

## Mar"key"t place

Vendor relations is a big part of business. Our series on this issue continues with the initial start/set up stage.

Here are some more suggestions during this set up stage:

- Move beyond the Prince salesman: make it a point to learn his contacts at the company. Typically the salesman is out of the loop once the contract is signed. You are then shuffled to the administrator or clerk who handles your new account. Get to know that contact, but never let the salesman "off the hook" for service. If you



have problems, pull the salesman back in to resolve your concerns.

- Don't let a bad honeymoon turn into a bad marriage: If you find that your new vendor relation isn't working out at all like you were promised, pull the plug now. Don't wait until the salesman is no longer with the company, or you've paid out for months of service and received nothing in return. It's easier to get your money back when the relation is still in the initial stages. In fact, many times you can renegotiate the contract early on if they see you are ready to walk. After all, they too are still in the honeymoon stage. You are not yet a number to them.

- Sometimes that vendor never lives up to their promises or fees and you do have to walk away; even without a refund. You'll be better off in the long

### Quote

**The prudent see danger and take refuge, but the simple keep going and suffer for it.**

## Q&A

**Client:** What benefits can I offer to retain employees (continued)?

**BKC:** Sick time off. Giving employees a day, or several days a year to call in sick (and yet still

be paid) is a great benefit. They can be sick in bed and know they still have that day's income coming in.

They will be more inclined to make up for lost time upon returning to work. The company is not out of money if the employee catches up on the work without overtime.



# KEEPING LEDGER

The Official Newsletter of  
**business-keepers consulting**



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## BUSINESS-KEEPERS CONSULTING

...the KEY to keeping business.

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## ACCOUNT-ABLE

Our series on payroll issues continues with a mini-series on *pay period vs. pay date*.

Pay Period (PP) is the amount of actual days worked between paychecks. Some people believe this to be the last day before the check is cut. This is not a very good cut off for PP for several reasons:

- It takes some time to calculate the hours of each employee who worked in the pay period. Let's say you pay every other week. You have to calculate each employee's time for the last 14 days.

- Time cards are not accurate or submitted timely. You have to allow some time for your employees to complete their time cards and you to verify the time. You don't want to assume they worked a full 8 hours on the day you are cutting the payroll checks. Allowing the PP to fully end before calculating the time is more efficient.

- Authorization. You might require time cards to be authenticated by the supervisor first. This takes time, too.

We continue the difference between PP and Pay Dates next month.



### Calendar

Sunday, March 8th

*Daylight Savings Time Begins*  
*("spring" clock forward 1 hr)*

Monday, March 15th

*Corporate tax returns due*

Tuesday, March 17th

*St. Patrick's Day*

Friday, March 20th

*Vernal Equinox (Spring begins)*

Wednesday, April 1st

*Sales tax increases by 1%*

## The Sound of Business...

It finally happened. The powers that be in Sacramento **raised the sales tax rate by 1% effective April 1st, 2009**. No, this is not a joke. All sales tax in California is increased by 1%. On May 19th we vote on whether the tax rate increase expires on July 1st 2011 or July 1st, 2012.

If you are using Quickbooks to calculate your sales tax, you will need to set up a new sales tax *item* for every county you sell product in so that invoices are calculated correctly. If you use the lower tax rate after April 1st (calculate it wrong), your company will have to make up the difference when you file your sales tax return.

Here are the new rates for the surrounding counties: Los Angeles County: 9.25%, Orange, Riverside, San Bernardino, and San Diego Counties: 8.75%.

We will give a refresher course on sales tax next month. Suffice it to say, you need to prepare in March for this change. If you are using Quickbooks to calculate your sales tax follow these prompts to add the new rate as an item so your invoices are calculated correctly:

Go to Lists, select Items List. At the bottom of the Item List box, click Item button, Select New. Select Type, Sales Tax Item. Complete this New Item box just as the existing sales tax item is completed. Make sure you put the *new* rate in, and call the item something slightly different than the existing item for that county. You will have to do this for all the counties in which you sell. If your sales tax items are "grouped" you will have to regroup them with the new tax rate. Don't forget to select the new tax rate on invoices effective April 1st.

**Business-keepers will set up the new rate sales tax item for our regular clients during the March accounting visits. If we do not see you on a monthly basis, please schedule a March appointment.**

**TAX ALERT: SALES TAX HAS INCREASED BY 1% EFFECTIVE APRIL 1st, 2009**



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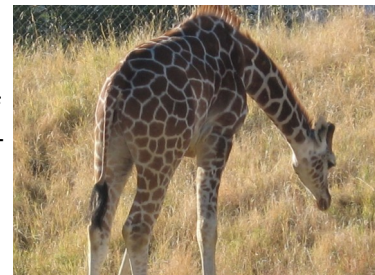
PAPERLESS NEWSLETTER: Sent via email. Please feel free to read and pass on this newsletter to any of your associates and friends. As always, we welcome questions and comments to rhonda@business-keepers.com.

### Katch the Day

Every great town has a great zoo, and the Palm Springs area is no the exception. Palm Desert is home to a wonderful zoo called The Living Desert. The area is nestled between the desert mountains and the vast open space, right off the main drag, Highway 111.



The Living Desert offers a comfortable, up-close encounter with the giraffes. They have built a platform so that you are near mid-neck level of the tall animals. You can sit down, under wooden covering and eat your lunch as you watch the animals graze on theirs. If



you get their early, you can feed the tall creatures yourself. During Spring break, on Mother's Day, and Father's Day, Living Desert offers a Breakfast Behind-the-Scenes. For \$45, you get a continental breakfast and a shuttle tour of the park with special attention to the giraffes.

If you're looking for a more aggressive animal than the quiet giant, you can visit the cheetah domicile. These beasts are so beautiful in this setting. You have to train your eye to see their coats as they blend in very well with the desert colors.

The most unexpected thing we found at the Living Desert was its vast miniature train display. The zoo has gone to great lengths to represent every imaginable type of business, corner of town, and train car you would find all represented in one very large train display. You can sit and watch the trains meander around in and out of each division of the tracks. It's quite mesmerizing. Visit Living Desert in the spring, when the weather is a perfect backdrop for this wild wonder.

**KATCH THE LIVING DESERT AND LEAVE THE BUSINESS-KEEPING TO US!**

### Important Websites:

www.irs.gov  
www.edd.ca.gov  
www.boe.ca.gov  
www.ftc.gov  
[www.katchtheday.com](http://www.katchtheday.com)  
[www.business-keepers.com](http://www.business-keepers.com)  
[www.livingdesert.org](http://www.livingdesert.org)

### Sales tax

increases 1%

effective

April 1st, 2009 !!!