



1st SouthWest
Community Fund

Investing in
people, culture,
and ideas.

PROPERTY OF FSNCF

ENGLISH & ESPAÑOL

WELCOME TODAY'S INTERPRETER:

LISA ROGERS

Lisa will share with us how to listen and follow today's presentation with the language of your choice.

BIENVENIDO EL INTÉRPRETE DE HOY:

LISA ROGERS

Lisa compartirá con nosotros cómo escuchar y seguir la presentación de hoy con el idioma de su elección.

TITLE: PREPARING YOUR BUSINESS FOR TAX SEASON:
FREE GROUP TAX EDUCATION WITH A LOCAL EXPERT

TITULO: PREPARANDO SU NEGOCIO PARA LA TEMPORADA DE
IMPUESTOS: EDUCACION TRIBUTARIA GRUPAL GRATUITA
CON UN EXPERTO LOCAL



OUR PARTNERS | NUESTROS SOCIOS



COMMUNITY FOUNDATION OF THE
SAN LUIS VALLEY

SCAPE
Southwest Colorado Accelerator Program for Entrepreneurs



THANK YOU! | ¡GRACIAS!



SOUTHWEST COLORADO *Small Business Development Center*



Rocky Mountain MicroFinance Institute

PROPERTY OF ES/SPACE

ABOUT US | SOBRE NOSOTROS

At First Southwest Community Fund (FSWCF), we are pioneering new, innovative ways to support diverse entrepreneurs and small businesses! We are proud to cultivate our rural communities of entrepreneurs, start-ups, small businesses, and nonprofits by providing comprehensive access to capital, education, resources, and technical assistance. We work with a focus on underserved communities which includes women, Latino/ Hispanic, Black, Indigenous, People of Color (BIPOC), immigrant and veteran-owned businesses by providing low interest, flexible, and accessible loan programs and grants. Our capital can serve entrepreneurs as both standalone financing and participatory financing in conjunction with other funders.

En First Southwest Community Fund (FSWCF), somos pioneros en formas originales e innovadoras de apoyar a diversos empresarios y pequeñas empresas! Estamos orgullosos de cultivar nuestras comunidades rurales de emprendedores, empresas emergentes, pequeñas empresas y organizaciones sin fines de lucro al brindar acceso integral a capital, educación, recursos y asistencia técnica. Trabajamos con un enfoque en comunidades desatendidas que incluyen mujeres, latinos (hispanos, afroamericanos, indígenas, personas de color (BIPOC), empresas propiedad de inmigrantes y veteranos, proporcionando programas y subvenciones de préstamos a bajo interés, flexibles y asequibles. Nuestro capital puede servir a los emprendedores tanto como financiamiento independiente como financiamiento participativo en conjunto con otros prestamistas.

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UPCOMING EVENTS | PRÓXIMOS EVENTOS

Fortaleza
Laboratorio de ideas de negocio

- 5 sesiones educativas sobre los fundamentos de negocios
- Mentoría con expertos en negocios y finanzas
- Microbeca de \$200 al finalizar el programa, por el **Fondo Fortaleza en First Southwest Community Fund**

RECEIVE \$200!

¡2024 es el año para iniciar tu negocio!
ÚNASE A NUESTROS PROGRAMAS DE LANZAMIENTO DE NEGOCIOS. COMPLETAMENTE EN ESPAÑOL.

COMIENZA TU APPLICACION AQUI

Fortaleza
Bootcamp de lanzamiento empresarial

- Programa en línea de 12 semanas que cubre los fundamentos comerciales como marketing, finanzas y operaciones
- Mentoría con expertos en negocios y finanzas.
- Subvención de \$2,000 al final del programa del **Fondo Fortaleza en First Southwest Community Fund**

RECEIVE \$2,000!

¡Debe completar el Laboratorio de ideas de negocios para unirse!

We understand the needs in our rural minority communities and know that the immigrant entrepreneurial spirit is strong! From the established carnicerías (butcher shops) to the tamale lady committed to her side hustle, we created the Fortaleza Fund to support these entrepreneurs. This program was specifically designed to give access to Spanish speakers by providing cultural level education, resources, technical assistance, and funding through grants and loans for immigrant entrepreneurs and small businesses in rural Colorado. Oftentimes, mainstream financial lending is not a viable option for our immigrant communities and we have removed barriers by supporting lending opportunities through the Fortaleza Fund.

