


Mar"key"t place

During slow economic times, maintaining strong relationships is what will get you through. Vendors can be your lifeline or your curse, depending on how you treat them.

We continue our suggestions on how to keep your vendors happy when your cash is not flowing well:

1. Keep the doors open: Pay utilities and phone. Without light or the ringing of phones, you have no business.

2. Insurance: consider cutting your coverage, but not too much. Many

 companies are canceling their insurance all together. This is not wise. You work too hard for your business to not be

covered by accidents. Don't let your workers comp and liability lapse. That's a false sense of security that you are covered when you are not (if your premium is not paid).

3. Credit Cards: Pay minimums. The CC companies won't close your doors as fast as your unhappy vendors will cut you off.

4. Keep it out of 90 days: Do your best to keep vendor bills from becoming 90 days past due. It is better to be a little more late on vendors who are only 30 days past due then to let another vendor slip past 90 days.

5. Keep your promises: If you tell a vendor you are going to send money, do it. Don't promise what you can't keep.

More next month.

Quote

A time to embrace and a time to refrain.

-Ecclesiastes 3:5

Q&A

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

BKC: Personal days or Personal Necessity (PN) days off. Some companies, instead of giving sick days, give PN days.

PNs are a better name for days off that are not vacation related. You don't have to "call in sick" to take time off for daughter's graduation. It's a *necessity* to take care of family business. There is no guilt associated with this allowed time off.



KEEPING LEDGER

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ACCOUNT-ABLE


Paying overtime (OT) to employees is becoming a real financial burden during these economic slow times.

Sometimes an employee works overtime because they took time off for sick or vacation and they are "catching up" on their work. This can be avoided, as we started to discuss, last month. Here are some other ways to avoid OT:

1. Prepare the employee for time off by delegating some of their tasks to employees who are staying at work.

2. If the employee's time off was unexpected, start spreading their work to other employees while the absent one is gone. This actually is a very good exercise in cross training

3. Do the work yourself. Instead of letting the absentee's work pile up, sort through it yourself. Many errors and omission are discovered this way. Fortunately,

 we have seen embezzlement discovered this way when a bookkeeper is sick or on vacation for a period of time. By attending to the day to day task of an employee who is absent, you find out what their routine is and how well, or not so well, they are performing their job.

Keeping OT to a minimum will cut costs.

Calendar

Sunday, June 14th

Flag Day

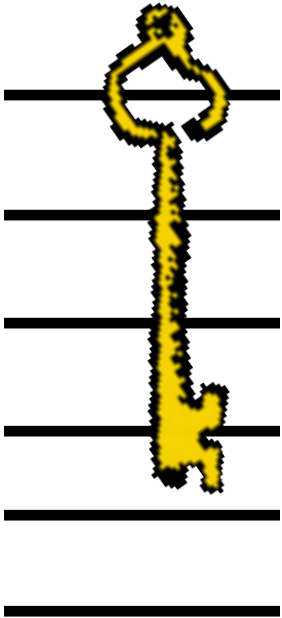
Monday, June 15th

2nd 2009 estimated tax pmt due

Sunday, June 21st

Father's Day and Summer Solstice (longest day of the year)

The Sound of Business...



So our readers might be saying, "The Sound of sales tax business is confusing." Don't feel bad. Tax, in general, is never simple. We continue to unpack this sales tax machine in this series.

Last month we described how sales tax is collected—by the merchant (company selling the product). The company posts the sales to income and the sales tax to liability. Next, the sales tax must be paid to the State Board of Equalization (SBE). (By the way, have you ever thought about this name? Equalization? Scary name. At least IRS has the word "Service" in their name. A little accountant pondering moment). We have to back up here and establish how the company came about collecting sales tax to begin with.



A company that sells merchandise to the public is required by the SBE to collect sales tax. In order to "register" as a sales tax collector you have to obtain a Sellers Permit from SBE. This is a free process. You complete a two page form, stating your name, company name, ID, bank information, product you will be selling, and estimate how much of it you will be selling. Based on the estimate, the SBE will determine at that time how often you are to forward (pay) the money you collected, to the state and how often you are to file a Sales Tax Return reporting the money you collected. Forwarding the money and reporting it don't always happen at the same time. Depending on your volume of sales, the SBE might have you make monthly payments on the tax you collected, but only report the sales tax on a quarterly basis. The three common tax filing statuses are: monthly, quarterly, and annually.

A company wants to obtain the Sellers Permit immediately upon or even before opening its doors. Why? Because the Permit is proof to your wholesale distributors that you intend to resell their product, and thus you can buy your product without paying the, sales tax. Remember, sales tax is only charged to the end user who "consumes" the product. More next month.



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Important Websites:

www.irs.gov
www.edd.ca.gov
www.boe.ca.gov
www.ftc.gov
www.katchtheday.com
www.business-keepers.com
www.huntington.org

Happy Father's Day.



Katch the Day

The city of Huntington Beach, California was named after Henry E. Huntington. His estate is actually located in San Marino in LA County. In 1919 the estate and its art and book collection was transferred over to a nonprofit educational trust called the Huntington Library and Botanical Gardens. Huntington died in 1927.

We recently visited Huntington and found that you can spend the entire day there and still not see it all.

The gardens alone are a wonder. There is just about every climate represented, from the desert scene to the Japanese gardens. (No picnicking is allowed). Huntington has the Rose Garden Tea Room that requires reservations and costs \$25 per adult. For our tea drinking clients, this is a must! The other food option is the Café which has pre-packaged sandwiches and a cook to order grill. We found the grill service very slow, though. Seating inside is minimal, but ample seating outside, which is more suitable considering the surroundings. For environmental reasons there are no lids or straws for the drinks, a creature comfort we didn't know we would miss so much.

There are free walking tours about every two hours starting at the bottom of the stairs, once you pass through the main entrance. The tour will point out the various plants and history buildings of the estate. There is one plant that dates back to the dinosaur ages!

The cost is \$15-20 for adults, \$10-15 for seniors and kids. There is no benefit to ordering tickets in advance and the membership fees seemed a bit high. The library is open 4.5 hours during the week and 6 hours a day on the weekends, closed Tuesdays.

TAKE IN THE HUNTINGTON AND LEAVE THE BUSINESS-KEEPING TO US!

