

Client Checklist — S Corporation Return (Form 1120-S)

Tax Year: _____ (filed in 20____)

Legal name: _____ EIN: _____

Business address: _____

State of incorporation/formation: _____ Date formed: //____

Return type: Original Amended Final Short-year (//____ to //____)

Accounting method: Cash Accrual Other: _____ Tax year: Calendar Fiscal (YE: /)

1) Starter Documents (especially if new client)

- Prior-year **Form 1120-S** + all schedules and shareholder K-1s
 - Prior-year depreciation/fixed asset schedule
 - IRS/state notices received (letters/CP)
 - Entity documents: Articles/Operating Agreement/Bylaws (if available)
 - S-election proof** (Form 2553 acceptance letter), if available
 - List of states where business operated/has nexus: _____
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2) Shareholders & Ownership (K-1 Setup)

For each shareholder:

- Legal name, address, SSN/ITIN/EIN
 - Ownership % at beginning and end of year
 - Stock changes during year (issuance, sale, redemption) + agreements/closing docs
 - Shareholder loans** to/from corporation (begin/end balances, terms, interest)
 - Distributions** (cash/property) dates and amounts
 - Any nonresident shareholders? (state withholding/composite considerations)
 - Shareholder health insurance paid by S-Corp? (2% shareholder rules)
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3) Income (Provide totals + supporting detail)

- Sales/receipts (by month if possible)
- 1099-K / 1099-NEC / 1099-MISC received (all copies)
- Returns/allowances, discounts
- Interest/dividend income (statements)
- Other income (refunds, rebates, credits, insurance proceeds, etc.)

If inventory / COGS applies:

- Beginning inventory
 - Purchases (net of personal use)
 - Direct labor
 - Materials & supplies
 - Ending inventory + method used
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4) Deductions & Expenses (Totals + detail)

Check and provide support for what applies:

- Officer compensation (W-2 wages)
- Salaries/wages (non-officers)
- Payroll taxes
- Employee benefits (health, life, etc.)
- Retirement plan contributions (employer portion)
- Contract labor (include W-9s/1099 filing summary)
- Repairs & maintenance
- Rent/lease (office/equipment/vehicles)
- Advertising/marketing
- Bank/merchant fees
- Insurance (GL, workers comp, etc.)
- Legal & professional fees
- Office expense / supplies
- Software/subscriptions
- Utilities/phone/internet (business portion)
- Travel (business purpose notes)
- Meals (who/where/why; business purpose)
- Interest expense (loan statements)
- Taxes & licenses
- Bad debts (if applicable)
- Charitable contributions (detail/receipts)

- Other deductions (attach list)

Common S-Corp “special handling” items

- Personal expenses paid by the corporation (list separately)
 - Owner reimbursements (accountable plan?)—provide policy and reimbursements
 - Fringe benefits for >2% shareholders (health insurance, etc.)
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5) Payroll & Officer “Reasonable Compensation”

If the S-Corp has payroll (most do):

- Payroll provider annual summary
 - Forms: W-2/W-3, 941s, 940, state payroll filings
 - Officer payroll details (salary, bonuses, employer benefits)
 - Health insurance paid by S-Corp for >2% shareholders (amount by person)
 - Retirement plan setup and contributions (plan type, employer/employee amounts)
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6) Fixed Assets & Depreciation

- Beginning-of-year asset/depreciation schedule
 - New asset purchases: date placed in service, description, cost, business use %
 - Disposals/sales/trade-ins: date sold, proceeds, original cost, accumulated depreciation
 - Section 179 / bonus depreciation elections desired? Yes No
 - Vehicle info if owned/leased by company (mileage logs if needed)
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7) Bookkeeping / Financial Statements (M-1 & Balance Sheet)

Provide year-end (and ideally prior-year comparative):

- Profit & Loss (income statement)

- Balance Sheet
 - General ledger / trial balance (if available)
 - Bank statements and reconciliation reports (all accounts)
 - Credit card statements and reconciliations
 - Loan statements (principal/interest split) + new debt agreements
 - A/R and A/P aging (if accrual)
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8) Shareholder Basis, AAA, and Distributions (Key for S-corps)

- Summary of shareholder distributions (cash + property)
 - Shareholder loan activity (new loans, repayments, interest)
 - Separately stated items that affect basis (e.g., charitable, Section 179, etc.)
 - Prior-year basis schedules (if you have them)
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9) State & Local Filing Requirements

- States where the S-corp must file returns: _____
 - Nonresident shareholder withholding required? Yes No
 - Composite return elections? Yes No (states: _____)
 - City/local business tax filings (if applicable)
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10) Credits & Other Items (if applicable)

- R&D credit documentation
 - Other federal/state credits (provide forms/support)
 - Estimated tax payments made by the entity (some states)
 - Any 1099s issued by the S-Corp (1099-NEC/MISC filing confirmation)
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11) International / K-2 & K-3 (If applicable)

- Foreign-source income details
 - Foreign taxes paid/accrued
 - Foreign owners/investors or foreign activities
 - Forms/statements received (e.g., 1042-S)
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12) Final Return / Dissolution (If applicable)

- Date business stopped operations: // _____
 - Asset sale/liquidation documents
 - Final payroll and final state registrations/closures
 - Shareholder final distributions/buyouts
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13) E-file, Signatures, Delivery

- Authorized signer/officer: _____ Title: _____
 - Signed e-file authorization forms (as required)
 - K-1 delivery preference: Secure portal Email (if permitted) Paper
 - Confirm extension filed? Yes No Extension payment? Yes No
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Quick Yes/No Questions

- Any ownership changes during the year?
- Any new loans, PPP/forgiveness, grants, or large one-time items?
- Any personal expenses paid through the business?
- Any operations or employees in new states?