

# THE FINANCIAL EDGE

May 2017



## Welcome Spring

*Personal comments by Mary*

The heaviness of winter is coming to a close. Windows are finally being opened to let the fresh air breeze through the house. As the temperatures rise the layers of clothes are being peeled off and put away until next year. The cobwebs in my mind are being dusted away. There is a sense of energy building. Now that tax season is over I can spend my time with more variety. Wow, there is life after tax season!

This is a great time to "refresh" my life. A time to accept change and make conscious choices about what I do with my time, the things I surround myself with, the food that I devour and the people I spend time with. A perfect time to stop doing things that aren't working for me.

I now take Fridays back, instead of working in my business I move to more strategic activities such as developing my marketing assets, improving our internal procedures or enjoying a good business book.

To make my choices I look to my values - constant learning, staying positive, fully utilizing my talents, keeping things simple, improving relationships, etc. to see how I can create a life worth living. I take inventory of the relationships I am engaged in, the stuff I have collected, where my time goes, what I read, what I tell myself and ask - how can I make a new and improved life? How can I make each minute, hour and day my best?

*Welcome spring!*

*Mary Guldán-Lindström*



"Improving the lives of small business owners" FOCUS CPA Inc

## WHAT CLIENTS ARE SAYING...

"As a small business owner, I find that it is easy to get so caught up in the details of running the operations, collecting money and paying bills that I forget to look at the bigger picture of profitability and whether or not we are growing as we should. You sort of help to anchor me in the thinking that I need to be doing. You make it "comfortable" to look at the big picture and to think of what it means to be a business person and not just an operator of a "process" that generates revenue."

Greg R.

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

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-  Signing up at [www.focus-cpa.com](http://www.focus-cpa.com);
-  Or emailing [Mary@focus-cpa.com](mailto:Mary@focus-cpa.com)





## The Book Review

**Title:** Obvious Adams

**Author:** Robert Updegraff

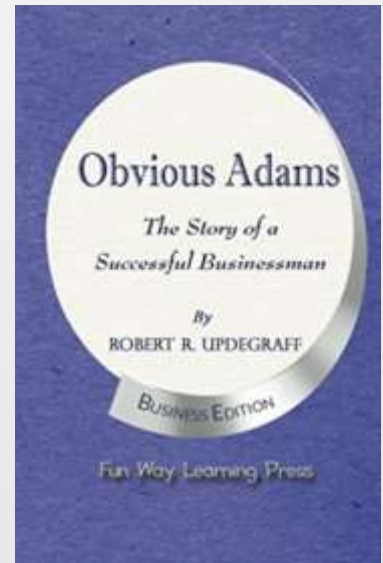
**Topic:** Common Sense Marketing

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

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

**Summary:** Story of a successful businessman that applied common sense to marketing activities. The time period is the early 1990's, however the lessons are timeless.

**My recommendation:** Great reminder that the answers can be "obvious" and simple if you just look for them. His 5 tests for an obvious answer – is it simple? Agree with human nature? Simple once put on paper? Does everyone get it? is it the right time? In addition the author offers 5 creative approaches – look for the simplest way, try reversing the whole thing, go to the public, what opportunity is being overlooked and what are the special needs of this situation.



Pages: 40 | Published: 2014—Written in 1916 (oldie but goody)

## Document Retention—Know How Long to Keep It

GUILTY UNTIL PROVEN INNOCENT. Tax regulators assume that all income is taxable and all expenses are personal unless you prove otherwise. As a result it is critical to maintain supporting documents for the tax returns that you file. Once the return is filed -- just how long must these business records be retained?

- The Internal Revenue Service recommends that you keep records for 3 years following the time period involved. The time can extend to 7 years if the earliest tax return is amended.
- The State of Wisconsin recommends that you keep records for 4 years following the time period involved.
- Note that if fraud is involved the IRS has the right to go back indefinitely.

