IRS Compensation Readiness Checklist

If compensation decisions are ever reviewed, this checklist helps ensure supporting documentation is readily available.

HOW TO USE THIS CHECKLIST

Check each item as you confirm the relevant records are available and organized.
Retain supporting documentation with the compensation analysis.

Compensation Report 01

- [ ] Compensation report available
- [ ] Report version identified
- [ ] Report date documented
- [ ] Report methodology identified

Data Sources 02

- [ ] Wage source documented
- [ ] Dataset year documented
- [ ] Geographic area documented
- [ ] Benchmark occupations identified
- [ ] Methodology retained

Supporting Records 03

- [ ] Payroll records available
- [ ] W-2 information available
- [ ] Ownership information documented
- [ ] Time allocation documented
- [ ] Job duties documented

Decision Documentation 04

- [ ] Compensation recommendation retained
- [ ] Recommendation acceptance documented
- [ ] Recommendation rejection explanation documented
- [ ] Management approvals documented
- [ ] Supporting notes retained

Historical Records 05

- [ ] Previous report versions available
- [ ] Historical compensation records available
- [ ] Compensation changes documented
- [ ] Historical recommendations available
- [ ] Audit trail retained

Final Verification 06

- [ ] Complete compensation file assembled
- [ ] All supporting documentation available
- [ ] Data sources traceable
- [ ] Recommendations reproducible
- [ ] File ready for review if requested

Review notes / outstanding items

This checklist is a documentation aid, not a substitute for a facts-and-circumstances analysis or professional tax advice.