

Part IV Section 481(a) Adjustment		Yes	No
25	Does published guidance require the applicant (or permit the applicant and the applicant is electing) to implement the requested change in method of accounting on a cut-off basis? If "Yes," attach an explanation and do not complete lines 26, 27, and 28 below.		
26	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ _____ Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the application, attach a list of the (a) name, (b) identification number, and (c) the amount of the section 481(a) adjustment attributable to each applicant.		
27	Is the applicant making an election to take the entire amount of the adjustment into account in the tax year of change? If "Yes," check the box for the applicable elective provision used to make the election (see instructions). <input type="checkbox"/> \$50,000 de minimis election <input type="checkbox"/> Eligible acquisition transaction election		
28	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? If "Yes," attach an explanation.		

Schedule A - Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)

Part I Change in Overall Method (see instructions)																			
1	Check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Present method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description) Proposed method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)																		
2	Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 2a through 2g.																		
	<table border="1"> <thead> <tr> <th colspan="2">Amount</th> </tr> </thead> <tbody> <tr> <td>a Income accrued but not received (such as accounts receivable)</td> <td>\$ _____</td> </tr> <tr> <td>b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method</td> <td>_____</td> </tr> <tr> <td>c Expenses accrued but not paid (such as accounts payable)</td> <td>_____</td> </tr> <tr> <td>d Prepaid expenses previously deducted</td> <td>_____</td> </tr> <tr> <td>e Supplies on hand previously deducted and/or not previously reported</td> <td>_____</td> </tr> <tr> <td>f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II</td> <td>_____</td> </tr> <tr> <td>g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ▶ _____</td> <td>_____</td> </tr> <tr> <td>h Net section 481(a) adjustment (Combine lines 2a-2g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 26</td> <td>\$ _____</td> </tr> </tbody> </table>	Amount		a Income accrued but not received (such as accounts receivable)	\$ _____	b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method	_____	c Expenses accrued but not paid (such as accounts payable)	_____	d Prepaid expenses previously deducted	_____	e Supplies on hand previously deducted and/or not previously reported	_____	f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	_____	g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ▶ _____	_____	h Net section 481(a) adjustment (Combine lines 2a-2g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 26	\$ _____
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3	Is the applicant also requesting the recurring item exception under section 461(h)(3)? <input type="checkbox"/> Yes <input type="checkbox"/> No																		
4	Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the federal income tax return or other return (such as, tax-exempt organization returns) for that period. If the amounts in Part I, lines 2a through 2g, do not agree with the amounts shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.																		
5	Is the applicant making a change to the overall cash method as a small business taxpayer (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No																		

Part II Change to the Cash Method for Non-Automatic Change Request (see instructions)	
Applicants requesting a change to the cash method must attach the following information:	
1	A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
2	An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.