

THE FINANCIAL EDGE

September 2020



DID YOU PASS THE TEST?

Personal comments by Mary

I feel like the last 6 months have been a test. A test of my health - healthy enough to not get sick? A test of my business - financially strong enough and able to adapt enough to pass? A test of my mental fortitude - mentally strong enough to stay positive?

Life throws many challenges our way. Our country was founded on the strength of the people - hard working, independent and a strong reaction to too much government intervention. But I see it starting again. We all have our own limit. You won't find me protesting, not my style. My focus is making sure I am taking responsibility of myself and those I love.

I started with myself. In January, I started making micro changes for my health. Big changes never seemed to stick with me, so I started small. First with daily bicycling - just a few minutes as fast as I could. It wasn't long, but I did it every day. As it got warmer, I moved to walking outside. In February I added push-ups, later in March I added sit-ups, slowly improving my endurance and strength. My goal now is to keep doing it every day.

Next the business. We stayed at the office and pounded our way through the very extended tax season. We physically spread out. We normally limit appointments during tax season and with having a small client base, not much changed.

Next family. It started with Zoom get togethers. I saw more of my kids than normal. Later we had two weddings, two funerals, family visits and normal family get togethers. One wedding cancelled, one wedding with masks. Two funerals with limited guests. Family get togethers went forward without masks. We needed the contact. We trusted if you were sick you didn't show up.

Life seems a test, with no do overs. Did you make the most of these last 6 months? And did you pass the test?

**Mary
Guldan-
Lindstrom**



"I so appreciate all of your support as I created this new vision. Mary, you are a standout among accountants in that you keep your eye on the big picture AND on the day-to-day functioning of my businesses. Thank you for sharing that rare gift with me!"

Bonnie Nussbaum,
*Owner of Empowerment Coaching
and Hillcrest Inn & Motel*

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APPRECIATED AND WILL BE
TREATED WITH UTMOST CARE!**

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THE BOOK REVIEW

TITLE: The Tipping Point

AUTHOR: Maxwell Gladwell

TOPIC: Psychology

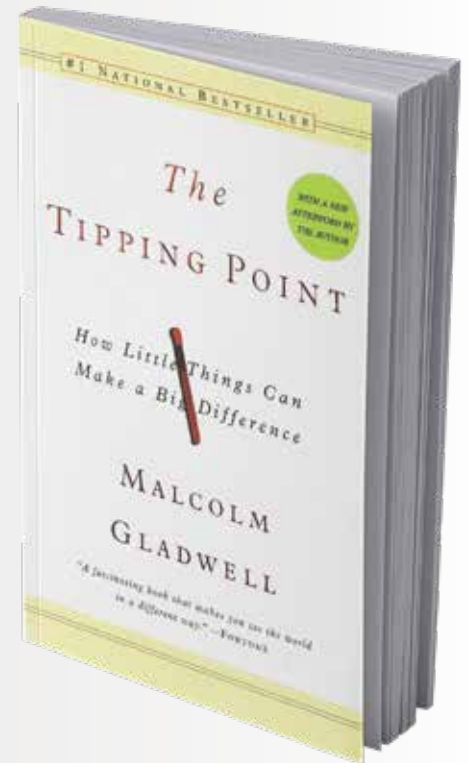
EASY TO READ: \$\$\$\$ (4 out of 5 dollars)

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

Summary: Gladwell explains how a magic moment occurs – when an idea, trend or social behavior tips and spreads like wildfire. He shares his research on business, marketing and human behavior exploring that magic moment.

My recommendation: I was curious to see if I could figure out when the COVID 19 situation would tip away from being a crisis. He has plenty of examples. Gladwell thoroughly explains how viral trends start. It seems more of a mystery than science to me.

Pages: 305 | Published: 2000



PAYROLL DEFERRAL OPTIONS NOT THE WAY TO GO

By Mary Guldan-Lindstrom CPA

Some of the tax assistance options to help businesses through the current pandemic relate to deferring the payment of payroll taxes. Congress may think it is a good idea. In theory it might be, however the consequences of not paying them timely is painful. For a business to choose to defer payroll taxes they are on a very slippery slope. I do not encourage business owners to take this option.

IRS applies the highest penalties for failure to pay and failure to file payroll taxes. If your payment is between one and five days late, the IRS charges a penalty of 2 percent of the unpaid tax. Deposits made six to 15 days late are charged a 5 percent penalty. If your payment is more than 16 days late, the IRS will charge a 10 percent penalty. The IRS also charges interest on any unpaid balance. The penalties and

interest make it very challenging to get caught up. If a business does fail to pay the taxes the IRS has the right to collect part of those taxes from the business owner or bookkeeper, depending on who should have paid them.

