

THE FINANCIAL EDGE

January 2026



THE METAMORPHOSIS OF MY TAX SEASON

Personal comments by Mary

Forty-five years ago, a career in public accounting began with yellow #2 pencils and mandatory 60-hour workweeks. Financial records were kept on ledger paper, and audit success was measured by the weight of the documentation. The test was simple: could the workpapers walk down the stairs on their own? If so, the audit passed.

There were no computers, no software, no apps, and no cellphones. Not even a phone on the desk. Work happened in the "bullpen," where staff accountants formed the production line. That first year, eyesight declined and—more importantly—the love of accounting began to fade.

Amazing how things change.

Today, work hours are capped at 45 per week. Tax software is essential, and yellow #2 pencils are nowhere to be found. All business clients use accounting software, and auditing is no longer part of the practice. Computers, software, and apps

are basic tools. The goal is to be paperless, and cellphones are necessary for system access. Reading glasses are still a must—but the love of accounting is thriving.

One challenge remains unchanged: extreme deadlines. In fact, they have become more intense. Nearly every client has one or more tax returns due by April 15, leaving just two and a half months to gather information and file returns.

This metamorphosis is driven by technology, culture, and mindset. Preparation is intentional. Technology is implemented. Values are lived. New systems are created. Instead of dreading tax season, there is space to savor success—providing clients with peace of mind and helping small business owners improve their financial outcomes through thoughtful tax planning.

Mary Guldán-Lindstrom



"I like the personalized service and not put into a queue if I have a question or issue to deal with. Your firm is small and very accessible. My greatest benefit is dealing directly with Mary and the team. They are all very responsive. Mary helped me plan and strategize over the years and that has helped me continuously move forward and improve my businesses and my financial situation."

*Tom Verboncouver
President of Christensen Printing
Partners, avid rental property investor,
and small business entrepreneur*

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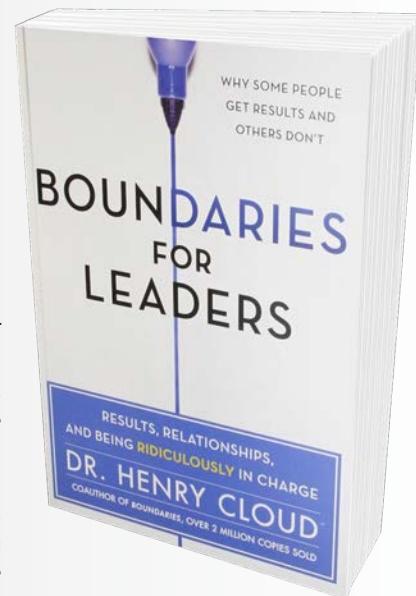


THE BOOK REVIEW

TITLE: Boundaries for Leaders
AUTHOR: Dr. Henry Cloud
TOPIC: Personal Development
EASY TO READ: \$\$\$\$\$ (5 out of 5 dollars)
APPLICABLE TO SMALL BUSINESS: \$\$\$\$\$ (5 out of 5 dollars)

Summary: As a leader you are “ridiculously in charge” as the author reminds you. the book is a bridge of looking at the challenges that a leader faces with their team and what can be done to turn it around. Explains how the brain works, how emotions play in and how to use that information to become a high-performance team.

My recommendation: This book is much more than boundaries. Great reminder that we are all “ridiculously in charge” of our own life and responsible for establishing the climate for success. We can reduce the frustrations. Dr. Cloud provides practical options to improve your team as a whole and improve your culture.



Pages: 237 | Published: 2013



PAYROLL & RETIREMENT PLAN CONTRIBUTION CHANGES FOR 2026

From IRS information

Major payroll changes for 2026 include updates to federal tax withholding tables, an increased Social Security wage base to **\$184,500**, and several adjustments to retirement and benefit contribution limits.

FEDERAL PAYROLL TAX CHANGES

- Social Security Wage Base:** The maximum amount of earnings subject to Social Security tax will increase from \$176,100 to \$184,500. The tax rate remains unchanged at 6.2% for both the employer and the employee.
- Federal Income Tax Withholding:** The IRS has released updated withholding tables and a new Form W-4 for 2026, reflecting inflation adjustments to tax brackets and standard deductions.

RETIREMENT AND BENEFITS PLAN ADJUSTMENTS

Contribution limits for several benefits and retirement accounts are increasing:

- SIMPLE Plan Employee Deferral Limit:** Maximum deferral of \$17,000, with a catch-up contribution of \$4,000 for those over age 50. A super catch-up contribution of \$5,250 applies to individuals ages 60, 61, 62, or 63.

