



**Lower
Manhattan
Cultural
Council**

EMPOWERING ARTISTS,
INVESTED IN COMMUNITY

ARTISTS SUMMER INSTITUTE

TAX & ACCOUNTING

RECORD KEEPING: THE IMPORTANCE OF A DIARY

To prove certain business expenses, including travel, entertainment, gifts and transportation, you must keep records that show details of the following for each expense:

1. Expense amount
2. Date and time the expense was incurred
3. Place or description of where the expense was incurred (destination, location, address)
4. Business purpose or business relationship associated with the expense

A DIARY, OR DAILY PLANNER IS YOUR BEST TOOL FOR DOCUMENTING THESE EXPENSES AND DETAILS. WHY?

Important facts about keeping a diary/daily planner:

1. A diary is **REQUIRED** by the IRS for all travel, entertainment and gift expenses. A diary does not necessarily replace other forms of documentation, such as receipts, invoices or cancelled checks, and even if you have these other forms, the IRS requires a diary.
2. A diary can be useful for proving other related expenses.
3. A diary can be used to document the use of your time, including the hours you commit to your practice as an artist. This can be useful in proving professional status.
4. The IRS now accepts diaries in both written and electronic / computerized formats.