

Mileage, Cash On Hand & Inventory

REMINDER

Please check your business vehicle odometer as close to 1/1/2021 as possible. The difference between that odometer reading and that on 1/1/2020 is how we determine the **total** of miles driven for the year.

We also need an accurate count of any cash not deposited into your bank depositing accounts. This is called cash on hand and knowing how much you had on 12/31/2020 enables us to accurately reconcile your income and expenses for the year.

The following is applicable ONLY if you have sales of tangible goods in the normal course of your business:

Please review your current inventory to determine the cost of items **not sold**. Any write-down of inventory translates to a deduction on your year-end taxes. If you do not write down unsellable inventory, you are overstating your inventory balance and paying additional taxes that you **do not** owe.

Please be sure to do an end-of-year inventory count **as CLOSE TO JANUARY 1, 2021 as possible** to make sure this count is as accurate as possible.