THE 10-MINUTE

Augusta Rule Audit-Proof Checklist

Use this checklist to determine whether your §280A(g) home rental deduction is structured cleanly, documented properly, and far less likely to create audit exposure.

BEST FOR	NOT FOR
S-Corp owners, partnerships, and multi-owner businesses that hold real business meetings.	Sole proprietors or single-member LLCs taxed as disregarded entities.

Quickstart

The fastest way to use this checklist:

1. Read each item and check only what is already true.
2. If you miss any item in Sections 1–4, fix that before claiming the deduction.
3. If you miss items in Section 5, your reporting may be wrong even if the meeting was valid.

Done looks like this: you can prove the meeting was real, the rate was reasonable, the payment trail was clean, and you stayed at 14 days or fewer.

THE AHA MOMENT

Most §280A(g) problems are not caused by the rule itself. They happen because owners treat it like a tax idea instead of a real business transaction.

If it wouldn't survive scrutiny as a normal third-party venue rental, it probably won't survive here either.

SECTION 1

Entity and Eligibility Check

- [ ] My business is a separate taxpayer from me personally
- [ ] My entity is an S-Corp, C-Corp, partnership, or multi-member entity with valid separation
- [ ] I am not claiming this as a sole proprietor
- [ ] I am not using a single-member LLC taxed as a disregarded entity for this deduction
- [ ] The home being rented is my personal residence
- [ ] The meeting use is legitimate business use, not personal use dressed up as business

SECTION 2

14-Day Limit Check

- [ ] I will use the home for 14 days or fewer during the year
- [ ] I am counting calendar days, not hours
- [ ] I have one master tracker showing every rental date used year-to-date
- [ ] Each rental day on my tracker ties to supporting records
- [ ] I am not trying to squeeze in a 15th day
- [ ] If I need more than 14 days, I will use another venue instead of stretching this rule

SECTION 3

Business Purpose Documentation Check

- [ ] Each meeting has a clear business purpose
- [ ] Each meeting has a written agenda created before or at the time of the meeting
- [ ] Each meeting has notes or minutes showing what was discussed
- [ ] The notes show actual decisions, action items, or business outcomes

- [ ] I kept an attendee list for each meeting
- [ ] The attendee list identifies who participated and their role
- [ ] I saved supporting materials tied to the meeting topics
- [ ] My meeting topics are specific, such as planning, budgeting, KPI review, hiring, pricing, vendor decisions, or strategy
- [ ] My meeting was not primarily social
- [ ] I could explain why holding the meeting at my home was reasonable for the business

SECTION 4

Fair Market Value and Payment Trail Check

- [ ] I researched local fair market value before setting my rental rate
- [ ] I collected at least 3 comparable venue examples
- [ ] My comparables are from relevant local sources such as hotels, coworking spaces, event venues, or similar home rentals
- [ ] I saved screenshots or documentation of the comparable rates
- [ ] My rental rate is consistent with local market pricing
- [ ] My rental rate would look reasonable to an outside reviewer
- [ ] I have a simple rental agreement between me and the business
- [ ] The business paid me using a traceable method
- [ ] The payment amount matches the documented rental rate
- [ ] The payment date matches the meeting records
- [ ] The payment memo clearly identifies the meeting or rental purpose
- [ ] I did not use cash, random transfers, or commingled accounts

SECTION 5

Tax Reporting Check

- [ ] The business will record the expense as rent or facility rental
- [ ] I understand the personal-side treatment before filing
- [ ] I am not automatically reporting the income in a way that destroys the intended benefit
- [ ] My business records and personal records tell the same story

- [ ] My CPA or tax preparer has the documentation packet before filing

Your Minimum Audit-Defense File

For each rental day, keep all of the following together:

- [ ] Agenda
- [ ] Notes or minutes
- [ ] Attendee list
- [ ] Supporting documents
- [ ] Comparable pricing support
- [ ] Rental agreement
- [ ] Payment proof
- [ ] Day-count tracker entry

Red Flags That Need Immediate Fixing

If any of these are true, stop and clean it up before claiming the deduction:

- [ ] I went over 14 days
- [ ] I guessed at the rate without comparable support
- [ ] I created the paperwork after the fact
- [ ] My meeting notes are vague or generic
- [ ] My payment trail is messy
- [ ] The event was mostly personal or social
- [ ] I cannot show who attended
- [ ] I cannot show what business decision was made
- [ ] My entity structure does not create real separation

Common Mistakes

- Using the same generic agenda every time
- Charging an inflated rate without market proof
- Counting partial days loosely instead of conservatively
- Forgetting that related-party transactions need cleaner records, not looser ones
- Assuming regular meetings alone make the deduction safe

What to Do Next

If you checked nearly every box, your next step is simple:

1. Finalize your documentation packet.
2. Review your fair market value support.
3. Confirm the tax reporting with your CPA before filing.

If you missed multiple boxes, fix the process before claiming the deduction.

Want a second set of eyes?

Get a professional review of your Augusta Rule documentation, fair market value support, or entity setup before the return is filed.

FRAIM CAWLEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

This checklist is provided for general educational purposes only and does not constitute tax, legal, or accounting advice. Application of §280A(g) depends on your specific facts and entity structure. Consult a qualified tax professional before claiming any deduction.