

HIGH-VOLUME

WORKSHEET 2 OF 9

# Deductible Expense Quick-Sort by Category

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*Weekly entry, five categories. The goal is not accounting precision — it is building the data that proves costs to a third party who does not know this business.*



Complementary worksheet for  
*Tax Optimization for SMEs*  
by Ibrahim Anwar

## What This Is For

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A weekly cost-logging discipline for SMEs still in the PPh Final regime who want to have deductible expense data ready the day the regime changes. Under PPh Final, costs have no immediate effect on tax. That logic is correct and that is exactly why costs go unrecorded — and exactly why the first year under the standard corporate tax rate is brutal for businesses that treated PPh Final as an invitation to skip the paperwork.

This worksheet runs on a weekly cycle for one reason: receipts get lost after 30 days. A supplier invoice tucked in a jacket pocket on Tuesday is retrievable on Friday. By month-end it is missing. The five-category structure keeps the sorting overhead low enough to sustain the habit without a formal accounting system.

## Benefits

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What you get when you actually run this worksheet on a real situation:

- Builds a 12-month cost baseline before the regime change, so the first corporate income tax return uses real data instead of the net income norm.
- Identifies which cost categories need better documentation (vehicle logs, entertainment lists, consulting contracts) while there is still time to build the habit.
- Separates business and personal costs at the transaction level, making the mixed-use defence argument available when it is later needed.
- Creates the receipt-reference trail that an auditor follows — without it, costs incurred cannot be claimed even if genuinely business-related.
- Takes 15 to 20 minutes per week, not per month, keeping the backlog from accumulating into an impossible year-end reconstruction.

## Framework To Use

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### — Five-Category Cost Architecture

*Which bucket does this expense belong in? The category determines what additional documentation is required.*

**A – SALARIES & BENEFITS**

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Monthly pay, allowances, THR. Requires: payroll list per employee, withholding records.

**B – PREMISES & EQUIPMENT RENT**

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Workshop, office, vehicle hire. Requires: lease or rental agreement.

**C – RAW MATERIALS & SUPPLIES**

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Stock purchases, production inputs. Requires: supplier invoice, purchase order.

**D – ASSET MAINTENANCE & REPAIR**

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Machine servicing, vehicle repair. Requires: invoice + asset list showing the item is a business asset.

**E – OTHER OPERATING COSTS**

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Electricity, delivery, phone, marketing. Mixed personal/business: note the business proportion.

## How To Use

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Follow these steps in order. Each one builds on the previous.

- 1** Step 1: At the end of each working day, or at minimum once per week, collect all receipts, transfer confirmations, and invoices from the past seven days.
- 2** Step 2: For each item, write the date, a brief description, the amount, and the receipt or transfer reference number.
- 3** Step 3: Assign the category letter (A through E). If an expense spans two categories, split it into two rows.
- 4** Step 4: Write one sentence in the last column describing the connection to business activity. 'Fuel for delivery run to client X on Tuesday' is sufficient. 'Business use' is not.
- 5** Step 5: For any mixed personal/business expense, note the estimated business proportion in the connection column. '60% business use — vehicle also used personally' is the minimum needed.
- 6** Step 6: Flag any row where the receipt is missing. Retrieve it before the end of the week. After 30 days, supplier invoice retrieval becomes substantially harder.
- 7** Step 7: At month end, total each category separately. The five subtotals form the monthly cost summary that feeds into the annual deductible expense calculation.

## Example Use

*A food processing business owner sits down on Friday afternoon with a week's worth of receipts and transfer notifications. The week included two supplier runs, a vehicle service, three staff salary transfers, and an electricity bill.*

The owner lays out the week's receipts. Seven items in total.

Row 1: Monday salary transfers — \$1,200 total across four staff. Category A. Connection: monthly salary, March payroll period. Receipt ref: bank transfer batch reference BT-2024-03-04.

Row 2: Tuesday fuel, \$18. Category E. Connection: delivery run to wholesale buyer in the industrial estate, 34 km round trip. Odometer noted on receipt.

Row 3: Wednesday ingredient purchase from main supplier, \$340. Category C. Connection: raw materials for March production batch. Invoice number: INV-SUP-2024-0312.

Row 4: Thursday vehicle service, \$85. Category D. Connection: six-monthly scheduled service on the delivery van — listed as business asset on asset register, entry date Jan 2022. Workshop invoice: WS-2024-0314.

Row 5: Friday electricity bill, \$210. Category E. Connection: factory and office electricity — production floor is 80% of floor space, business proportion 80%. Bill reference: PLN-2024-03-15.

The owner notes that the electricity bill has a mixed-use issue — the office shares the meter with a small personal area. The 80% business proportion is written in the connection column and a note is added to the asset folder to maintain this split consistently.

At the end of the session, one receipt is missing: a hardware store purchase on Wednesday for a replacement part. The amount was \$23 and was paid cash. The owner calls the store before closing time, retrieves the receipt, and adds it as row 6. Without the Friday habit, this receipt would not have been recovered.

