

THE FINANCIAL EDGE

November 2020



BEING THANKFUL FOR FEAR

Personal comments by Mary

With Thanksgiving here, I found a quiet spot to think about what I am grateful for. The usual list came up - sunshine, clean water, a refrigerator full of food, my great health, my loving family, my husband's love, having my own special someone to love, among many other things. As I looked back, I realized that I have fear to be thankful for. Fear is a great motivator. Fear is a warning sign. I don't change unless the pain is great enough.

This brought back a time in my life that I struggled. Thirty years ago, I went through a very rough time. Fear was my overriding emotion. I choose to get a divorce and I was very much afraid of going on my own. I was a mom to twins, felt very underqualified and was hoping we would all survive. I was also starting a new business and was struggling to put food on the table. I wasn't sure if the fear was real or imaged. I knew it just was and I had to deal with it.

Today I can look back and see the journey that I took. I made my way

through the fear. I survived the divorce and have been married for 23 years to my wonderful husband, Steve. My boys are on their own, very successful and loving life (most days). My business, FOCUS CPA, has provided a steady income, a very worthwhile purpose in life and a challenge. I am amazed at what I accomplished through the fear. I would not have taken the steps to achieve my life dreams, if it was not for the motivation of fear.

Being thankful is a daily practice. It's tough to be thankful on some days. I have had days that I wonder why I even got out of bed. Fortunately, I have very few of those. Be thankful.

Happy Thanksgiving

Mary Guldán-Lindstrom



"Improving the lives of small business owners" **FOCUS\$CPA Inc**



"Focus CPA is an outstanding CPA firm. They don't just do the taxes and paper work, Mary makes sure that all financial areas are the best they can be. During a yearly review Mary raised a question about a certain expense that we have been overlooking and it ended up saving us \$24,000 a year (we refer to that meeting as the \$24,000 meeting). I would recommend Focus CPA to any business looking to have the best CPA firm in Green Bay.

I didn't switch CPA's for a long time because I thought it would be a hassle but Mary made the switch very easy."

Mike Vande Walle,
Owner of Uncle Mike's Bake Shoppe

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



THE BOOK REVIEW

TITLE: The Gifts of Imperfection

AUTHOR: Brene Brown PhD, L.M.S.W.

TOPIC: Self-Empowerment

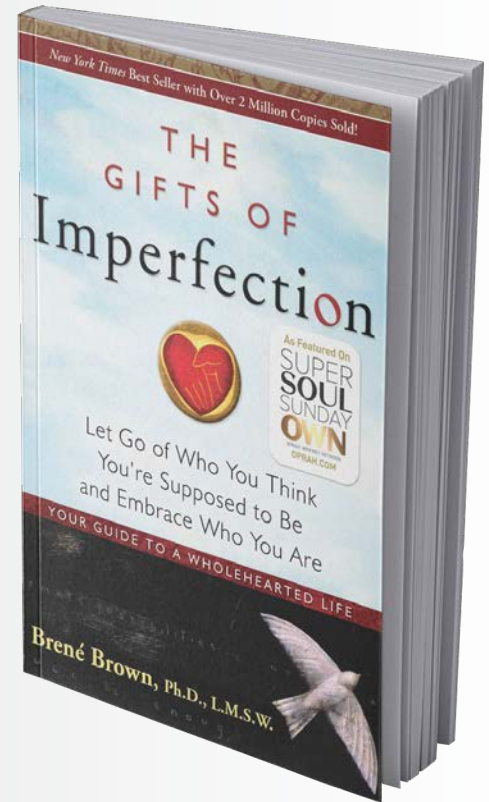
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)

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

Summary: The author describes 10 guideposts to living a wholehearted life. It provides a guide to move from being what everyone expects to becoming your unique fully capable self, warts and all.

My recommendation: Very uplifting. The book contains many personal stories on her journey. Being a business owner, it provides a guide to release my uniqueness to help others and thoroughly enjoy my life. Very thought provoking and eye opening.

Pages: 130 | Published: 2010



GET READY FOR YEAR END REPORTING

By Mary Guldan-Lindstrom CPA

Year End is right around the corner, are you ready for it?

EMPLOYEE REPORTING

Certain employee benefits need to be included and reported on W2s. May need to provide this information no later than December 31, 2020 to be properly reported. Here is a list of the common ones.

- Group term insurance over \$50,000 is taxable. Refer to the IRS table for the amount to include.
- Personal use portion of a company vehicle is taxable income. This requires another IRS tax calculation. Contact us if you need a worksheet.
- Health Savings Account contributions made by the employer.
- S-corporation shareholder (and family members) health insurance premiums are included in taxable wages
- New this year – COVID-19 wages that qualified for tax credits are to be reported separately

CONTRACTORS AND VENDORS REPORTING

Beginning with the tax year **2020**, businesses will be required to file Form **1099-NEC** (non-employee compensation) to report payments for services of \$600 or more to independent contractors. For rent paid to an individual or LLC you will still be filing Form 1099MISC. Now is a great time to review your 2020 payments and obtain the vendor's legal name and tax ID. Use form W9 so you can properly report this income. *Penalties for not filing 1099's range from \$50 per form up to \$550 per return, with no limitation.*

Both Year End wage statements and 1099 reports are due to the IRS by January 31, 2021.