Entendemos las necesidades de nuestras comunidades minoritarias rurales y sabemos que el espíritu empresarial de los inmigrantes es fuerte! Desde las carnicerías establecidas hasta la señora de los tamales comprometida con su ocupación secundaria, es por eso que creamos el Fondo Fortaleza bilingüe. Pioneros en este programa diseñado específicamente para dar acceso a los hispanohablantes al proporcionar educación de nivel cultural, recursos, asistencia técnica y financiamiento a través de subvenciones y préstamos para empresarios inmigrantes y pequeñas empresas en las zonas rurales de Colorado. A menudo, los préstamos no son una opción viable para nuestras comunidades de inmigrantes y hemos eliminado barreras al apoyar las oportunidades de préstamos a través del Fondo Fortaleza.

A WORD FROM OUR EXECUTIVE DIRECTOR | UNAS PALABRAS DE NUESTRA DIRECTORA EJECUTIVA

Rosy has extensive experience as an independent business consultant in financial, strategy and business development, and procurement/certification state-wide. She comes to FSWCF from the Hispanic Contractors of Colorado (HCC) where she was the Executive Director. Prior to her role at HCC, she served as the Director of the Minority Business Office of Colorado at the Office of Economic Development and International Trade (OEDIT). McDonough is credited for developing the statewide vision for OEDIT focused on supporting small minority-, women- and veteran-owned businesses. Under her leadership, staff implements the strategic plan, continuously meeting and exceeding established annual performance measures and impact goals.

Rosy received her bachelor's degree in actuarial science (applied mathematics) at the Universidad Nacional Autónoma de México in Mexico City. Her graduating dissertation was Risk Management. Rosy completed an MBA with emphasis in Finance and International Business at the University of Colorado at Denver. She has an entrepreneurial spirit and as a result has owned several businesses throughout her life. Her latest initiative, a credit reporting agency serving the mortgage lending and property management industries nation-wide in the U.S. and various Latin American markets. Her banking experience includes community development, specialty/minority markets, corporate relations, credit analysis, lending, and business banking.

Rosy was born and raised in Mexico providing her with a deep sense of biculturalism. She spends most of her free time with her three girls and husband. Her home is a tri-lingual and culturally diverse household with languages and diverse interest in Chinese and Latin cultures and traditions.

Rosy tiene una amplia experiencia como consultora de negocios independiente en finanzas, estrategia y desarrollo de negocios, y adquisiciones/certificación en todo el estado. Llega a FSWCF desde Hispanic Contractors of Colorado (HCC), donde fue Directora Ejecutiva. Antes de su puesto en HCC, se desempeñó como Directora de la Oficina de Negocios Minoritarios de Colorado en la Oficina de Desarrollo Económico y Comercio Internacional (OEDIT). A McDonough se le atribuye el desarrollo de la visión estatal de OEDIT centrada en el apoyo a las pequeñas empresas propiedad de mujeres y veteranos pertenecientes a minorías. Bajo su liderazgo, el personal implementa el plan estratégico, cumpliendo y superando continuamente las medidas anuales de desempeño y los objetivos de impacto establecidos.

Rosy recibió su licenciatura en ciencias actuariales (matemáticas aplicadas) en la Universidad Nacional Autónoma de México en la Ciudad de México. Su tesis de graduación fue Gestión de Riesgos. Rosy completó una maestría en administración de empresas con énfasis en Finanzas y Negocios Internacionales en la Universidad de Colorado en Denver. Tiene un espíritu emprendedor y, como resultado, ha sido propietaria de varios negocios a lo largo de su vida. Su última iniciativa, una agencia de informes crediticios que presta servicios a las industrias de préstamos hipotecarios y administración de propiedades en todo el país en los EE. UU. y varios mercados latinoamericanos. Su experiencia bancaria incluye desarrollo comunitario, mercados especializados/minoritarios, relaciones corporativas, análisis de crédito, préstamos y banca comercial.

Rosy nació y creció en México, lo que le proporcionó un profundo sentido de biculturalismo. Pasa la mayor parte de su tiempo libre con sus tres hijas y su marido. Su hogar es un hogar trilingüe y culturalmente diverso con idiomas y un interés diverso en las culturas y tradiciones chinas y latinas.



EMAIL: rosy.mcdonough@fswcf.org

INTRODUCTION | INTRODUCCIÓN



Remberto Rivera, brings over 10 years of accounting experience to his role, is the esteemed founder and Lead Accountant at Sunnyside Accounting LLC.

With a Bachelor's of Science in Accounting from the University of Colorado Denver School of Business, Remberto embarked on his career, gaining invaluable experience in multi-million dollar companies. His expertise encompasses various areas, including sales taxes, inventory accounting, financial analytics, and reporting.

