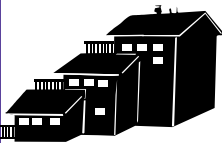


Home sweet HOA

In our current series on Budgets and cutting costs, we want to focus on the importance of creating a good budget. It is easier to collect on monthly dues if the homeowners (members of the association) understand what their money is being spent on.

Here are some tips on creating an effective budget:

- Be specific. Members will better understand when their dues are being spent for Sprinkler System Repairs rather than just "Repairs and Maintenance." There are a sundry of things that fall under Repairs & Maintenance. Breaking down the items on the budget will give value to the members and the board.
- Correlate with the reserve study. Budgets should have the reserve study needs factored into the analysis. Budgeting for month to month costs is a given, but members need to understand that part of their dues are going towards future costs as outlined in the reserve study. Otherwise a special assessment will be forthcoming. The roofs and other major repairs are inevitable and must be accounted for in the budget.
- Be balanced. Finding that balance between paying all the expenses and covering reserves for that year might not be possible. Consider costs that can be cut for a year, without raising dues..



Quote

With a loud cry, Jesus breathed his last. The curtain of the temple was torn in two from top to bottom – Mark 15:37-38

Q&A

Client:What kind of payroll service should we use?

BKC: Though we are fierce Quickbooks (QB) users, Intuit (the makers of QB) does not have a strong payroll module.

We strongly discourage our clients from using QB to process payroll. We also do not like ADP. Their customer service department is very weak. Payroll Service is an item that "you get what you pay for." Tips on choosing a service next month.



KEEPING LEDGER

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ACCOUNT-ABLE

We continue our series on controlling cash flow for your business. We now tackle some Accounts Payable management; here are some tips:

- Enter everything! Quickbooks has a nice A/P module built in. If you aren't using it, you are probably stacking the unpaid bills in a pile, then each time you have funds, you go through the stack and determine what you can pay. Instead, enter bills into QB, then run the A/P Aging summary report and review what you owe and want to pay using this report.
- Use the purchase order (PO) feature in QB. The purpose of a PO is to create a first step in purchasing product. In QB, (or any accounting software) you enter a purchase order to establish that you have ordered a product (material) from a vendor. Then when the product arrives, you match the PO to the vendor bill. QB allows you to import the PO info into a bill (from the vendor), that reflects on the AP Aging. The main objective of the PO is that it is the documentation, prior to receiving the vendor bill, that tells you that you have a bill forthcoming from a vendor and to plan accordingly to allow for proper cash flow needs
- Review open POs regularly. Keep track of partially fulfilled POs. Make sure you are not charged for backorders until they actually arrive



Calendar

Sunday, April 4th

Easter

Thursday, April 15th

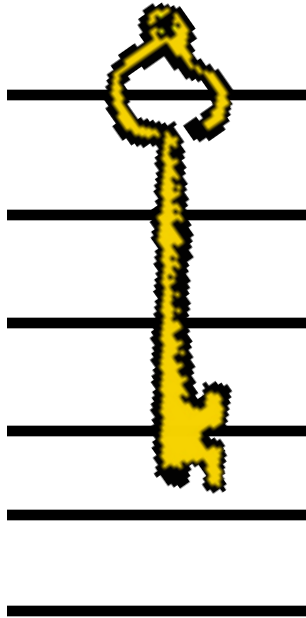
Personal tax returns due

The Sound of Business...

We continue our series on Items. Items, as we discussed in last month's issue, is QB's internal way of keeping track of different types of products bought and sold for your company. Each *type* of product has its own item (assigned by a "name" that describes the item, or by a number, such as a barcode), then that item is "mapped" to an account on your chart to flow onto your Profit & Loss Statement.

Continuing along those lines, for inventory purposes (and we don't encourage heavy use of the inventory feature in QB; see caveat last month), you will also need to assign an inventory account for that item if you want to keep track of quantity on hand.

More detail on Inventory account: this will be an asset account. You only use it if you are using the inventory feature in QB. This means you want to keep track of how many you have on hand. If, however, you buy a product from a vendor, and turn around and sell to a specific customer, then that isn't really "inventory" so much as a "non-inventory" item. The difference in QB is that QB doesn't require you to keep track of inventory quantity with non-inventory type status. We encourage clients to use the non-inventory type if the company doesn't need to keep track of quantity on hand. Another way of saying this: if you have a home theatre company and you purchase a plasma screen for a particular job, you want to "item" the screen on your customer invoice so you can keep track of the sales of plasma screens, but you can use the non-inventory feature of the item. You don't need to keep track of how many plasma screens you have on hand because the price and nature of plasma screens, you wouldn't stock up on these large items. You buy one when you know you will be selling and installing it. More next month...



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www.business-keepers.com
www.nps.gov/npweek/

**Jesus's passion is
our blessing.**

Happy Easter!

Katch the Day



April 17-25 is National Park Week in America. The National Park Service (NPS) is waiving park fees for the entire week on all 392 parks in the nation. If you haven't been to a national park, this is the month to go. Just about every park is now open (from the winter closings) and the arid parks are not too hot to visit this time of year. Death Valley, for example, offers a variety of flower blooms.

If you can make it to Yosemite, the most popular park in the nation, the waterfalls are full this season. By August they are half the size, but still beautiful. Also in Yosemite is Tuolumne Meadows in the northern part of the park. The wildflowers in bloom are a sight for winter sore eyes. Visit the Meadows later in the spring to avoid any left over frost

We recently took a drive to Sequoia, our nearest national park. Just driving past the grapevine (from L.A.) you get a view full of purple flowers. Driving into the park, through Three Rivers town, you hear a nice rush of water flowing through the riverbeds. The snow is melting and the new growth is popping up. We actually got to play in the snow around General Sherman. Yosemite saw over 8 feet of snow. What a treat to see Sequoia on the first day of spring this year! Do try to see wonders of our National Parks before the summer rush comes.



KATCH THE NATIONAL PARK WEEK AND LEAVE THE BUSINESS-KEEPING TO US!