Week total: A \$1,200 / B \$0 / C \$340 / D \$85 / E \$251. All seven rows have receipt references. The week is closed.

# The Worksheet

*Tear this out, copy it onto a fresh sheet, or fill it in directly.*

## Deductible Expense Quick-Sort by Category

*Weekly entry, five categories. The goal is not accounting precision — it is building the data that proves costs to a third party who does not know this business.*

DATE	DESCRIPTION	AMOUNT (\$)	CATEGORY (A-E)	RECEIPT/REF NO.	CONNECTION TO BUSINESS ACTIVITY (ONE LINE)
			A – Employee salaries & benefits		
			A – Employee salaries & benefits		
			B – Premises & equipment rent		
			B – Premises & equipment rent		
			C – Raw materials & supplies		
			C – Raw materials & supplies		
			D – Asset maintenance & repair		
			E – Other operating costs		
			E – Other operating costs		
			E – Other operating costs		

## Reflection Prompts

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*After filling in the worksheet on the previous page, work through these.*

1. Which category has the most entries this week? If it is not the category with the highest total cost, recheck whether all large costs have been recorded.
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2. Are there any mixed personal/business expenses this week? If yes, note the business proportion in the 'Connection' column and keep a separate record of the split.
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3. Which rows are missing a receipt or reference number? Retrieve them before the end of the week — they become harder to locate after 30 days.
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# Tips and Traps

## TIPS

- Write the connection sentence at the time of entry, not at month-end. Details (which client, which delivery, what the machine is used for) are clear on the day and vague after three weeks.
- Photograph receipts immediately and file them to a named monthly folder on your phone. The physical receipt can still go in a folder, but the photo is the backup that survives a lost jacket.
- Vehicle fuel receipts without a trip log are low-quality documentation. Add a small notebook to the glovebox and log date, destination, and business purpose per fill-up.
- Category D (maintenance) entries need the specific asset identified. An auditor reviewing a repair invoice will ask which asset was repaired and whether it appears on the business asset list.

## TRAPS

- Logging costs in batches at month-end from memory. Memory is a worse receipt than any crumpled slip of paper. By month 11 of the year, the earliest months are fiction.
- Using Category E as a catch-all for anything that does not fit the first four. Category E is for legitimate operating costs, not for unclassified spending. Unclassified spending that is later corrected by an auditor has no category and no defence.
- Recording salary without a payroll list. An auditor seeing a \$1,200 salary entry without a named payroll list will ask who was paid and at what rate. If the answer requires reconstruction, the deduction is vulnerable.
- Claiming 100% business use for a personal vehicle without a trip log. If the vehicle is registered in the owner's personal name and parked at the owner's home, 100% business use is not defensible without evidence.

# Appendixes

## Appendix A – Costs That Require Extra Documentation

Cost type	Minimum extra documentation required
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Vehicle (business use)	Trip log: date / destination / purpose / km If personal vehicle: business proportion noted
Entertainment	Nominative list: guest name / company / purpose
Consulting fees	Signed contract or engagement letter
Mixed-use expenses	Description of services and deliverables Written estimate of business proportion Consistent proportion applied across all months
Asset repairs	Asset must appear on business asset register Invoice identifies specific asset repaired
Home office	Floor area calculation: business m <sup>2</sup> / total m <sup>2</sup> Consistent proportion applied to rent + utilities

## Appendix B – Month-End Category Totals Template

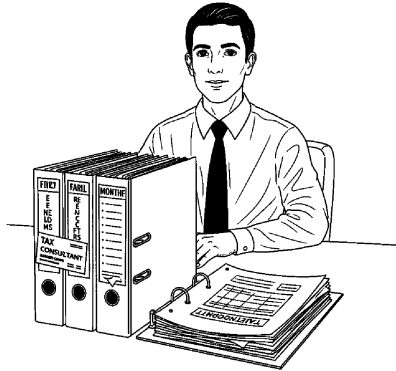
Month: \_\_\_\_\_ Year: \_\_\_\_\_

Category A – Salaries & benefits : \$ \_\_\_\_\_  
 Category B – Premises & equipment : \$ \_\_\_\_\_  
 Category C – Raw materials & supplies : \$ \_\_\_\_\_  
 Category D – Asset maintenance : \$ \_\_\_\_\_  
 Category E – Other operating costs : \$ \_\_\_\_\_

TOTAL documented expenses this month : \$ \_\_\_\_\_  
 Expenses without receipts (count) : \_\_\_\_\_  
 Mixed-use expenses (count) : \_\_\_\_\_

Carry-forward note for next month:

Missing receipts to retrieve: \_\_\_\_\_  
 Documentation gaps to close : \_\_\_\_\_



WHERE THIS WORKSHEET COMES FROM

## Tax Optimization for SMEs

*Paying Tax Correctly Is the Kind of Business That Sleeps at Night*

by Ibrahim Anwar

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This worksheet is one of nine in the *Tax Optimization for SMEs* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

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