

Analysis of Cash Flow (Personal Tax Return)



Borrower Name: _____

Form 1040 – Individual Income Tax Return	20 _____	20 _____
1. TOTAL INCOME	Line 22	1
2. WAGES, SALARIES CONSIDERED ELSEWHERE 1	Line 7	2
3. TAX-EXEMPT INTEREST INCOME 2	Line 8b	3
4. STATE AND LOCAL TAX REFUNDS	Line 10	4
5. NONRECURRING ALIMONY RECEIVED 3	Line 11	5
6. NEGATE SCHEDULE D (INCOME) LOSS 4	Line 13 + Line 14	6
7. PENSION AND/OR IRA DISTRIBUTIONS 5		
if recurring, add	Lines (15a-b)+Lines (16a-b) x 125%	
if nonrecurring, subtract	Lines (15b+16b)	7
8. NEGATE SCHEDULE E (INCOME) LOSS 4	Line 17	8
9. NONRECURRING UNEMPLOYMENT COMP 3	Line 19	9
10. SOCIAL SECURITY BENEFIT 5		
if recurring, add	Line(20a- 20b)x 125%	
if nonrecurring, subtract	Line 20b	10
11. NONRECURRING OTHER (INCOME) LOSS 4	Line 21	11
12. OTHER		12
Form 2106 – Employee Business Expenses		
1. TOTAL UNREIMBURSED EXPENSE	Line 8 column A + B	1
2. DEPRECIATION (COMPLETE 2A OR 2B, BUT NOT BOTH)	HINT: LOOK AT LINE 22 OF FORM 2106. IF IT IS COMPLETE, FOLLOW 2A). IF BLANK, FOLLOW 2B)	
2A) if actual mileage claimed in Section C	Line 28 column A + B	
2B) if standard mileage rate claimed in Section B	Line 13 column (A + B) x IRS Depreciation Rate*	2
Schedule B – Interest and Dividends		
1. NONRECURRING INTEREST INCOME 3	Line 1 (as itemized) or 1040 Line 8a	1
2. NONRECURRING DIVIDEND INCOME 3	Line 5 (as itemized) or 1040 Line 9a	2
Schedule C – Sole Proprietorship		
1. NONRECURRING OTHER (INCOME) LOSS/EXPENSE 4	Line 6	1
2. DEPLETION	Line 12	2
3. DEPRECIATION	Line 13	3
4. MEALS AND ENTERTAINMENT EXCLUSION	(Line 24b)	4
5. BUSINESS USE OF HOME	Line 30	5
6. AMORTIZATION/CASUALTY LOSS/ONE-TIME EXPENSE 6	Page 2, Part V (as itemized)	6
7. MILEAGE DEPRECIATION	Line 44a x IRS Depreciation Rate*	7
Schedule D – Capital Gains and Losses		
1. RECURRING CAPITAL GAINS/(LOSS) 2	Lines 1 and 8 (as itemized) column f	1
Form 4797 – Sales of Business Property		
1. RECURRING CAPITAL GAINS/(LOSS) 2	Lines 11 and 12	1
Form 6252 – Installment Sale Income		
1. PRINCIPAL PAYMENTS RECEIVED 2	Line 21	1
Schedule E – Rent and Royalty Income		
	For Properties Currently Owned	
1. GROSS RENTS AND ROYALTIES RECEIVED	Line 3 + Line 4 (all columns)	1
2. TOTAL EXPENSES BEFORE DEPRECIATION	Line 19 (all columns)	2
3. AMORTIZATION/CASUALTY LOSS/ONE-TIME EXPENSE 6	Line 18 (all columns)	3
4. INSURANCE, MORTGAGE INTEREST, & TAXES		
only if included in PITI	Line 9 + Line 12 + Line 16 (all columns)	4
Schedule F – Profit or Loss from		
1. NON-TAX PORTION ONGOING COOP & CCC PMTS	Lines (5a-5b)+(6a-6b)+(7b-7c)+(8a-8b)	1
2. NONRECURRING OTHER (INCOME) LOSS 4	Line 10	2
3. DEPRECIATION	Line 16	3
4. AMORTIZATION/CASUALTY LOSS/DEPLETION 6	Line 34 (as itemized)	4
5. BUSINESS USE OF HOME 6	Line 34 (as itemized)	5
Partners Share of Income – Schedule K-1 (Form 1065)		
1. ORDINARY INCOME (LOSS) 7, 8	Line 1 (if loss, subtract full amount – if gain, add only portion shown as withdrawn in Box N)	1
2. NET INCOME (LOSS) 7	Line 2 + Line 3	2
3. GUARANTEED PAYMENTS TO PARTNER	Line 4	3
Shareholders Share of Income – Schedule K-1 (Form 1120s)		
1. ORDINARY INCOME (LOSS) 7, 8	Line 1 [if loss, subtract full amount – if gain, add only portion shown as withdrawn on Line 16 (D)]	1
2. NET INCOME (LOSS) 7	Line 2 + Line 3	2
Total Income from Personal Returns		