- 401(k) / 403(b) Employee Deferral Limit:** Maximum deferral of \$24,500, with a catch-up contribution of \$8,000 for those over age 50. Beginning in 2026, high earners (those who earned over \$150,000 in FICA wages in the prior year) must make catch-up contributions to a Roth (after-tax) account. A super catch-up contribution of \$11,250 applies to individuals ages 60 through 63.
- HSA Limits:** Maximum contributions increase to \$4,400 for self-only coverage and \$8,750 for family coverage. Catch-up contributions for those over age 55 remain \$1,000.
- IRA Limits:** The contribution limit increases to \$7,500, with a catch-up contribution of \$1,100 for both traditional and Roth IRAs.

OTHER CHANGES

- Information Reporting Thresholds:** The reporting threshold for Forms 1099-MISC and 1099-NEC increases from \$600 to \$2,000.
- Mileage Rates:** The business mileage rate increases to 72.5 cents per mile. Charitable mileage decreases to 20.5 cents, and medical mileage remains unchanged at 14 cents.



10 GREAT HABITS TO KEEP SMALL BUSINESS OWNERS FINANCIALLY SUCCESSFUL

By Mary Guldan-Lindstrom CPA

Small business owners wear many hats to keep their businesses running. They find customers, deliver products and services, manage cash flow, and stay out of trouble by following the law as best they can. Think of it as a three-legged stool. The goal is to maintain balance among these challenges to build a healthy business.

Many business owners dread the accounting and tax side of operations. However, with just a little time set aside each week, the paperwork can be conquered. With consistent attention, financial results often improve as well.

So how do small business owners stay financially successful? The key is developing habits that work for them. Below are several healthy habits that consistently produce strong financial results.

SET ASIDE TIME EACH WEEK TO WORK ON THE BUSINESS.

Plan to make the job easier. Sit back, review, evaluate, and improve systems to achieve better results. Even one focused hour per week can make a difference. Slowing down often leads to greater efficiency.

MONITOR WEEKLY ACTIVITY.

Identify which activities drive success, then measure and track them each week. In a service business, client time creates sales. For product-based businesses, no product shipped means no sales. Choose three key actions that improve cash flow or profitability. More than three can become overwhelming.

KNOW YOUR NUMBERS.

Focus on three key metrics: gross margin, overhead, and break-even sales. Confirm that every customer, product, and service contributes to overhead—not just sales volume. Review these monthly to prevent negative trends.

CHOOSE CUSTOMERS WISELY.

Define the ideal client—one who values the work, can afford it, and pays well. Make it easy for them to do business. Customers shape company culture, so values should align. Grade clients regularly, keep the best, and develop a plan to improve or replace the rest.

CHOOSE PRODUCTS AND SERVICES WISELY.

Focus on what makes the most money and work to lower associated costs. Say no to work that isn't done well.

MANAGE MONEY INTENTIONALLY.

Pay yourself a fair wage, save for taxes, and build an emergency fund. These habits reduce stress and support better decision-making.

INVOICE AT THE POINT OF HIGHEST VALUE.

This may be when a customer commits or when the service is delivered. That moment offers the least resistance to collection. Never delay billing.

REVIEW BANK AND CREDIT CARD ACTIVITY REGULARLY.

Whether online or on paper, review who payments are made to and what is being purchased. Look for unfamiliar charges or unused subscriptions.

PAY BILLS ONCE OR TWICE A MONTH.

Efficiency matters. Paying bills more often does not improve profitability.

KEEP FINANCIAL RECORDS UP TO DATE.

History can't be changed, but it can be learned from. Use past results to make better future decisions.

Financial health doesn't happen overnight. Just like regular exercise and good eating habits, success improves as strong financial habits become routine.

TAX READY MEETINGS

If you are struggling getting the business books ready for taxes and would like some help, please reach out to us. We have a "Tax Ready" checklist available. In addition, we can work with you to pull together your information, verify we have all your expenses and explain red flag issues so you can avoid those.

Call our office at
920-351-4842
or contact
Jennifer@FOCUS-CPA.com
to set up a time.

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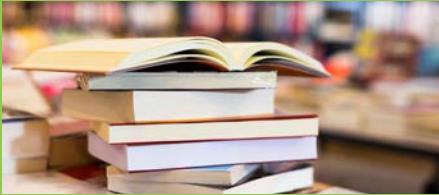
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JANUARY FUNNIES

POLITICIAN IN ACTION

A Senator in the USA was once asked about his attitude toward whiskey. “If you mean the demon drink that poisons the mind, pollutes the body, desecrates family life, and inflames sinners, then I’m against it. But if you mean the elixir of a New Year toast, the shield against winter chill, the taxable potion that puts needed funds into public coffers to comfort little crippled children, then I’m for it. This is my position, and I will not compromise.”

“Cheers to a new year and another chance for us to get it right.” ~ Oprah Winfrey

From inspire21.com/stories-holidaystories-newyearfunnies/

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