

THE FINANCIAL EDGE

August 2019



RELAXING

Personal comments by Mary

Ahhh. I just got back from San Diego, CA. I attended a conference and learned some new things. I also took time to relax touring the city and visiting with family. They say that all work and no play is not good for the soul. Taking vacation is a great time to revive your soul and spice up life.

I choose to attend this conference in this place. My mother grew up in San Diego and I still have family there. Over my lifetime, I visited my grandmother and other family members every few years. My grandmother passed away in 2016 just 42 days shy of her 103rd birthday. This is the first time that I have been back there. San Diego is a great place to visit, I would not want to live there.

After the conference was over, I did my usual tourist things. I visited their famous zoo. Seeing the giraffes, rhino, elephant, gazelles, hippos and crocodiles brought back memories of my African Safari. Even though the animals were behind bars it brought back the feeling of awe seeing

them free and roaming wild on the African plains. Due to construction and other changes at the zoo, I missed seeing the okapi, lounging in the hummingbird aviary and watching the pandas.

Another tourist thing I do is walk the beach. They have such wonderful sand beaches along the ocean. My Uncle and I strolled along Mission beach. I had a chance to catch up, listen to the waves crash and dig my toes in the fine wet sand. I have been doing this since I was little. I remember searching for shells and sand dollars; however, those rarely wash to shore anymore. Nature keeps changing and so do we.

Life moves quickly. I hope you made time to take a break and savor life. Don't let the summer pass you by.

Mary Guldán-Lindström



"Being part of a small family business, it is sometimes difficult to

manage all the financials accurately. Before working with Focus CPA, I was only partially able to understand what all the numbers meant and didn't have the best reports to show my company progress and growth. As my business continues to grow, I knew it was in my best interest to find a resource to help me correct my financial statements and records."

Toni Maretti, *Owner*
Momentun Carnivore Nutrition
Manufacturer of freeze-fried dog treats

**YOUR REFERRALS ARE
APPRECIATED AND WILL BE
TREATED WITH UTMOST CARE!**

THE BOOK REVIEW

TITLE: Idea to Execution, How to optimize, automate and outsource everything in your business

AUTHOR: Ari Meisel & Nick Sonnenberg

TOPIC: Business

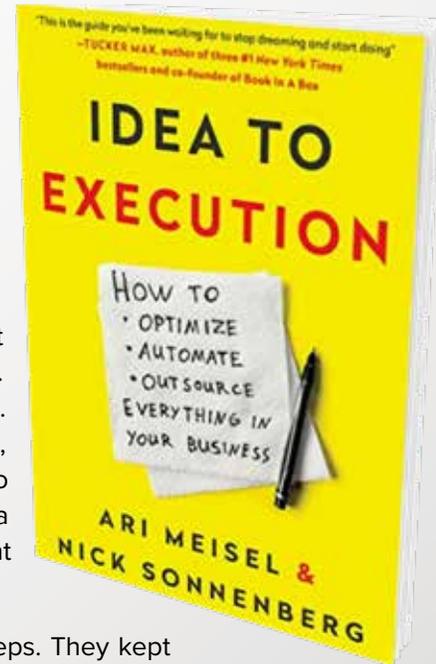
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)

APPLICABLE TO SMALL BUSINESS: \$\$\$\$\$ (5 out of 5 dollars)

Summary: This is a story of how two friends with a specific set of skills created a scalable virtual assistant business in 1 year. They lived their motto. They optimize, automate and outsource. They share their journey from testing the idea, building a team, setting systems and creating metrics. Ari's personal life motto is less doing, more living. Nick is a serial entrepreneur with a passion for numbers. Together they create the virtual assistant company, Leverage.

My recommendation: I found it fascinating to follow their steps. They kept a journal to record their process and then write this book. As each challenge arose, they tackled it and made the business more efficient and viable. The premise was to solve a problem. Great example of using technology to get things done.

Pages: 149 | Published: 2016



ARE YOUR GARAGE SALES OR CRAFT SALES TAXABLE?

By Mary Guldán-Lindstrom CPA

As I drive to work this time of year, I garage sale signs on the corner as I make the turn. Did you know that extra money from the sales might be taxable?

