

## Education Worksheet Due Diligence

**Taxpayer Name(s)** \_\_\_\_\_

There are LOTS of tax benefits possible with regard to expenses paid for higher education (post high school). Credits are dollars off on taxes, deductions are dollars off taxable income, and tax-free earnings keep taxes off of investments. Scholarships and grants can impact the tax benefits and even trigger taxes, much to the surprise of many! If student loans are taken, who is responsible for paying them back also impacts tax returns – is it a parent loan or a student loan? The person entitled to “claim” the student also has an impact. Students often cannot “claim” themselves legally, yet they often do, either by filing and unintentionally doing so, by filing trying to “beat the system” for financial aid (hint: with few exceptions, unmarried students under 25 will STILL have to provide parent information to apply for student aid). Grandparents’ tax returns can even be impacted if they own the 529 Plan from which a withdrawal is made for a student! All of this makes for lots of complexities in determining the best tax for all concerned.

**Completing these questions and providing the requested information will make sure we provide you with the best possible tax outcome for all involved persons. If there are multiple students, please complete one per student.**

Name of Student \_\_\_\_\_ Birthdate \_\_\_\_\_

Name of School(s) \_\_\_\_\_

**Year in College or Trade School: 1 2 3 4 5 6 7 Graduate School**

**Has there been a withdrawal by anyone from a 529 Plan or other tax-sheltered investment this year with regard to this student? YES / NO** If yes, how much \_\_\_\_\_ We will need the 1099Q if you or the student are the owner; if a third party is the owner, they will need information we can provide to you to properly complete their return(s). Yes, they really do need it, though they often do not realize it!

**Has the student received any scholarships or grants? YES / NO**

**Please provide the 1098T (on the student’s school online account usually) and the financial transaction history from the school(s) attended along with a Statement of Account History.**

**Have there been any early IRA withdrawals possibly subject to penalty by a family member of the student during the year, even if the withdrawals do not directly trace to school costs? YES / NO** If yes, please explain \_\_\_\_\_

**Have any Series EE Savings Bonds owned by the student been cashed in this year? YES / NO**

**Were any student loans taken this year? YES / NO** How much was taken by the student? \_\_\_\_\_ How much was taken by the parents? \_\_\_\_\_ How much, if any, interest was paid on these loans this year? \_\_\_\_\_ **Please provide 1098E if there are payments**

**Does the student have any work-related income? YES / NO** If so, how much? If the student is under 24, please provide W2s and 1099s.

**Does the student, if under 24, have any investment income greater than \$1250? YES / NO** If yes, please provide documents such as brokerage statements, 1099s etc.

**Where does the student live while in school?** \_\_\_\_\_ If the student is not living with you, what are the costs for room and board? \_\_\_\_\_ Please provide receipts for any **course required materials and supplies**, such as books, safety equipment, lab fees, etc. and enter the total cost here: \_\_\_\_\_ Any other expenses related to Education? \_\_\_\_\_

### For AOTC (American Opportunity Tax Credit) Only

**Is the student working on a degree/certificate? Y / N** When is graduation likely? \_\_\_\_\_ **Has**

**the student been CONVICTED of any FELONY drug offenses? YES / NO** (AOTC requires this question)

**Has the AOTC been claimed for this student in the past? YES / NO / Unknown** If so, how many times? \_\_\_\_\_

**Has the AOTC been denied in the past? YES / NO** If so, when and why? \_\_\_\_\_

*I can provide documentation to substantiate any tax benefits I have claimed related to myself or others I am claiming on my return if I am selected for an audit.* \_\_\_\_\_

**Taxpayer signature and date**