

# THE FINANCIAL EDGE

June 2017



## The Joy of a Thunderstorm

*Personal comments by Mary*

As I write this a storm is rolling in bringing with it rain, thunder and flashes of light. I love to stop and listen to a good strong rain pound against the rooftop. The lightning bolts sizzle through the air and the crashing of thunder demands our attention. As a child I was afraid of the noise, but my mom would say that the gods were just bowling. Rain is good, it washes away the dust and makes my garden grow. It's refreshing and brings with it a key essence we need to live. The thunderstorm kicks up a sense of danger and then it is followed by a beautiful rainbow.

Occasionally in life and in business we have thunderstorms. Times when change or perceived problems come rolling in and wash over us. As people and in particular business owners, we can be resilient. For some they don't believe they will survive. They cave in. For others we learn to roll with or take advantage of the change.

One drop of water has a gentle touch but as a stream gathers and becomes a roaring rush it can be life threatening. We can adapt to either extreme. We can handle it ourselves or call for help.

However for now, summer is here! Stop and enjoy the simple pleasures of life, including the thunderstorm.

Of course, in Green Bay, WI we don't have flash floods, or mudslides and we rarely have tornadoes. So I know that there is a very good chance that the rain will leave us in a better place.

*Mary Guldán-Lindstrom*



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

## WHAT CLIENTS ARE SAYING...



"Mary gives a dimension of trust, professionalism, integrity, knowledge, and throw that with her accessibility and you

have the key issues. You don't want to get yourself in trouble and you want to have a plan for the future. She has the ability to put it all together with the integral pieces that may come at any moment."

Pat Quinn

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Or emailing [Mary@focus-cpa.com](mailto:Mary@focus-cpa.com)



## The Book Review

**Title:** Simply Rich

**Author:** Rich DeVos

**Topic:** Biography

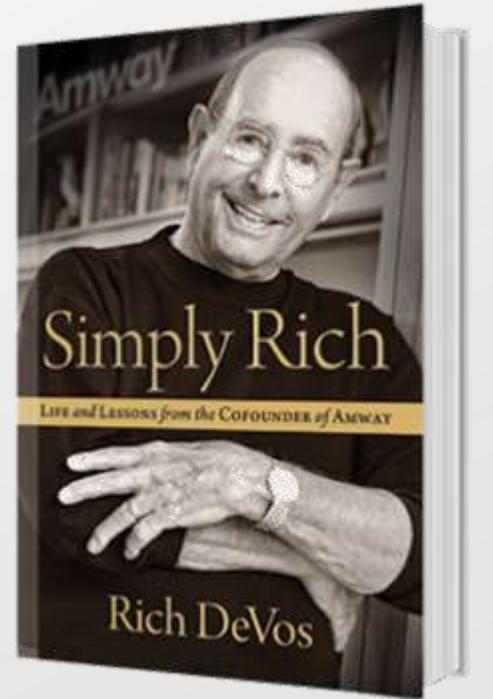
**Easy to Read:** \$\$\$\$ (5 out of 5 dollars)

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

**Summary:** Rich tells his life story, his travels and the creation of Amway. He shares his philosophies on life and how he and his partner Jay Van Andel built the Amway business, leader in multilevel marketing.

**My recommendation:** Great story and well written. Exemplifies what two men can envision and build. I enjoyed the adventures he shared and the uncommon path he took to reach success.

Pages: 284 | Published: 2014



## The Unexpected Tax – Sales & Use Tax

By Jimmy Raiche

Sales and use tax can be a very confusing topic. It is also an area the Wisconsin Department of Revenue likes to audit. Below are a few quick tips to help ensure you are complying with the sales and use tax rules.

- ◆ Collect and document exemption certificates: There may be times when you do not collect sales tax from your customers because they have exemption certificates. When a customer presents you with an exemption certificate, you should document the certificate by scanning or making a copy of it just in case you are audited in the future.
- ◆ Properly report use tax: When a business or a person purchases a product from out of state without paying sales tax, they may be required to pay use tax. Make sure you properly report the amount of use tax you owe on these purchases.
- ◆ Ensure total sales reported on the income tax return equals total sales reported on the sales tax forms: If these total sales amount differ, the Wisconsin Department of Revenue may investigate.
- ◆ Make sure you are collecting correct amount of sales tax: Wisconsin charges a 5% sales tax rate. In addition, some counties in Wisconsin charge their own sales tax rate of 0.5%. This means some sales are subject to a 5.5% sales tax rate. Make sure you are applying the correct sales tax rate.

