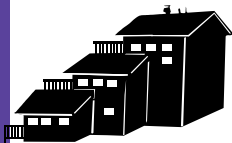


Home sweet HOA

Dare we say it: It's time to work on the annual budget for many HOAs. The California laws are strict on HOA record keeping and reporting requirements. Associations must prepare a pro forma operating budget each year which projects income and expenses for the upcoming year, and the amount to be reserved for future repairs and upkeep. A summary of the full budget must be given to each owner. Here are the things to include in the annual reporting:

1. A notification that board minutes are available, how and where
 2. A notification if the association board anticipates a special assessment
 3. A statement describing how the reserves needs were calculated
 4. A notification of the association's policies on collections.
 5. A summary of the association's insurance coverage
 6. A summary of the association's process for disputes and resolutions.
- Completing the new year's budget early is important to allow time for disseminating the information to the owners should a dues increase be in order. We have found packing all of this information above in a newsletter format, with clear fonts and headers helps the owners digest the material easier.



Quote

No power in the sky above or in the earth below—indeed, nothing in all creation will ever be able to separate us from the love of God that is revealed in Christ Jesus our Lord.

—Romans 8:39

Q&A

Client: How do I chose a payroll service (continued)?

BKC: Make sure you have a good, working relationship with a sales rep of the payroll service. This rep will help you cut through the red tape and wall-hitting policies when you have a payroll snag and need a little special attention to get the payroll issue resolved. Lastly, have your accounting service verify year end PR reports against the YE financials.



KEEPING LEDGER

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ACCOUNT-ABLE

We finished our side-bar series on checkbook reconciliation last month, and resume our series on cash flow management. The next step to good cash flow management is, well, cash! Cash is a strange, bitter-sweet asset. It is fun to receive a nice, crisp dollar bill in your hand, but oh how quickly it leaks through the cracks of your fingers. Cash is a deep, wide subject so we will take the rest of the year discussing it as we wrap up this cash flow series. Here are some points about cash to start:

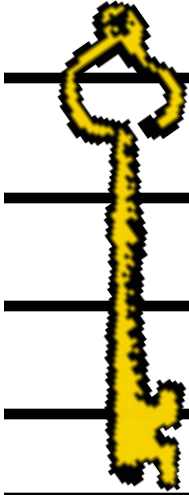
1. Cash is King. You can get a better deal with vendors, sometimes, if you pay them cash.
2. Receipts are fame-fleeting. If not preserved and stored properly, the product purchased with cash will not be a write off. You cannot "guess" how much you spent cash on then expense it on your books. You *must* substantiate cash with a receipt, and be able to retrieve it years later, if audited.
3. Cash leaves change. Where there are dollars, there are cents. Record keeping of \$100 cash, less the change back can be time consuming. (Much more on this later because Petty Cash falls in this area)
4. Cash if fast. Second only to debit



Calendar

Monday, September 6th
Labor Day (observed)
Saturday, September 11th
Patriot Day
Thursday, September 23rd
Fall Equinox

The Sound of Business...



card activity, cash is spent faster than any other form of money. Try this experiment. Put five \$20 bills in your pocket and time how long it stays in your pocket. Pretty soon you have spent \$100 and have receipts for maybe \$45 of it. So that means \$55 of the money is not tax deductible because you have no proof you spent it on business related items. (Refer back to # 2)



5. Good receipts. Vendors will take your cash but have you seen their receipts? A lot of times their company name is omitted, no detail on the item sold, and you have to search high and low on the receipt to find the date, if there is one.
6. Who has the cash? Keeping track of cash given to employees for business expenses then collecting receipts and change is very time consuming and begs for mistakes and missing quarters.
7. Anonymous. Cash does give anonymity. By using cash you are not having to disclose to Office Depot's marketing collectors what you spent your money on. You are not having to explain your purchase to a noisy vendor who might be interested in your newest invention.

Yes, cash has its advantages and disadvantages. We'll discuss in the new few issues how to keep track of this fast-spending asset in your accounting system.



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Our annual CHOC walk fundraiser is in Oct. Please consider sponsoring our team!

Important Websites:

www.irs.gov
www.caiooc.org
www.edd.ca.gov
www.boe.ca.gov
www.ftc.gov
www.catchtheday.com
www.business-keepers.com
www.nps.gov/olym



Katch the Day

WOW! That's the first word that comes to mind when we start reflecting on our Washington trip this year. We put 4000 miles on a Toyota Sequoia as we rode in style and comfort the whole way. Our first destination was Olympic National Park in NW Washington State. We walked through two temperate rain forests (not to be confused with Africa's tropical rain forests). The coniferous trees are hundreds of years old. You

cannot see the forest floor except for the little walking path you are on. Unlike most national parks that restrict you with fences, ropes and many signs, in Olympic there are one or two signs that ask you to keep on the path and the rest is left to your understanding of preservation.

A nice treat for us, but unfortunate for the park, is that we were unencumbered by large crowds. The park is not that easily accessible (like Yosemite and Sequoia in California) from a major city. Olympic is a large park with multiple points of entry, but no roads going straight through it. Other reasons leading to the sparse crowds are one lane roads entering the parks, only one campsite takes reservations so most of the large park is first come first served. The visitor centers, though staffed with friendly rangers, do *not* offer a) the commercial comforts such as lodging (camping only), b) a decent souvenir selection, and c) most importantly there are *no* shower in the entire park. Talk about inconveniences. But oh the beauty and wonder of this place!



**Thank a veteran
and fly your
flag on month!**

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