<ol style="list-style-type: none"> 1. Subtract income better calculated using current earnings rather than historical (i.e. salary from non self-employment) 2. MUST be recurring to make adjustment. Add if return shows recurring gain. Subtract if return shows recurring loss 3. Always assume this income in nonrecurring UNLESS otherwise documented 4. Add if tax return shows a loss, Subtract if tax return shows a gain 5. Proper documentation must be in the file to include this income. 6. Do not add the total amount on the Line # indicated – add only if it is itemized and is the <u>specific allowable</u> add back 7. Add if the tax return shows stable, recurring income. Subtract if the tax return shows a loss. 8. Check against withdrawals/distributions. Business must have a positive earnings trend and adequate liquidity. 	<p style="text-align: right; margin: 0;">*IRS Depreciation Rates</p> <p style="margin: 0;">2007 - \$.19/ mile</p> <p style="margin: 0;">2006 - \$.17/ mile</p> <p style="margin: 0;">2005 - \$.17/ mile</p>
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Analysis of Cash Flow (Business Tax Returns)



Partnership (Form 1065) Borrower's ownership % listed on Schedule K-1		20 _____	20 _____
1. PASS-THROUGH (INCOME) LOSS			
FROM OTHER PARTNERSHIPS 4	Line 4	_____	1 _____
2. NONRECURRING OTHER (INCOME) LOSS 4	Line 5, Line 6 and Line 7	_____	2 _____
3. DEPRECIATION	Line 16a	_____	3 _____
4. DEPLETION	Line 17	_____	4 _____
5. AMORTIZATION/CASUALTY LOSS 6	Line 20	_____	5 _____
6. MORTGAGES/NOTES PAYABLE IN LESS THAN 1 YEAR	Schedule L Line 16 Column D	(_____)	6 (_____)
7. MEALS AND ENTERTAINMENT EXCLUSION	Schedule M1 Line 4b	(_____)	7 (_____)
8. SUBTOTAL		_____	8 _____
9. TOTAL PARTNERSHIP INCOME		_____	_____
MULTIPLY SUBTOTAL BY OWNERSHIP PERCENTAGE LISTED ON SCHEDULE K-1	X _____ =	_____	9 _____

S-Corporation (Form 1120s) Borrower's ownership % listed on Schedule K-1			
1. NONRECURRING OTHER (INCOME) LOSS 4	Line 4, Line 5		1 _____
2. DEPRECIATION	(Line 14 2006, 2007) (Line 14a 2005)	_____	2 _____
3. DEPLETION	Line 15	_____	3 _____
4. AMORTIZATION/CASUALTY LOSS 6	Line 19	_____	4 _____
5. MORTGAGES/ NOTES PAYABLE IN LESS THAN 1 YEAR	Schedule L Line 17 Column D	(_____)	5 (_____)
6. MEALS AND ENTERTAINMENT EXCLUSION	Schedule M1 Line 3b	(_____)	6 (_____)
7. SUBTOTAL		_____	7 _____
8. TOTAL S-CORPORATION INCOME		_____	_____
MULTIPLY SUBTOTAL BY OWNERSHIP PERCENTAGE LISTED ON SCHEDULE K-1	X _____ =	_____	8 _____

Corporation (Form 1120) Borrower's ownership % listed on Schedule E, Page 2			
1. TAXABLE INCOME	Line 30		1 _____
2. TOTAL TAX	Line 31	(_____)	2 (_____)
3. NONRECURRING (GAINS) LOSSES 4	Line 8 + Line 9	_____	3 _____
4. NONRECURRING OTHER (INCOME) LOSS 4	Line 10	_____	4 _____
5. DEPRECIATION	(Line 20, 2006,2007) (Line 20a, 2005)	_____	5 _____
6. DEPLETION	Line 21	_____	6 _____
7. AMORTIZATION/CASUALTY LOSS 6	Line 26	_____	7 _____
8. NET OPERATING LOSS AND SPECIAL DEDUCTIONS	Line 29a+Line 29b	_____	8 _____
9. MORTGAGES/NOTES PAYABLE IN LESS THAN 1 YEAR	Schedule L Line 17 Column D	(_____)	9 (_____)
10. MEALS AND ENTERTAINMENT EXCLUSION	Schedule M1 Line 5c	(_____)	10 (_____)
11. SUBTOTAL		_____	11 _____
12. MODIFIED SUBTOTAL		_____	_____
MULTIPLY SUBTOTAL BY OWNERSHIP PERCENTAGE LISTED ON PAGE 2, SCHEDULE E	X _____ =	_____	12 _____
13. LESS: DIVIDENDS PAID TO BORROWER		_____	_____
Subtract dividends from borrower's corporation	Form 1040 Schedule B, Line 5 (itemized)	(_____)	13 (_____)
14. TOTAL CORPORATION INCOME		_____	14 _____

Totals			
1. TOTAL INCOME FROM PERSONAL RETURN			1 _____
2. TOTAL INCOME FROM PARTNERSHIP		_____	2 _____
3. TOTAL INCOME FROM S-CORPORATION		_____	3 _____
4. TOTAL INCOME FROM CORPORATION	FNMA - Only if 100% Borrower Ownership FHLMC - Does NOT allow Corporate Income	_____	4 _____
5. GRAND TOTAL		_____	5 _____

Monthly Qualifying Income: \$ _____
 (If averaging one year, take Grand Total of Column One and divide by 12. If averaging two years, add Grand Totals from Columns One and Two and divide the Sum by 24.)

Comments / Notes:

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