

Home sweet HOA

Budgets are tight, and HOA budgets are no exception. HOAs are facing hard times collecting on monthly dues and units going into foreclosure.

Homeowners Associations are like many businesses faced with late paying customers or no-paying customers. Unlike many businesses who can take aggressive collections measure, there are regulations in the CC&Rs that dictate how HOAs can collect the dues. However, an area that HOAs can manage without less restriction is Accounts Payable (bills paid out to vendors).

Here are a few tips on managing money paid out of the HOA:



• Maintenance:

review your HOAs maintenance of common areas. In the winter time, grass doesn't grow as much, trees don't need trimming. Try to re-negotiate with your landscape company for a "winter" rate. Perhaps the lawn can be mowed every other week.

•Get the word out to the homeowners to help pick up debris around their units. This will cut down time the maintenance crew needs to blow the common areas clean of debris.

•Create a suggestion box (or email) where the residents can offer corner-cutting ideas and discuss them at the HOA meetings. (Remember the olive story from American Airlines?).

Continued next month.

Quote

Each one should test his own actions. Then he can take pride in himself without comparing himself to somebody else. —Galatians 6:4

Q&A

Client: Should I process my company's payroll myself?

BKC: For 150 or less employees, "no." We are a strong believer in using payroll Services. The Service handles everything from calculating wages and taxes, to paying the taxes to government institutions, to filing the govt required forms in a timely manner. The burden to keep up on tax tables and filing regulations is well worth the price to pay a Service. More next



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ACCOUNT-ABLE

In our new series on cash flow, we are first discussing managing your Accounts Receivable (A/R). A/R implies, just to recap, that you have earned the income (provided the service or given the product) and now you are waiting to collect it from your customers.

A/R management is critical to business. In fact, this past year, we know of at least one company that had to close *because* their A/R was so high (customers who owed but had not yet paid) that the company could not wait any longer to pay their own debts and had to close the business.

Here are some tips to manage A/R:

- Don't let it get too high. Allowing your customers to rack up unpaid invoices can be trendsetting. Let's say you sold your customer a "widget." She didn't pay, but ordered another widget. She still hasn't paid but she order another widget. Their A/R is 3 widgets.



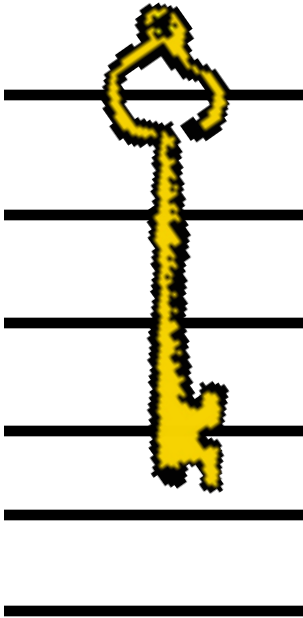
Your company is out-of-pocket on the cost of those widgets, and your customer is selling the widget to her customers and probably paying another vendor with that sales money. Determine your "cap" for an un-paying customer and create a payment plan for them to pay it off before the next order. Don't let one customer rack up!

More tips next month.

Calendar

February 12-28th
Winter Olympics (NBC coverage)
Sunday, February 14th
Valentine's Day
Monday, February 15th
Presidents' Day (observed)

The Sound of Business...



We continue our review of the 2010 Quickbooks Pro version including tips and tricks:

- Other Names list: we are not an advocate for using this list. This pops up when you go to Add a name to a list. We encourage only using two Name lists: Vendors and Customers. Many clients are tempted to use Other Name for things like Bank Charges or restaurants. Things that they feel or not really vendors. Here is the drawbacks of Other in Quickbooks:
 - A) You can't track the activity in the Vendor Center
 - B) You can't 1099 the vendor if you decide after all that they are 1099-able
 - C) You can accidentally add the same vendor under Vendor and Other (with a slight variation of spelling) and not realize you have the vendor in your system twice.
- Cleaning up Other Names list: Go to Lists, Other Names. Double click on the Name. On the right hand side it says, "Change Type." Click that and select Vendor (or customer if it should have been a customer). Click OK. The pop up will say you can't reverse this change. Click OK and you have now moved that Other to Vendor or Customer. Do this for all the Other Names.
- Just a recap on Name Lists: You don't really need to use Other and you definitely don't want to use Employee (unless you are using the full payroll module feature in QB. If you are, see our Q&A this month). Even if you have employees and are using a payroll service, do not set your employees up in QB as Employees (set them up as Vendors) because QB will start showering you with pop-up screens reminding you about all the different payroll reminders it has embedded in the program.



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www.ftc.gov
www.catchtheday.com
www.business-keepers.com
www.vancouver2010.com

Enjoy the Olympics!

Katch the Day



We detour from our central California KTD series to remind you of a rare treat that only happens every four years in February: Winter Olympics! They are here (well actually in Vancouver Canada) on NBC every day from February 12-28. We want to pay our respects to the family of Nodar Kumaritashvili. He was a luger for the county of Georgia. At the press time of this newsletter, on opening day, Nodar was on a practice run and on the 16th turn flew out of the track and died. The opening ceremonies were dedicated to the 21 year old.

In memory of Nodar and in the nature of the Olympics the athletes push on to earn the medals of highest achievement against the best who have gathered from around the world. We have that rare opportunity every two years (summer Olympics are in London in 2012) to sit in front of our TV and watch the best of the best compete for the best awards given a professional athlete. Sometimes it comes down to milliseconds, and sometimes it comes down to grace on ice. Whatever your preference, whatever the athlete, it's all here, crammed in 14 days of non-stop adrenalin.

There are some returning favorites to the men's speed ice-skating, and couples ice dancing. Watch the behind the scenes on these athletes and more that have come from behind, or the ones that were injured earlier in the year and have returned from the casts, pushing out the pain, and pursuing their Olympic dreams.

It is awe inspiring, sometimes painful to watch, as they reach but don't quite make it. We feel their pain, and we feel their victory. What a joy it is to be an American and to have 215 athletes represent our great county. Business-keepers salutes our athletes and prays for the family of Nodar.



KATCH THE OLYMPIC MOMENTS AND LEAVE THE BUSINESS-KEEPING TO US!