



NO FUSS
ACCOUNTINGSERVICES

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Ten Reasons Why New Businesses Fail

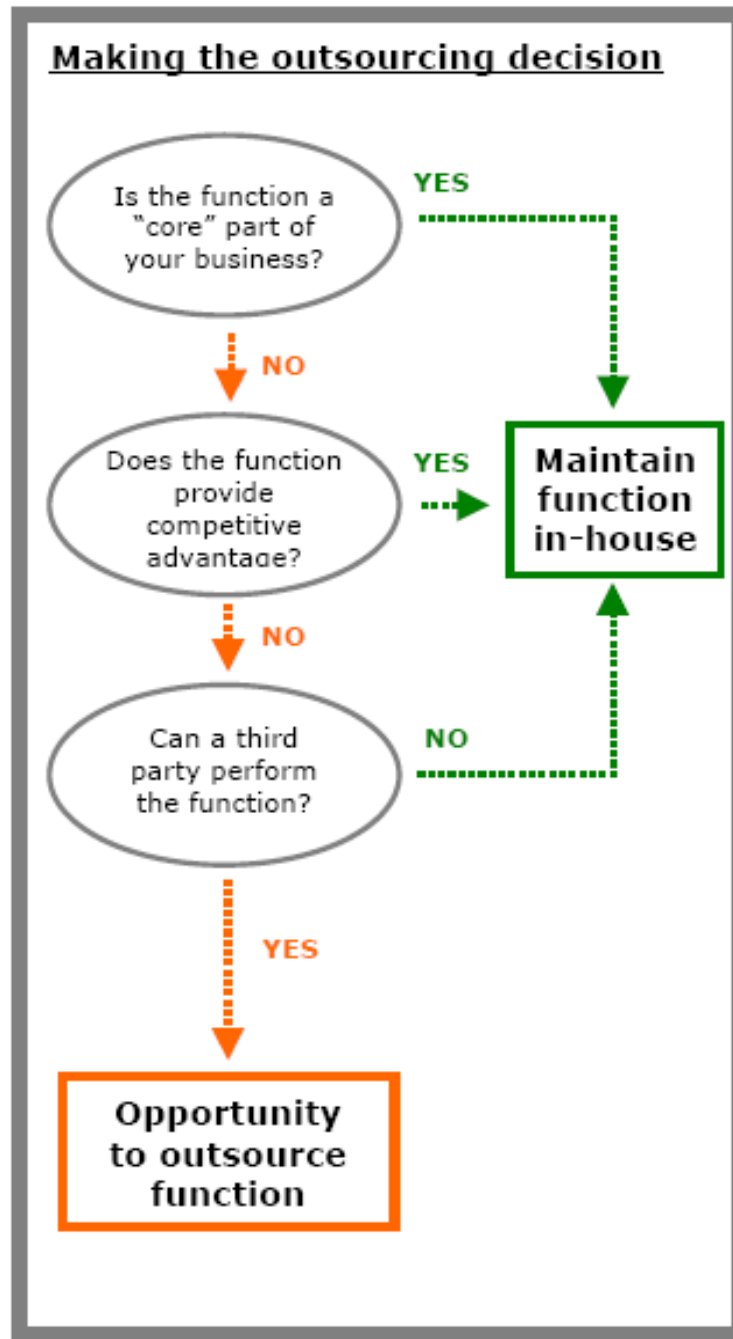
1. Lack of Industry Experience and Knowledge
2. Insufficient Start-up Money
3. Failure to Understand Market and Customers
4. Poor Employee Management Skills
5. Wrong Location
6. ** Improper Pricing of Product or Service
7. Failure to Understand and React to Competition
8. ** Incorrect Cash-Flow Estimates (Poor Budgeting)
9. ** Insufficient Time Devoted to Business
10. ** Mismanagement of Assets
(Cash, Inventory, Receivables, Fixed Assets)

** DEALS WITH THE ACCOUNTING FUNCTION OF BUSINESS

The Accounting Function

1. Determine the need for your business
2. What are other companies using?
3. What functions do you need the system to perform?
4. Who will be using the system?
5. Do they have the proper knowledge?
6. Will off-the-shelf software work?
7. What back-up methods needed to keep records safe?
8. What "hard copies" are necessary to print?

When should you consider outsourcing???



Difference Between Bookkeeping & Accounting

- Bookkeeping is the process of recording the various transactions of a business, mostly mechanical in nature.
- Accounting, sets up the bookkeeping system, and monitors it to make sure the system will produce accurate financial data for management.
- In most large companies, there are several accountants overseeing various bookkeeping functions with the “Controller” overseeing everything.
- In a small business usually one person, outsourced or in-house will perform most of the functions.

Accounting Systems

1. Quickbooks Pro www.quickbooks.intuit.com
2. Peachtree www.peachtree.com
3. Simply Accounting www.simplyaccounting.com
4. MYOB Accounting www.myob-us.com
5. Microsoft Office Small Business Accounting
www.office.microsoft.com/accounting

**ALL OF THE ABOVE HAVE SOME TYPE
OF TRIAL VERSIONS AVAILABLE.**

Business Expenses

To be deductible as a business expense it must be **ORDINARY AND NECESSARY** to your business.

Ordinary: common and accepted in your field of business

Necessary: appropriate and helpful for your business

Advertising

Expenses confused with advertising:

1. Goodwill
2. Lobbying expenses and political contributions
3. Business Gifts
4. Meals and Entertainment

What you may think of as promotion and therefore deductible as advertising costs, the IRS may categorize as a different kind of deduction....

Meals & Entertainment: Regardless of your business reason for paying for the meal or recreational event, the cost may **NOT** be treated as an advertising expense.

Meals & Entertainment

ALWAYS separate out from any advertising/ promotional expenses or Travel.

Many people group "Travel & Entertainment" together **BIG NO NO!!**

Should be separate. Travel expense and then "Meals and Entertainment"

WHY??

Travel expenses are 100% tax deductible

Meals & Entertainment are only 50% tax deductible

One exception to the 50% rule Inviting the entire "public" to your event. Then the full 100% of the event is deductible.

Can not deduct regular meals for yourself while working, if no over night travel is involved.

Meals & Entertainment

To ensure deductibility document the following for each expense:

- Date
- Cost
- Type of entertainment, if not obvious
- Business purpose
- Business relationship

Business Gifts

There is a limit. Only \$25 per person annually. No matter how much you spend only the first \$25 is deductible.

No limit on items you “give” away. As long as under \$4 each, and has the company name on them. (Pens, Magnets, calendars, etc)

To ensure deductibility document the following for each gift:

- Name and business relationship
- Cost (keep in mind \$25 limit)
- Description of gift
- Business reason for the gift
- Date

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