I hope these tips help. Please feel free to contact us if you have any questions – [Jimmy@focus-cpa.com](mailto:Jimmy@focus-cpa.com) or 920-351-4842.

# Save the Business with an Emergency Succession Plan

By Mary Guldán-Lindstrom, CPA

Summer is the time for vacations. However when you are an owner or a key employee for a small business – this may pose a risk! What happens if you get sick or have an accident? Is your advisory team prepared? Do you have an advisory team? Emotions run high during this time and a written carefully thought out plan will help keep your customers, employees and vendors and maintain the value. It is estimated that 25% to 40% of businesses who experience an emergency never recover.

An emergency succession plan is a prepared plan to address an unanticipated permanent or temporary departure of the business owner or key employee. The plan reduces the stress and turmoil until a permanent solution can be implemented.

## Here are steps to consider when drafting your plan:

1. Identify an alternate person to assume the leadership functions for a limited period of time. Identify the team that they may need to consult with to make decisions.
2. Make a list of contacts, with contact information, in case of emergency. Names, addresses, e-mails and phone numbers of family members, staff, vendors, customers, lawyer, accountant, etc. How much do you want shared?
3. Brainstorm as to what decisions might have to be made or critical functions have to be completed. Ensure the alternate person has the legal rights to make those decisions. Does the person need a durable Power of Attorney – financial? Or is the person currently authorized to sign checks? Ability to sign legal documents in regard to the business such as sale document, realtor contract? Identify who you want to be involved in those decisions.
4. Determine if there may be any legal commitments that must be fulfilled, such as legal contracts with customers, vendors or landlord.
5. What do you want to have happen to the business in the case of an emergency?
  - If you are sick and cannot run the business, but the final outcome is not known - how long do you want the alternative person to hold the business?
  - Hire a replacement?
  - Sell the business? If so to whom?
  - If you discussed value – define how much and if possible create a formula to calculate future sales price.
6. Make sure the alternate person has the information needed to fulfill your plan. Such as a copy of the emergency succession plan, owner agreements, power of attorney for financial reasons, list of potential buyers, family members involved in the business, wishes on whom to gift the business to, passwords, etc.
  - Have a key employee manage the business until it can be sold?
  - Work with a family member to take it over?
  - Close the business? And liquidate the assets? Or convert them to personal?
7. Is there an insurance policy established to replace this key employee or fund the business until it is sold? Is the business adequately insured to cover this risk?
8. Will the alternate person get paid for implementing the emergency business plan? If so how will they get paid? Part of the insurance proceeds, part of the sale of the business?
9. Review the plan with your management team and key advisors.
10. Place a copy of the plan with your will or trust, along with your attorney, your personal executor, anyone you want involved in the process and absolutely with the person who will lead the process.
11. Review your plan annually and update.

*If you need assistance in drafting or reviewing this report please contact our office. We will be happy to keep a copy in our files for you, as well as discuss it with you to enhance the effectiveness.*

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



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

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# June 2017 INSIDE THIS ISSUE



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## Short Stories

### TURBULENT TIMES

A plane hit a patch of severe turbulence and the passengers were holding on tight as it rocked and reeled through the night. A lady turned to a minister who was sitting behind her and said, "You're a man of God. Can't you do something about this?" He replied, "Sorry, I can't. I'm in sales, not management."

### DAY OFF NEEDED

A man rings his boss and says, "I have to take a day off work, because my wife and I are having a baby." "Oh, okay." The next day the man comes to work and his boss says, "Is it a boy or a girl?" The man says, "I don't know. I'll tell you in nine months."

### THE SHREDDING MACHINE

A young executive was leaving the office late one evening when he found the CEO standing in front of a shredder with a piece of paper in his hand. "Listen," said the CEO, "this is a very sensitive and important document here, and my secretary has gone for the night. Can you make this thing work?" "Certainly," said the young executive, eager to be perceived as helpful. He turned the machine on, inserted the paper, and pressed the start button. "Excellent, excellent!" said the CEO as his paper disappeared inside the machine. "I just need one copy."

### SURPRISE VISIT

Resolving to surprise her husband, an executive's wife stopped by his office. She found him with his secretary sitting in his lap. Without hesitating, he dictated, "...and in conclusion, gentlemen, shortage or no shortage, I cannot continue to operate this office with just one chair."

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