The basic rule in Wisconsin is if you sell personal household items such as housewares, dishes, and clothing, your sales are not subject to sales or use tax if:

1. Your sales are less than \$2,000 for the calendar year or are isolated and sporadic, and
2. You are not pursuing a part time business as a seller of such

However if you are pursuing this as a business, then you are required to hold a seller's permit. Once you hold a seller's permit then you are responsible for sales taxes on taxable sales. This is true for sales of works of art, handmade articles, antiques, or used property.

I get tax updates every day and this one caught my eye. Please call us if you have an activity that might have tax consequences.



PROTECTING YOUR SMALL BUSINESS FROM FRAUD

By Mary Guldán-Lindström CPA

Every business, both big and small, is at risk for fraud. It can start with a trustworthy employee that runs into financial trouble. While they are working, they pocket cash from the till, they pay themselves extra hours or pay their personal bills with company funds and no one sees it. They rationalize their actions by telling themselves that they deserve it or it is just a loan. This can continue for years.

IT HAPPENS IN OUR OWN NEIGHBORHOOD. HERE ARE A FEW OF THE PUBLICIZED ONES:

1. In 2009, an organization's controller embezzled \$2.6 million over eight years. An audit revealed he wrote checks on club accounts and deposited them into his personal accounts.
2. In 2012, the former controller of a De Pere metal products manufacturer embezzling nearly \$1.3 million from the company. He set up a phony company and wrote checks to that entity in a secret bank account he maintained. The records listed the checks as going to legitimate vendors. Since those vendors were not expecting a check, they did not complain when the check did not come. He also failed to pay \$600,000 in taxes owed by the company.
3. In 2015, a local family business discovered an employee not putting money in the register. The employee told investigators she had been stealing an average of \$40 to \$80 a day from the company for the last 16 to 18 months. They estimate she stole \$12,800 to \$28,800.
4. According to the Association of Certified Fraud Examiners 2014 report, they estimate that 28.8% of businesses with less than 100 employees encounter fraud. The median loss is \$154,000. In the end, only 14% of the businesses made a full recovery.

NOW THAT YOU KNOW, IT MAY HAPPEN TO YOUR BUSINESS, HERE'S WHAT YOU CAN DO TO PROTECT YOURSELF:

- Be adequately insured. Discuss with your insurance agent. Consider 5% of your annual sales.
- Review your bank account transactions and or bank statement either online, sent to your email or the paper copy sent to your home. Do you recognize the name of the vendor that is being paid?
- Review customer credits and write offs. Determine why the accounts are being adjusted.
- Toss the signature stamp. Have someone who knows the business personally sign business checks and review the invoices that are being paid. Did the business actually receive this product or service?
- Each month review the bank reconciliation for items that have not cleared. Those items should be current and only show up for one month.
- Unexpectedly hand out paychecks and review annual wage reports or W2s for reasonableness. Did someone get an unauthorized raise?
- Pay attention to when staff is living a champagne lifestyle but earning a beer salary. Consider driving by your employee's home. Are you paying them enough to live their current lifestyle?
- Require staff to take vacation. Then watch the mail, e-mail and other forms of correspondence for tax notices and other unusual items.
- Verify that the payroll taxes are paid. Consider using a payroll service that collects the taxes and pays them directly.

This is just a partial list. Those who commit fraud take much more time to do it than we do to prevent it. You work hard to grow your company, be sure to learn ways to protect.

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to set up a Business Model
Strategy Review!

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FOCUS | **CPA** Inc

117A Packerland Drive
Green Bay, WI 54303
Phone: (920) 351-4842
www.FOCUS-CPA.com



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DID YOU KNOW? FUN FACTS FOR AUGUST

- **AUGUST 3RD** National Watermelon Day.
- **AUGUST 5TH** we celebrate the Spirit of Sisterhood.
- **AUGUST 5 - 11TH** is National Smile Week.
- **AUGUST 13TH** is Vinyl Record Day for those who remember the old LPs.
- **AUGUST 13TH** is also National Left-Handers Day
- **AUGUST 15TH** is Lemon Meringue Pie Day
- **AUGUST 15TH** the Sturgeon moon will show this year. North America's largest fish is the sturgeon. They used to be plentiful in rivers and lakes this time of year, which is why some native American tribes gave the full August moon the nickname "sturgeon moon."
- **AUGUST 16, 1977**, Elvis Presley died.
- **AUGUST 20, 1630**, Lemonade was first served in Paris, France.
- **AUGUST 25TH** is Kiss and Make up day
- **AUGUST 30TH** is National Toasted Marshmallow Day.