


Mar"key"t place

The new year brings new reasons to market your business, We continue our series on networking, and specifically on creative info-mercials at networking events:

- Be specific: Chances are, you are going to be networking in a group where there is someone selling almost the exact same thing you sell. For example, you are an insurance salesman and there are three other insurance companies in the group. Instead of getting lost in the insurance pool, specify one type of insurance you sell. Bring a wrist brace and commercialize yourself like this: "My name is so-and-so, with so-and-so company and we offer a variety of insurances. Would a brace like this (hold up your braced arm) slow down your company's profits? Let us show you the various disability policies out there that can protect your wrist account...I mean your bank account."



• Accentuate your difference: What if you do things different than your competition? This is something you want to commercialize. You have a faster printing service, or you have machine that calibrates better than any other on the market. What ever the difference, find a creative, memorable way to commercialize it.

- Next month: we'll discuss wrapping up a networking event and following up with leads and contacts.

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Quote

Whether a tree falls to the south or to the north, in the place where it falls, there it will lie.

—Ecclesiastes 11:3

Q&A

Client: Can I 1099 bonuses to employees?

BKC: Absolutely not.

The IRS is very specific about employee pay. Regardless of why the compensation, (whether it is salary, hourly, bonuses, or auto allowance), all compensation must be run through payroll and taxed accordingly. The IRS does not approve of an employee receiving a W2 and a 1099.

More on this subject next month.



KEEPING LEDGER

The Official Newsletter of
business-keepers consulting



Issue 2 FEBRUARY 2008 Vol 7

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ACCOUNT-ABLE

We started a two part series on closing your company's year-end books. We continue with that discussion:

8) Closing credit card accounts: Credit card activity is a lot like bank account activity in that you can enter charges individually, in Quickbooks, just like you enter checks individually. When you pay the credit card, you are decreasing the credit card debt. You can reconcile your credit card accounts monthly, but at the very least, you should do it at year-end.

Credit card companies don't normally cut their statements off at year-end, so make sure you have entered all your activity through 12/31/07. For example, you have a Chase Visa with a statement closing of Jan 8, 2008. You will have a lot of December 2007 activity on this statement, so enter the charges individually to capture the 2007 charges in 2007 and the 2008 charges in 2008.

9) Loans: This can be a sundry of debt. There are loans in the form of credit lines, company car loans, equipment loans, and loans from Officers. All of these types of debt need to be reconciled as of 12/31/07.

In a car loan, you probably have been coding monthly payments to the loan balance. Now you need to record the 2007 interest on that loan. You do

Continued under Sound Of Business...

Calendar

Tuesday, February 12th

Lincoln's Birthday

Thursday, February 14th

Valentine's Day

Monday, February 18th

President's Day (Observed)

Friday, February 22nd

Washington's Birthday



The Sound of Business... (ACCOUNT-ABLE continued)

this by taking the loan balance from your loan statement as of 12/31/07 and subtracting the loan balance Quickbooks is reflecting. The difference is interest. You will have to create a journal entry to debit Interest Expense and credit the Car Loan balance. In essence, you are increasing the loan balance back *up* to the statement balance, to capture the interest (expense) that was imbedded in each monthly payment you made. Handle other loans the same way.

Loans from Officer: Only you will be able to determine if the activity in this account is accurate based on the year's activity between you and the company. We will discuss this type of account at length next month.

10) Finally, review your Profit & Loss statement. A lot of times, if there are mistakes or miscodings, there will be strange balances (or even negative balances) in accounts on the P&L that will leap out at you. For example, you have a negative number in Outside Services. By drilling down to the detail you, discover that you erroneously coded a deposit into that expense account. Correct the error, and move on.

11) Three more final words: There is no such thing as Credit Card Expenses (breakdown the detail), no such thing as Miscellaneous (be more specific), and no such thing as Uncategorized Expenses (take the time to categorize it to a real account).

And that is the end of your year's life.



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Important Websites:

www.irs.gov

www.edd.cahwnet.gov

www.boe.ca.gov

www.ftc.gov

www.calicotown.com

www.katchtheday.com

www.business-keepers.com

**Happy Day to
sweethearts and
Presidents, past,
present, and future!**

Katch the Day

The year 1881 marked the beginning of one of the largest silver strikes in California and the birth of the mining town of Calico. In its heyday, Calico produced \$85 million in silver, \$45 million in borax and had a population of 1200. Over 500 mines drove Calico's great wealth until 1907 when silver dropped from \$1.31 an ounce to \$0.63 and as a result, Calico became a ghost town. Calico is one of the few remaining mining towns and is open for tourism.



Tucked away in the Mojave desert, about 15 miles northeast of Barstow, this town offers up a variety of local amusements. You can browse the mercantile stores, enjoy the authentic food, and pan for gold. If you plan your trip at the right time, you can get drawn into a special event such as the upcoming Re-enactment of the Civil War on Presidents Day Weekend, February 16, 17, and 18th. This event is held every year and includes Drills, music, Living History displays, and Confederate and Union Camps set throughout the town. You can even catch a glimpse of significant history as Lincoln delivers the Gettysburg Address.

Calico makes a great day trip, or plan ahead and camp in the town. For events like the Civil War weekend, you can book up to three months in advance; which is recommended since they do sell out of sites for this spectacular weekend.

Normal admission is \$6 for adults, and \$10 for event weekends. The town is open from 8am to dusk, with campgrounds, cabins, and bunkhouses open 24 hours for overnighters.

KATCH THE CALICO DAY AND LEAVE THE BUSINESS-KEEPING TO US!

