BRRRR CPA handoff kit

Trace buy, rehab, rent and refinance through consistent records. Appraised value, borrowed proceeds and depreciable costs serve different purposes.

Three ledgers

Project cash	Sources, uses, draws, owner contributions and payoffs.
Lender review	Collateral value, eligible income, coverage and terms.
Tax assets	Land, classified costs, service dates and adjustments.

Start a common document index

Use the same property and entity identifiers in each ledger. Explain differences rather than forcing every model to one total.

Project identity

Property / borrower / asset owner:

Acquisition / rehab / rental / refinance contacts:

Purchase and rehab cost index

A budget is a plan; use final records for the tax file. Ask the CPA to classify repairs, capital work, financing costs and other categories.

Invoice index template

Document / vendor	Property / work / amount / payment / completion
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Acquisition records

- ☐ Executed purchase agreement and final settlement statement.
- ☐ Support for land and other asset allocations.
- ☐ Existing schedules and any prior study.
- ☐ Ownership history or unusual transaction facts flagged.

Missing cost support

Record / who has it / follow-up date:

Readiness and project milestones

Required approvals, actual condition and availability should be reviewed together. First rent and refinance closing are separate events.

Milestone worksheet

Acquisition	Date / evidence: _____
Work completed	Unit or asset / date / evidence: _____
Ready and available	Unit or asset / date / evidence: _____
First tenant	Lease and occupancy evidence: _____
Report / refinance	Separate dates and documents: _____

Review differences

A multi-unit project or later improvements can involve more than one relevant date. Ask the preparer how the actual unit and asset facts should be reflected.

Unresolved readiness fact

Fact / evidence / responsible person:

Reconcile a limited cost bridge

Use only costs the CPA has assigned to these categories. Other adjustments, ownership histories and mixed use may require a different calculation.

Illustrative bridge

Purchase cost	$300,000
Land included above	Subtract $60,000 once.
Capital additions	Add $80,000 of CPA-classified depreciable work.
Initial cost bridge	$320,000, not a first-year deduction.
Prior depreciation	Subtract assumed $12,000: simplified $308,000.

Values that do not replace the cost

An assumed $500,000 appraisal or $350,000 refinance loan would not replace this cost ledger. The examples are hypothetical and do not establish loan eligibility.

Your preparer-supplied bridge

Purchase / land / accepted additions / adjustments:

Other adjustments omitted from the simple model:

Assign each handoff

Clarify responsibilities and missing facts before the report is final. A provider report, a return and a lender approval are different deliverables.

Responsibility worksheet

Study provider	Scope / cost reconciliation / report / support.
CPA / preparer	Dates / methods / elections / filing / loss use.
Financing team	Collateral / income / coverage / closing conditions.
Owner / manager	Records / actual operations / project changes.

Final-file checklist

- ☐ Report and tax ledger use the same reconciled starting cost.
- ☐ Separate improvements and existing assets are not duplicated.
- ☐ Loan proceeds, payoffs and retained reserves reconcile.
- ☐ Sale consequences and state treatment reviewed separately.

Next action

Unresolved item / responsible person / due date:

Sources and your next conversation

Use the governing source for your return year. This packet organizes questions; it is not a tax opinion, engineering study or completed return.

Primary sources

IRS Publication 527: residential rental property	Open IRS source online
IRS Publication 946: depreciation	Open IRS source online
IRS Notice 2026-11: bonus depreciation guidance	Open IRS source online
IRS Publication 925: passive activity and at-risk rules	Open IRS source online
IRS Publication 544: asset dispositions	Open IRS source online

Keep a decision record

Write down the facts still unresolved, the person responsible for answering and the date you will review the answer. Preserve the final proposal, report and implementation records.

Next question / responsible person / target date:

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