

Accounting, Bookkeeping and Taxes

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What Is Your End Game?

- Have you bought yourself a job, an income?
- Do you want to sell your business?
- Do you have partners?
- Do you have Investors?



Example #1: A Job



- Exit: I am going to own this business until the day I die.
- Goal: Limit tax liability to the extent possible every year.
- Actions: Take all Expense deductions possible. Employ family members. Give dividend at the end of each year to owners.



Example #2: Cash Cow



- Exit: I want to sell this business within 5 years.
- Goal: If service business, show profitability at the end of each year showing potential new owners that they can get a return on their investment.
- Actions: Limit Expenses to a reasonable extent. Show healthy bottom line.



Example #3: Opportunity



- Exit: I want to be acquired.
- Goal: If I.P./tech company, get all patents filed. Spend as little as possible to prove the model & get customers. Limit investment for >return.
- Actions: Limit Expenses to a reasonable extent. Take special care around Equity portion of Balance Sheet. Maintain clean books.



Professional Help



- Entity choice
 - Sole Proprietor, Corporation - C, S
- Consult both
 - Lawyer
 - CPA



Professionals in the Accounting, Bookkeeping & Tax Fields



- Tax Prep & Planning
 - Accountant (CPA)
 - Enrolled Agent
- Bookkeeping & Accounting
 - CFO
 - Controller
 - Full-charge Bookkeeper
 - Someone who knows Quickbooks, Quicken



Need EIN (Fed & State)



- Have employees
- Have Pension Plan
- Operate as a Corporation or Partnership
- File Taxes
 - Employment
 - Excise Taxes
 - ATF




Record Keeping & Reports




- Daily Cash Receipts (monthly, annual)
- Check Disbursements Journal
- Depreciation Worksheet
- Bank Reconciliation
- Employee Compensation Record
- Profit & Loss Statement – comparative vs. prior periods
- Balance Sheet – comparative vs. prior periods
- Cash Flow Statement/Forecast
- Budget
- A/R Aging
- A/P Aging
- Collection Policies
- Expense Report for M/Ent, Travel



Taxes



- Income
- Self-Employment (>\$400/yr IRS Pub. 533)
- Employer Employment (IRS Pub. 15)
 - Fed
- FICA (SS, Med)
- FUTA
- Excise (sales heavy mach, ATF)
- Sales Tax



Thank you. Questions?

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