Client or engagement

Practitioner file

- [ ] The IRS audit letter, every page
  Year, items under exam, exam type, response date
- [ ] Signed Form 2848 for each year under exam
  With your CAF number, filed before you contact the auditor
- [ ] Form 4564 Information Document Request
  Answer item by item, by the date the examiner set
- [ ] Filed return for the year, with every schedule
  The version the IRS has
- [ ] IRS account and return transcripts for the year
  Confirm what the IRS has on file
- [ ] Returns for the year before and after
  In case the audit expands

Income items

- [ ] Forms W-2 and 1099 received for the year
  All payers, including corrected forms
- [ ] Bank statements for every account, all months
  Personal and business
- [ ] Explanation of deposits that are not income
  Transfers, loans, gifts, refunds, with proof
- [ ] Forms 1099-NEC and 1099-K for business income
  With the client's own sales records

Expense and deduction items

- [ ] Invoices and receipts for each expense under exam
  Showing date, payee, amount and what was bought
- [ ] Credit card statements matching those expenses
  Proof of payment
- [ ] Contracts or agreements for large payments
  Contractors, rent, equipment

- [ ] Mileage log and travel receipts
  Date, place, business purpose and miles
- [ ] Form 1098, property tax bills, donation letters
  For itemized deductions under exam

Close-out

- [ ] Index of every document sent, with dates
  Copies only; keep the originals
- [ ] Proof of delivery for each response
  Fax confirmation or tracking number
- [ ] Form 4549 or Form 870, signed, or a written protest
  The protest goes out with the 30-day letter's deadline in view
- [ ] Form 872 consent, only if asked to extend the statute
  Check whether to limit it to certain issues or a date
- [ ] 30-day letter and 90-day letter, with their dates
  The 90-day letter starts the Tax Court petition deadline