WHAT WE DO RECOMMEND...

- ✓ If the business cannot pay the payroll taxes, consider closing the business or restructure the way you do business. The government is not a lender.
- ✓ Use a payroll service that collects the taxes at the time payroll is paid. This eliminates the temptation to use the money for other things.

As an employer payroll taxes are nothing to mess with. Not complying can take a business down.



ARE YOU LOOKING FOR FINANCIAL FREEDOM? OR FINANCIAL SUCCESS?

By Mary Guldán-Lindstrom CPA

Just because you have money, does not mean you have financial freedom or financial success. It is much more than just having money or assets.

WHAT IS FINANCIAL FREEDOM?

It is the freedom to be yourself and do what you really want in life. To achieve this state of being we balance our resources to our needs and wants. You can experience financial freedom when you possess enough financial resources to pursue your love of travel, to retire comfortably, to contribute to your favorite charity, to fund your children's education or whatever you have determined is important to you.

To have financial freedom, you need to know or discover what will allow you to be who you are and what you really want in life. This is a process of growth, improvement and gaining spiritual and emotional strength to become the most powerful, happy, and successful "you" possible. That is the true reward of financial freedom.

WHAT IS FINANCIAL SUCCESS?

Being financially successful and feeling financially successful are two different things. Being successful is the attainment of a goal, tangible and clearly defined. Each person defines his or her financial success. I recall a comment made by someone I thought was truly financially successful. His remark was "He's not a millionaire! He is only worth a million. A true millionaire earns a million dollars a year." Each person has a unique definition of financial success. What

do you need to achieve to be financially successful?

Feeling successful is an emotional state or reaction to your financial achievements. Once you determine what you need to achieve "your" financial success, you have the chance to feel financially successful. Personally, I find emotional states very elusive and fleeting. (I am sure my husband will agree with me.) When setting goals, one-step is to visualize how you will feel when you achieve that goal.

Intellectually we know that money cannot buy happiness, yet we spend and even go into debt attempting to feel financially successful. Those with money realize that money can't buy them out of many issues. I recall working for a man that had more money than I can imagine, but he was still unfulfilled. He did not know what he needed to feel financially successful. He focused on what was missing, not what he had. By counting our blessings, we may find that we are more successful than we think.

As we recall the founding of our country, we can remember the fight our forefathers fought to pursue our right to life, liberty and pursuit of happiness. Take time to dream and discover what financial success and financial freedom mean to you.

Success and financial freedom are waiting for you - no matter what your current situation is. It is now time to take action and make your goals a reality!



If you need assistance or just want another opinion regarding your personal financial statement – we can help. Our staff at FOCUS CPA can assist with gathering your personal financial and create a plan to improve your financial health.

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MARY@FOCUS-CPA.COM

Contact our office to set up a meeting to discuss your needs.



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RANDOM THOUGHTS OF A SENIOR CITIZEN

Passed to me from my Uncle

- I'm on two diets. I wasn't getting enough food on one.
- Apparently RSVP'ing to a wedding invitation, "Maybe next time", isn't the correct response.
- Don't irritate old people. The older we get the less "life in prison" is a deterrent.
- Aliens probably fly by earth and lock their doors.
- You will hit every cone on the highway before I let you merge in front of me because you saw that sign 2 miles ago just like I did.
- I really don't mind getting older, but my body is taking it badly.
- It turns out that being an adult is mostly just googling how to do stuff.
- I miss the 90's, when bread was still good for you and no one knew what kale was.
- Do you ever get up in the morning, look in the mirror and think, "That can't be accurate?"
- I want to be 14 again and ruin my life differently. I have new ideas.
- As I watch this generation try to rewrite our history, one thing I'm sure of... it will be misspelled and have no punctuation.
- I thought getting old would take longer.
- Confuse your doctor by putting on rubber gloves at the same time he does.
- My wife asked me to take her to one of those restaurants where they make food right in front of you. I took her to Subway. That's when the fight started.
- Me: Sobbing my heart out, "I can't see you anymore... I'm not going to let you hurt me again." Trainer: "It was one sit-up. You did one sit-up."
- Picked up a hitchhiker. He asked if I wasn't afraid, he might be a serial killer? I told him the odds of two serial killers being in the same car were extremely unlikely.