With Sunnyside Accounting LLC, Remberto has proudly served hundreds of clients nationwide, providing exceptional accounting services. Outside of his professional pursuits, Remberto enjoys immersing himself in the scenic beauty of the Rocky Mountains, truly embracing his Denver heritage.

Remberto Rivera, aporta más de 10 años de experiencia contable a su cargo, es el estimado fundador y contador principal de Sunnyside Accounting LLC.

Con una Licenciatura en Ciencias en Contabilidad de la Escuela de Negocios de la Universidad de Colorado en Denver, Remberto se embarcó en su carrera, adquiriendo una experiencia invaluable en empresas multimillonarias. Su experiencia abarca varias áreas, incluidos los impuestos sobre las ventas, la contabilidad de inventario, el análisis financiero y la elaboración de informes.

Con SunnysideAccounting LLC, Remberto ha servido con orgullo a cientos de clientes en todo el país, brindando servicios de contabilidad excepcionales. Fuera de sus actividades profesionales, Remberto disfruta sumergirse en la belleza escénica de las Montañas Rocosas, abrazando verdaderamente su herencia de Denver.



SUNNYSIDE
ACCOUNTING



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Bookkeeping Vs Accounting

| La Contabilidad



Best Practices

| Prácticas recomendadas



Other Notables

| Otros notables

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- Organizing Books

Organización de libros



- Categorizing Transactions

Clasificación de transacciones



- Reconciliations

Reconciliación

PROPERTY OF FSWCF





- Creating Reports

Creación de informes



- Interpreting Reports

Interpretación de informes



- Assisting with Special Projects

Interpretación de informes

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Best Practices

- 1. No comingling
 - It is easy to mix funds but this is something the IRS dislikes very much.
- 2. Checks and balances
 - Create accountability with people handling finances
- 3. Stay up to date with banking information
 - Software handles this best and is more efficient than spreadsheets
- 4. Reconcile to bank statements
 - Account for every penny!
- 5. Review Accounting Reports
 - Learn to read your accounting reports and use them to your advantage

Prácticas recomendadas

- 1. Sin mezclas :
 - Es fácil mezclar fondos, pero esto es algo que no le gusta mucho al IRS.
- 2. Controles y equilibrios
 - Crear responsabilidad con las personas que manejan las finanzas
- 3. Manténgase al día con la información bancaria
 - El software maneja esto mejor y es más eficiente que las hojas de cálculo
- 4. Concilie con los estados de cuenta bancarios
 - ¡Cuenta por cada centavo!
- 5. Revisa los informes contables
 - Aprende a leer tus informes contables y utilízalos a tu favor



Best Practices (Cont.)

- 6. Keep proper Accounts Receivable Records
 - Forgotten invoices directly hurt your company.
- 7. Employee vs contractor
 - This just became even more important
- 8. Outsource Payroll
 - Payroll is extremely difficult to calculate on your own
- 9. Data Security
 - Make sure only the correct people can access this data.
- 10. Work with a bookkeeper
 - This will allow you to be more organized, save time, and can also have big tax savings implications.

Prácticas recomendadas (continuación)

- 6. Mantenga registros adecuados de las cuentas por cobrar
 - Las facturas olvidadas perjudican directamente a su empresa.
- 7. Empleado vs contratista
 - Esto se volvió aún más importante
- 8. Externalizar la nómina
 - La nómina es extremadamente difícil de calcular por su cuenta
- 9. Seguridad
 - de los datos Asegúrese de que solo las personas correctas puedan acceder a estos datos.
- 10. Work con un contador
 - Esto le permitirá ser más organizado, ahorrar tiempo y también puede tener grandes implicaciones de ahorro de impuestos.



Preparing for a Bookkeeper

- Have separate business accounts
- Keep sales and expense records
- Disclose history
- Disclose every type of account
 - Checking / Savings / Credit Card
- Disclose all debt
 - Short Term and Long-Term Notes
- Disclose all Assets
 - Equipment, cars, properties, etc.

Preparación para un tenedor de libro

- Tener cuentas comerciales separadas
- Mantener registros de ventas y gastos Divulgar
- El historial Divulgar
- Todo tipo de cuenta
 - Cuenta corriente / Ahorros / Tarjeta de crédito
- Divulgar todas las deudas
 - Notas a corto y largo plazo
- Divulgar todos los activos
 - Equipos, automóviles, propiedades, etc.



