

THE FINANCIAL EDGE

November 2017



Family and the Holidays

Personal comments by Mary

I struggle with change. Change just takes time, sometimes more time and energy than I care to put forth. When things aren't working I need to stop, take a step back, assess the situation, search deep inside to discover what I am trying to achieve and then make an intentional choice. Holidays are a test for me.

For the first 30 years, I did not have to change. I spent Thanksgiving and Christmas Day at my parents' house with my parents, my sister and my brother. It was very predictable, expected and was what I needed at that time. All that changed when I got divorced. I had absolutely no idea how I complicated future family interactions. I now had to share my boys' time with their father. Then later with their stepmother. I had to give up the holiday traditions that I grew up with and cherished. So when my boys were 2 years old - I gave up celebrating Christmas on December 25. Thanksgiving was easier to adjust to – they didn't like turkey.

Now at holiday time, I have to stop, step back, assess the situation, search deep inside to discover what I want to have happen and then make an intentional choice. All this requires extra care for there are many people involved. Steve and I have 5 kids located in 4 states, 3 grandchildren in 2 states, one parent alive and remarried, three ex-spouses that are still involved and two children with in-laws to balance time with. Each year poses a unique situation and precious opportunity to see and share the beauty and love around us.

Releasing the pressure of that one day of the year opened my eyes. Every day is magical (*if I remember*), not just holidays. This time of year reminds me to be thankful every day for the time I spend with my loved ones. It also creates a trust that God is always here, not just on that day.

Have a blessed Thanksgiving and a Merry Christmas!

Mary Guldán-Lindström



Working with Mary has always been a pleasure. You provide wonderful, efficient service during tax time and year round. I always recommend you to people when I hear they are looking for a great accountant!"

Anna Hartshorn,
Owner and Designer of
"lilafrances" found on Etsy
Proving that you can make
a living "twisting wire"

*Your referrals are appreciated and
will be treated with utmost care!*

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Or emailing Mary@focus-cpa.com



The Book Review

Title: Right Away & All at Once

Author: Greg Brenneman

Topic: Business Management

Easy to Read: \$\$\$\$ (5 out of 5 dollars)

Applicable to Small Business: \$\$\$\$ (5 out of 5 dollars)

Summary: The author, Greg a turnaround business consultant, shares his system that has worked remarkably well for him in his personal and business life. A concise process to sort and clarify the important decisions and what actions to take to get remarkable results. He tackles day-to-day decisions, sorts through the clutter of life and stays true to his values. The end result - living a meaningful life.

My recommendation: Excellent read! Author lays out a 5 step one page strategic plan, GO FORWARD, to achieve the impressive results that you desire. The plan can be used to turn around a situation or just improve your current results. Greg gives both personal and business stories of how it can work for you. The examples are impressive and presents solid proof of how his process works.



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Christmas Bonus this Year?

By Mary Guldán Lindstrom.CPA

Christmas is right around the corner. Business owners are assessing their current situations. They are looking at the taxes that will be paid, cash flow needed and determining how to show appreciation for the people that help them every day. Sometimes it is easy, other times it is difficult to determine whether you give a bonus or not.

HERE'S A SHORT DECISION TEST

- ⇒ Does this reflect the business values and beliefs I hold?
- ⇒ Will this demonstrate the value I place on our staff?

WHAT IS THE POTENTIAL UPSIDE? IMPROVE MORALE?

If you are considering giving a bonus - is it a performance bonus or holiday bonus? A year-end bonus is based on performance and can show a staff person what kind of job they did. While a

holiday bonus ought to be a thoughtful gift that shows your gratitude and appreciation for them. Make sure that when you give a holiday or a year-end bonus, your employee knows which one they're getting. If you choose to give both, space them out so they can't be confused for each other, or seen as one single bonus.

Want to do something long-term consider a profit sharing contribution to the employees retirement account. Help them save for their future.

P.S. DON'T FORGET TAXES! If you're planning on giving out cash as a holiday bonus, monetary bonuses have to be reported on an employee's W-2 form as taxable income. For IRS purposes gifts that exceed \$25, are taxable to the recipient.



Tax Planning Ideas

By Mary Guldán-Lindstrom, CPA

Now is the time get control over your tax situation. Learn what options are available to you. Plan to maximize your tax savings. Here are some great tips! It is very important to consider your personal and business circumstances before implementing any tips.

