

## Mar"key"t place

Oh, the fun of networking. We are enjoying our stroll through this series on successful networking.

The close of the event is actually when most of your leads and discussions will occur. Here is what happens after a networking meeting:

- Fellow attendees have had a chance to think about your service (from your fantastic commercial) and want to ask questions about your business. Make sure you have business cards ready.
- You'll be hit up by other attendees



who want to talk to you about their business. Be a good listener.

•Networking is also a social event. Entrepreneurs are so busy running their business, they rarely have time for a leisurely meal. They use the networking meeting as an opportunity to see fellow business owners, promote their business (you always have to market your business), and get a meal at the same time. So, enjoy the company and the food.

- Seeing is believing. People want to refer a business with whom they are familiar (even if they never use your services personally). If you keep showing up at the networking events, eventually you'll get to know "the regulars" and they will get to know you.

Next month:What to do after you leave the networking event.

## Quote

As Mary wept, she bent over to look into the tomb, and saw two angles in white. They asked her, "Woman, why are you crying?"

—John 20:11-13

## Q&A

**Client:** Can I 1099 employees (continued)

**BKC:** No. However, the exception is if the compensation is for completely different work.

For example: You are a mortuary and Bob is part of your W2'd office staff. Bob is also an ordained priest who officiates funerals. You can 1099 Bob for officiate work because that is his licensed career and it is completely unrelated to his regular work with your company.



# KEEPING LEDGER

The Official Newsletter of  
*business-keepers consulting*



the KEY to keeping business<sup>(R)</sup>

Issue 3 MARCH 2008 Volume 7

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## ACCOUNT-ABLE

In our last series, we discussed how to properly close your books for the year. If your company's fiscal is the same as a calendar year, then you have probably completed this process by now.

One of the subjects that came up through this closing series was Loans from Officer. Let us delve into this liability account.

First of all, if your business is a corporation (S-Corp, C-corp, LLC), you are an officer, not an owner.

Secondly, an officer loaning the corporation money is a lot different than an officer putting up the money for the initial investment in the company. The initial monies to get the business started is not to be paid back because it is the capital basis by which you value your investment in the company.

Another way of saying it is Capital is Equity in the corporation. Quickbooks software has its own type specifically for Equity accounts. Another example of equity would be Retained Earnings, and additional capital paid in, during the life of the corporation.

Now, shareholder loans is when a shareholder, i.e. an officer, has to put more money in the company, to which hi/she will be paid back at a later date.

It's important to capture shareholder loans accurately in accounting  
Continued under Sound Of Business...



## Calendar

Sunday, March 9th  
*Daylight Savings Time (forward one hr)*  
Sunday, March 16th  
*Palm Sunday*  
Thursday, March 20th  
*Good Friday (some observed)*  
Sunday, March 23rd  
*Easter*



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

because it could be miscoded as income and then you are paying income tax on money you, the officer, loaned the company.

For example, your cash flow is tight, so you pull funds from a personal account and deposit them into the corporate account. The accounting entry would be a debit to the corporate checking account (an asset; which would increase the balance) and a credit to Shareholder Loans (a liability; which would increase the liability account). Notice that no where in this entry is anything recorded towards an income account. That is because a *loan* from an outside source is *not* income, it's a loan—to be paid back.

The same theory goes for other types of funds deposited into the bank account that are *not* income such as loans drawn off of a credit card account. Let's say, again, you are in a cash crunch. You pull \$10,000 against your bank credit line, or a credit card account. You would debit the bank account (an asset; this would increase the balance) and credit the credit line or credit card account (both are liability accounts; this would increase your liability to the institution with which you are borrowing). Note that nothing was recorded to income and yet your bank balance went up. But also note that your liability went up. When someone looks at your Balance Sheet report they'll see you have money in the bank (asset), but they also see the debt (liability) you are carrying that encumbers that money.



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### Important Websites:

[www.irs.gov](http://www.irs.gov)

[www.edd.cahwnet.gov](http://www.edd.cahwnet.gov)

[www.boe.ca.gov](http://www.boe.ca.gov)

[www.ftc.gov](http://www.ftc.gov)

[www.sandiegozoo.org](http://www.sandiegozoo.org)

[www.katchtheday.com](http://www.katchtheday.com)

[www.business-keepers.com](http://www.business-keepers.com)

**Spring starts March**

**20th. Plant some**

**flowers and**

**remember Easter.**

### Katch the Day

The butterflies are back at San Diego's Wild Animal Park from March 15th through April 6th. This annual tradition is something you can Katch (pun Completely intended) every year and still marvel at the wonder of these delicate creatures.



This enchanting experience is captured in the Hidden Jungle, an aviary with a tropical like setting. If you stand long enough in one place you are almost guaranteed a butterfly will land on you. Then, depending on how still and patience you are, the little creature will rest on you for quite some time. Last year, we saw a woman sitting on a bench, who had three butterflies on her. One on her head, back, and leg. She was quite still and content to let her children swarm around her in amazement.

As if a wonderland of butterflies wasn't enough, the Park offers hundreds of exotic orchids to view in full bloom in the Nairobi Village.

Speaking of the Wild Animal Park, now is a good time to register your kids for the camps the Park has to offer in the summer. From first grade up through 9th, there are tailor made camps depending on your child's age and interest.

We recommend becoming a member of the San Diego Zoo. It includes access to the Zoo and Wild Animal Park, plus a monthly magazine and discounts.

**KATCH THE BUTTERFLIES (figuratively of course), and LEAVE THE BUSINESS-KEEPING TO US!**

