Due Diligence Checklist

- TaxSlayer requires answers to certain due diligence questions.
- Volunteers are not paid preparers and are not required to complete Form 8867.
- Volunteers solicit information as part of the normal intake and interview process.
- The paid preparer's due diligence standards do not apply.

Due Diligence Checklist	Answer according to the taxpayer's situation.
Qualifying Information	
Was the taxpayer (or spouse) a nonresident alien for any part of the year? * O Yes O No	
Is the taxpayer (or spouse) a qualifying child of another person? * O Yes O No	
Did you complete the return based on information for tax year 2016 provided by the taxpayer or reasonably obtained by you? * • Yes	
O No Did you interview the taxpayer, ask adequate questions, and document the taxpayer's responses to determine that the taxpayer is eligible to claim the credit(s)? * • Yes	Answer "yes" if you conducted a thorough interview.
O No	
Did you review adequate information to determine that the taxpayer is eligible to claim the credit(s) and in what amount? * • Yes	
O No	
Did any information provided by the taxpayer, a third party, or reasonably known to you in connection with preparing the return appear to be incorrect, incomplete, or inconsistent? * O Yes No	Answer "no". If the information seems inconsistent, do not prepare the return.

Due Diligence Checklist (Continued)

Did you satisfy the record retention requirement? *	
To meet the record retention requirement, did you keep a copy of any document(s) provided	
by the taxpayer that you relied on to determine eligibility or to compute the amount for the	
credit(s)? ● Yes	Answer "yes", we kept
O No	all the records we relied on, and that
In addition to your notes from the interview, list those documents, if any, that you relied on	was "None."
None	
Did you ask the taxpayer whether he/she could provide documentation to substantiate	
eligibility for and the amount of the credit(s) claimed on the return? *	Explain to the taxpayer
● Yes	that, if audited, they
	must be able to provide
O No	documentation to
Did you ask the taxpayer if any credits were disallowed or reduced in a prior year? *	substantiate any credits
● Yes	claimed.
O No	
Were any of these credits disallowed or reduced in a previous year? *	Answer "yes". You
O Yes ←	should ask as part of
,	the interview.
● No	Answer according to
Did you ask adequate questions to prepare a complete and correct Form 1040, Schedule C? *	the situation. If yes for
● Yes	EIC, Form 8862 must
	be completed.
O No	The questions you see
Qualifying Child #1 -	will be specific to the
	return you prepare.
Is this child currently, or intended to be, a qualifying child on any other individual's tax return?	Answer according to the taxpayer's situation.
O Yes	the taxpayer 3 situation.
● No	Answer "no" even if the
	taxpayer would win the
0 1:(: 0 : 1 #2	tiebreaker. If the answer would be
Qualifying Child #2 -	"yes", mark "wish NOT
le this shild suggestly, or intended to be a qualifying shild as a suggestion in dividually to the same	to claim EIC" in the
Is this child currently, or intended to be, a qualifying child on any other individual's tax return?	Dependents Section.
O Yes	
● No	

EIC Questions

Did you explain to the taxpayer the rules about claiming the EIC when a child is the qualifying child of more than one person (see **TIEBREAKER RULES** below), and have you determined that this taxpayer is, in fact, eligible to claim the EIC for the number of children for whom the EIC is claimed?*

Yes

O No

Answer "yes" after you explain the rules to the taxpayer.

Did you explain to the taxpayer that he/she may not claim the EIC if the taxpayer has not lived with the child for over half the year, even if the taxpayer has supported the child? *

Yes

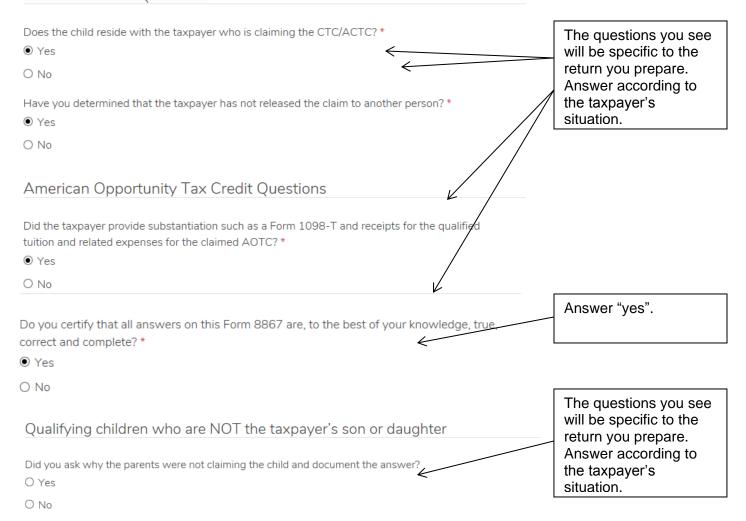
O No



TIEBREAKER RULES: To determine which person can treat the child as a qualifying child, the following tiebreaker rules apply:

- 1. If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
- 2. if the parents do not file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived with for the longer period of time during the year. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for the year.
- 3. If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for the year.
- 4. If a parent can claim the child as a qualifying child but no parent does claim the child, the child is treated as the qualifying child of the person who had the highest AGI for the year, but only if that person's AGI is higher than the highest AGI of any of the child's parents who can claim the child.

Child Tax Credit Questions



NOTE: Quality Site Requirement 2 – Intake/Interview & Quality Review Process, states: All IRS tax law-certified volunteers are required to exercise due diligence. This means, as a volunteer, you are required to do your part when preparing or quality reviewing a tax return to ensure the information on the tax return is correct and complete. Doing your part includes: confirming a taxpayer's (and spouse, if applicable) identity and providing top-quality service by helping them understand and meet their tax responsibilities.

Generally, as an IRS tax law-certified volunteer, you can rely in good faith on information from a taxpayer without requiring documentation as verification. However, part of due diligence requires asking a taxpayer to clarify information that may appear to be inconsistent or incomplete. When reviewing information for its accuracy, you need to ask yourself if the information is unusual or questionable.