Bank Statements/Reconciliations	---	4 YEARS
Customer Invoices	---	7 YEARS
Payroll Reports, Documents & Summaries	---	7 YEARS
Vendor Invoices, Credit Card Receipts & Other Expense Support	---	7 YEARS
Equipment Purchases (TIME STARTS AFTER THEY ARE DISPOSED OF)	---	4 YEARS
Physical Inventory Reports	---	7 YEARS
Mileage Logs	---	7 YEARS
Tax Documents (1099's, W2, CHARITY RECEIPTS, ETC.)	---	7 YEARS
Personnel Files (AFTER TERMINATION DATE)	---	7 YEARS
Insurance Policies (AFTER CANCELLATION DATE)	---	3 YEARS
Contracts, Mortgages & Note Agreements (AFTER NO LONGER IN EFFECT)	---	7 YEARS
Articles of Incorporation, Bylaws, Stock Records	---	PERMANENT
General Ledger Backup for Each Year	---	PERMANENT
Income Tax Returns	---	PERMANENT



Note that for credit cards you need to keep the receipt that details what was purchased. This documents the items purchased and that sales tax was paid.

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## Spring Cleaning Your Business! 7 Steps to Get Started

By Mary Guldán-Lindstrom, CPA

Most people do spring cleaning around the house and the yard, but have you ever thought of applying it at work? Have things gotten stale or obsolete? Have you let little things slide that are now causing big problems? Maybe you are still doing things - because you have always done them that way. Here are seven spring cleaning ideas to get you started:

**1 Walk through your processes and clear out the clutter.** Think about business activities that no longer add value to your organization. If products or services have outlived market demand, sweep them out. If sales and marketing efforts are not bringing the desired results, change them. It may be a difficult decision, but clear the clutter and focus your business energy on what will produce result going forward.

**2 Review staff. How's morale?** Take a quick inventory of your current situation. Is there unhealthy conflict? Lack of engagement? Mistakes being made? Issues that are distracting from the business purpose? Someone having a challenge being productive? Time to address the situation with a candid discussion, hire a coach, encourage they reach out for professional help, get additional training or something as easy as just asking if you can help?

**3 Sharpen your tools.** Spring is the time gardeners inspect their tools. Now is a good time for employees to review and sharpen their skills or learn new ones to achieve greater results.

**4 Fire or create an improvement plan for unprofitable or challenging customers.** Great time to find that weed in the midst of the flowers. Recall the 80/ 20 rule; 80% of your profit

comes from 20% of the customers you serve. First verify that you have a system to measure. Be sure to include the hassle factor. Evaluate each customer situation. Create a plan to improve the situation. Also a great time to update your "target customer".

**5 Start with 0.** Pull out your income statement and review every overhead expense. Make sure you know what you are paying for and why you purchased it. Is the business gaining full benefit? Is there a better option? Do you still need it? Great place to find profit without spending a dime.

**6 Review your long term vision.** Evaluate whether your personal and business vision still fits today. Has progress been made? Things change. Personally your life may have changed such as getting married, divorced, having a health scare and having kids. From a business perspective the economy may have changed, competition may have increased or technology may have an impact.

**7 Refresh your attitude.** Do you come to work excited and looking forward to the day? Or are you burned out and just waiting for the day to end? Maybe you are finding fault with everything and looking for the "easy" button? Take inventory and action to improve.

Spring cleaning your business, job or career may not be an annual event, but it is a great reminder to look for ways to make your job or organization more productive and rewarding.

**YOU'RE IN FOR A  
TREAT...**



**Would you like a free Kringle  
from Uncle Mike's Bake Shoppe?**

Just encourage a small business owner to set up a **FREE DISCOVERY MEETING** with Mary at Focus CPA Inc. and we will send you a gift card for a free mouthwatering , award winning Kringle of your choice.

**We are accepting new clients! A referral is the best compliment that we can receive.**

May 2017

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## Clean Jokes that are Actually Funny!

Sometimes cleaning is serious business. And sometimes it's deliriously funny. Here are a few gems that will either get you in the mood to clean or laugh about not doing it at all.

- *You never know what you have...until you clean your room.*
- *I love cleaning up messes I didn't make. So I became a mom.*
- *My room is not dirty. I just have everything on display. Like a museum.*
- *A clean house is a sign of no Internet connection.*
- *And the true, short story of every parent: "My house was clean. Then the kids woke up. The end."*

Have you been looking for good excuses not to clean lately? Feel free to try these on:

- *Advice: Every time you get the urge to clean, watch Hoarders. You may decide your house isn't that dirty after all.*
- *When it's your turn to host a gathering and your guests ask what they can bring, tell them dark socks and low expectations.*
- *Post a sign on your door that says: "My house was clean yesterday. Sorry you missed it."*
- *Instead of vacuuming the sofa, just flip over the cushions. Take that, to do list!*

From the [maids.com](http://maids.com) blog.