Contact our office at **920-351-4842** if you need assistance.



GIVING TO CHARITY - GUIDELINES

By Mary Guldan-Lindstrom CPA

This time of year, I think of charitable giving. This is challenging at a time when more people are in need of assistance but fewer are in a financial position to be able to provide it. I encourage you to think of others if you are in a position to give. However, I want you to give wisely, thus here's some guidelines to assist you.

FIRST WHY DONATE? THE BENEFITS OF GIVING TO A CHARITY

Donating money can make you feel better. It is empowering to share with others. The act of giving money, seems to activate the "attraction of money" principle. The more I give, the more I, subconsciously, work to replace it, so I can give more. It clearly supports the feeling of abundance, rather than scarcity. It changes the focus from what you don't have to what you can give. If you decide to donate, learn more about the nonprofit.

ARE THEY TRULY A CHARITABLE ORGANIZATION?

First verify that they are approved by the IRS as a designated charity that can receive tax deductible donations. Go to [irs.gov/charities-non-profits/tax-exempt-organization-search](https://www.irs.gov/charities-non-profits/tax-exempt-organization-search) to see if your charity has this designation. Religious organization and churches are automatically considered tax-exempt.

DO THEY FUND WORTHWHILE PROGRAMS?

Let's look at their annual tax return. Every IRS approved nonprofit is required by law to file an annual tax return, Form 990, and that return is available to the public. Here are two websites that will provide information for free - www.guidestar.org or www.charitynavigator.org. Here's what I would look for:

- On 990 page 2 the charity's supports accomplishments in the different program they operate and how much they spent on that program.
- Form 990 page 10. Look to the bottom of the page for the total spent in 3 areas – program, management and fund raising. The more to program expenses the better.
- Form 990 page 7 & 8 will tell you the salaries paid to key executives and board members.
- Another option is to volunteer and learn more about the organization first hand.

WILL THE DONATION PROVIDE YOU A TAX BENEFIT?

Charitable donations are tax deductible; however, they may not provide a tax benefit. In 2020 you can deduct up to \$300 of cash donations without having to itemize. The other option is to itemize your deductions. To provide a benefit your itemized deduction consisting of state taxes, mortgage interest and donations need to exceed your standard deduction. State taxes are limited to \$10,000. The standard deduction for \$24,800 married filing joint and \$12,400 for single. There are some tax planning options such as pay two years every other year or if you have a major windfall consider funding a donor advised fund.

BEWARE OF FRAUD

Charity scams are sadly common; after high-profile disasters, there are often reports of fraudulent charities seeking to take advantage of those who want to help. By checking the IRS site to confirm their existence, then looking at the annual tax return to determine how much actually goes toward the programs you can improve the quality of help that you are donating for.



Special Offer
TAKE CONTROL & PLAN FOR THIS YEAR'S INCOME

LET'S MEET TO FINE TUNE YOUR TAX STRATEGY.

If you earn profits, you pay taxes. Avoid surprises, especially ones that cost money and learn how you can pay less.

Contact Jodi to set up a Tax Planning Meeting:

920-351-4842
JODI@FOCUS-CPA.COM

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A THANKSGIVING STORY...

A CLOSE SHAVE

I prepared my first Thanksgiving dinner ever in 1960. My husband was a ship's pilot and was not due home until around 3:00 A.M. Thanksgiving Day, so I ordered a 25-pound, fresh-killed turkey from the local butcher. It was delivered in a paper bag the day before Thanksgiving. I put it in the refrigerator to be dealt with later. That night I fed, bathed, and put to bed our three children. I set the table for 16 guests and made the stuffing, sweet potatoes, twice-baked potatoes, cranberry sauce, apple pie, pumpkin pie, and more. It was 2:00 A.M. before I took the turkey out of the refrigerator.

As I opened the bag, I nearly fainted. There was the turkey — feathers and all. I tried to pull the feathers out, but it didn't work. At that hour there was no one I could call for help. I was beginning to get hysterical.

I went into the bathroom to get some tissues to dry my tears when I saw the answer to my problem right on the bathroom counter. You can imagine my husband's surprise an hour later, when he walked into the house and saw his very tired wife crying and shaving the turkey with his Norelco electric shaver!

P.S. It worked fine, and my husband is still using his electric shaver.

— Adele Licata in Cape Coral, Florida

Adapted from New England Today Living



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