

The Business Expense Disclosure Statement template is provided to assist with disclosure of income in family matters. If you are involved in litigation about child support or spousal support and you are self-employed in an unincorporated business or through a privately held corporation, you will need to make additional disclosure regarding any business expenses which you previously claimed through your business or corporation, but for which you have received a personal benefit.

It is important to complete this form as completely and accurately as possible. If you employ a bookkeeper or accountant, it is strongly recommended that you work with them when completing this form.

You will need to fill out a separate copy of this form for each year in dispute, and, if you own more than one business, you will also need to complete an additional set of forms for each business. Supporting receipts or other records evidencing the amounts indicated should be available for provide in an Affidavit of Records or in response to disclosure requests from the opposing party.

This form is available in two formats - as a Microsoft Word *.docx* file, and as a printable *.pdf* document. If you own or have access to a computer with the Microsoft Word application, we strongly encourage using the *.docx* version of the form, as it includes additional features that make it easier to understand and fill out. If you do not own or have access to a computer with Microsoft Word, you can print out and complete the *.pdf* version instead.

To complete the disclosure form, you must list each expense listed in your corporate financial statements, describe any expenses that may have involved a benefit to yourself or another Non-Arm's Length Person, and then finally list and describe each Non-Arm's Length Person who may have received a benefit.

Summary of Expenses Deducted for Income Tax Purposes

Under the section titled 'Summary of Expenses Deducted for Income Tax Purposes', you must list each expense that you claimed in your corporate financial statement, or in the case of an unincorporated business, on your personal tax return in the Statement of Business or Professional Activities – Form 2125, regardless of whether they involved a benefit or not. Complete this summary section **after** you complete the detailed sections.

For each item, you will need to note the following:

- **Item Number:** The item number in the summary must correspond to the item number in the detailed sections which follow. Use the number to the left of each item that you describe in the '*List of Expenses Involving Personal Benefit*' and enter that number here. Because the number is automatically assigned when you complete the detailed section, you should not enter anything in this column until you have completed that section.

If the expense did not involve any benefit to yourself or to another Non-Arm's Length Person or Corporation, you will not need to describe it in the subsequent '*List of Expenses Involving Personal Benefit*' or '*List of Non-Arm's Length Persons or Corporations*'; for such expenses without any benefit, which are not present in the next section of the document, enter 'N/A' in this field.

- **Nature of Expense:** The title used to identify the expense in your financial statement for the corresponding year. If this expense involved a benefit, this should also match what you entered for 'Nature of Expense' when providing further details about the expense in the following section.
- **Personal Benefit Amount:** The benefit to yourself or to another Non-Arm's Length Person or Corporation, if applicable. If the expense did not result in any benefit to yourself or another Non-Arm's Length Person, enter '0' in this field.

List of Expenses Involving Personal Benefit

Under the section titled '*List of Expenses Involving Personal Benefit*', you will need to provide further information about any claimed expenses that may have involved a benefit to yourself or another Non-Arm's Length person. Only expenses involving a personal benefit need to be included in this section; if an expense did not involve a personal benefit, it does not need to be described here. For example, if you deducted 100% of your cell phone expense for business purposes and you use your cell phone 30% of the time for personal purposes, you will have received a personal benefit of 30% of the costs of your cell phone.

To describe your expenses involving a personal benefit, you will need to provide following information for each expense:

- **Nature of Expense:** The title used to identify the expense in your financial statement or T2125 for the corresponding year.
- **Source of Expense Calculation:** The documents or methods used to determine the amount that was claimed for this expense in your financial statement - for example, accounting principles, receipts, bank/debt statements, and so on.
- **Reason for Expenditure:** The business justification for the expenditure.
- **Value of Personal Benefit:** The value of the benefit to Non-Arm's Length Person(s) that was derived from the expense, in dollars. Specify exact amounts whenever possible. If no benefit was received, enter either 0 or 'N/A'.
- **Benefit Details:** How the personal benefit value was determined. Describe how the amount was determined, from the total amount claimed. Specify whether or not the personal component was also claimed as a business expense, or whether it was excluded from the Financial Statements.
- **Source of Benefit Calculation:** The documents or methods used to determine the personal benefit amount above - for example, bills, invoices, receipts, and so on.
- **Recipient(s):** The Non-Arm's Length Persons, as specified in the final section of the form, who received the benefit being described.

List of Non-Arm's Length Persons or Corporations

In addition to listing the expenses found in your Financial Statement (or in the case of a non-incorporated business, on your personal tax return in the Statement of Business or Professional Activities Schedule T2125), you must also provide a list of the Non-Arm's Length Persons who received the benefits described in the preceding section above. Any person who appeared in the 'Recipient(s)' field for any expense described in the preceding '*List of Expenses Involving Personal Benefit*' should be included here.

You will need to provide the following information for each person:

- **Name:** The name of the Non-Arm's Length Person.
- **Job Title:** The job title or position of the Non-Arm's Length Person within the business.
- **Relationship:** How the person relates to you – new spouse or partner, family member, etc. When creating an entry for yourself, enter 'Self' in this field.
- **Compensation Value:** The value of any monetary compensation (*salary, wages, etc.*) received by the person. You do not need to include any imputed amounts from non-monetary compensation in this total.
- **Compensation Details:** Any relevant details about the compensation received. This may include salary or wage amount and hours worked; information about additional non-monetary compensation received should also be included here.