Accelerate expenses or delay income. Many businesses pay their taxes on the cash basis, thus income is taxable when received and expenses are tax deductible when paid. Determine what year will give you the advantage.

Invest in equipment. Do you need any equipment to improve your business? By purchasing and placing in service by December 31, 2017, you can reduce taxable income by accelerating depreciation on those assets. A business can elect to expense 100% of the asset up to \$500,000.

Optional Retirement plan profit sharing portion. With a 401k or SEP retirement plan a business can make an optional profit sharing contribution. To be tax deductible the contribution has to be made no later than the tax return file date. Be sure the plan is setup before the end of the year.

Vehicle expenses. If you use your vehicle for business, you can choose between deducting the business portion of the actual costs or deduct 53.5 cents per business mile. If your vehicle is used less than 50% for work, use the mileage rate. Keeping a mileage log to support your business and personal miles is required. Before you give a raise make sure you are reimbursing your staff for the expenses they incur. Payments are not taxable to them and are tax deductible for the business.

Per diem rates for overnight travel. There is a standard per diem rate of \$142 per day. This includes \$51 for meals and incidentals. This rate can be higher for certain cities, refer to www.gsa.gov website. The business can choose between the actual amounts paid or the per diem rates.

Home Office. If you work out of your home in a space used exclusively for business you can take a home office deduction. Home costs such as mortgage interest, real estate taxes, rent, utilities, insurance, maintenance, etc and prorated. The deduction is limited to the taxable income, though costs can be used next year.

Domestic Production Activities Deduction, also known as the “manufacturer’s deduction”. If you qualify, the deduction is the smallest of 9% of the qualified activity or adjusted gross income before the deduction is applied or less than 50% of W-2 wages paid. WI also has a manufacturing credit 7.5% of eligible qualified production activities income.

Health savings account. If you have a high deductible insurance policy that qualifies, you can fund a HSA account for \$3,400 single or \$6,750 for a family policy. There is also a \$1,000 catch up for those over 55.

Hiring family. If you have children or other family members that assist with the business, it is possible to shift the income to someone with a lower tax bracket. Remember the wages have to be reasonable given their age and work skills.

This is just a brief summary of what is available, majority of the items mentioned have specific requirements. The requirements can be complicated and may or may not fit your situation.

If you are paying too much in taxes – now is the best time to review your situation.

Give us a call at 920-351-4842 to set up an tax planning appointment.

WE ARE ACCEPTING NEW CLIENTS!

If you are PAYING TOO MUCH IN TAXES - now is the time to TAKE ACTION.

Move to the top of our list by making a tax planning appointment.

We can clarify your long-term goals and determine if your current strategy will give you the best results. We avoid surprises, reduce taxes, minimize your risks and help you live life your way.

Contact our office
to reserve a time for your
FREE DISCOVERY MEETING
or set up a tax planning meeting.

Call **920-351-4842** or send an email to Mary@focus-cpa.com.

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Thanksgiving Trivia

- ◆ Benjamin Franklin wanted the turkey to be the national bird, not the eagle.
- ◆ Americans eat 46 million turkeys each Thanksgiving.
- ◆ Neil Armstrong and Buzz Aldrin's first meal in space after walking on the moon was foil packets with roasted turkey.
- ◆ The heaviest turkey on record, according to the *Guinness Book of Records*, weighs 86 pounds.
- ◆ Californians consume the most turkey in the U.S. on Thanksgiving Day!
- ◆ Female turkeys (called hens) do not gobble. Only male turkeys gobble.
- ◆ The average turkey for Thanksgiving weighs 15 pounds.
- ◆ Campbell's soup created green bean casserole for an annual cookbook 50 years ago. It now sells \$20 million worth of cream of mushroom soup.
- ◆ Wild turkeys can run 20 miles per hour when they are scared, but domesticated turkeys that are bred are heavier and can't run quite that fast.
- ◆ No forks at the first Thanksgiving! The first Thanksgiving was eaten with spoons and knives — but no forks! That's right, forks weren't even introduced to the Pilgrims until 10 years later and weren't a popular utensil until the 18th century.

Trivia is from allparenting.com website