Tax Savings with S-Corps

- **When to S-Corp**

- When you have profits that are more than a “reasonable salary” for someone in your position

- Example:

- Profits of \$100,000
- Salary of \$40,000
- Tax Savings of 15.3% on remaining \$60,000 = \$9,180

Ahorro de impuestos con S-Corps

- **Cuando**

- **tienes ganancias que son más que un “salario razonable” para alguien en tu posición**

- Ejemplo:

- **Ganancias de \$100,000**
- **Salario de \$40,000**
- **Ahorro de impuestos del 15.3% sobre los \$60,000 restantes = \$9,180**

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Bookkeeping Focused | **Centrado en la contabilidad**



Xero - Starts at \$13.00

Fresh Books - Starts at \$15.00

Quickbooks - Starts at \$30.00

Wave - Starts at \$0.00





Questions | Preguntas



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- **Email: fgutierrez@atax.com**

Please type your questions in the "Q&A" tab at the bottom toolbar and we'll read them out loud.

Escriba sus preguntas en la pestaña "Preguntas y respuestas" en la barra de herramientas inferior y las leeremos en voz alta.

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THANK YOU FOR JOINING US TODAY!

¡GRACIAS POR ACOMP AÑARNOS HOY!

There will be a short survey when the webinar ends. Please take a few minutes to complete it.

Habrá una breve encuesta cuando finalice el seminario web. Tómese unos minutos para completarlo.



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Learn more about our Loans, Grants and Education:
<https://fswcf.org/all-programs/>



1st SouthWest
Community Fund



FSWCF Contact Info:

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 fswcf.org

Updates for 2024 Taxes

Key Items for 2024 taxes:

- For those of you living in Colorado - Proposition 118 was approved in 2020 - this paved the way for a state-run Paid Family and Medical Leave Insurance (FAMLI) program.
 - You can now submit claims to - famli.colorado.gov
- Bonus Depreciation - for the 2024 tax year it is at 60% Unless congress acts to extend it.
- Virtual currency now "Digital Assets" to encompass all types of digital transactions continues to be a BIG issue with the IRS. It is again on the 15* page of the 1040 tax return with it's own section. The IRS is asking for 1099 reporting from all exchanges. The Proposed section 6045 would require brokers of digital assets to report certain sales and exchanges on or after January 1, 2025.
- For those of you who have a small business and accept credit card payments or Venmo, Zelle, Paypal, etc. The IRS is still trying to complete the requirements. Therefore for 2023 and prior tax years - payment apps and online marketplaces are only required to send out Forms 1099-K to taxpayers who receive over \$20,000 and have over 200 transactions. For tax year 2024, the IRS plans for a threshold of \$5,000 to phase in reporting requirements.
 - Some businesses will start to test their systems and you may receive a 1099-K. If you receive one it will need to be on your tax return. If it is an error, there are ways to handle that as well. Can discuss on an individual basis.
 - Keep in mind the amounts on the 1009-K's is the gross amount of the charge. It includes the fees that the 3rd party kept.
- Just to update the status of the \$80 billion from the inflation Reduction Act.
 - The debt ceiling and budget cuts package reduced the IRS \$80 Billion by approximately 25%
- A new item that is coming on line - Corporate Transparency Act. (CTA) - a Federal law that requires most domestic business entities to file reports with the Financial Crimes Enforcement network (FinCEN) that identify their beneficial owners. The CTA is designed to help prevent and combat money laundering, terrorist financing and other financial crimes.
 - Most domestic business entities are required to file.
 - Corporations
 - Limited Liability Companies
 - Partnerships
 - Business Trusts
 - Any business entity that "forms" through a state agency or department (single member llc (SMLLC) for example)
 - There are some exceptions to the CTA reporting requirement, such as publicly traded companies and certain types of financial institutions. Schedule C is probably exempt unless it is a SMLLC.
 - Existing business entities prior to 1/1/2024 must file their CTA reports by January 1, 2025.
 - New business entities created or registered on or after 1/1/2024 and before January 1, 2025 must file their CTA with in 90 days
 - Entities created or registered on or after January 1, 2025 will have 30 days to file their CTA.

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- Clean Vehicle and Solar Credits -

- Clean Vehicle credits relies on the battery requirements.

There are many requirements to get the credits. (Some are on the tax returns and some are at the dealership.) It is best to check IRS.gov, Energy.gov and Energystar.gov are good resources to check all the current energy credits and requirements. Or contact me with specifics.

- For those of you who live in Colorado the latest information on the 2023 TABOR Refund will be \$800 for one qualifying taxpayer or \$1,600 for two qualifying taxpayers filing jointly.

- You must file by April 15, 2024
- If you are at least 18 years old when the tax year began
- Do not have a Colorado income tax liability
- Are not claiming a refund of wage withholding

This group will mostly be the people whom don't typically file or have zero taxable income.

- You must file by Oct 15, 2024

- Have a Colorado income tax liability
- Claim a refund of wage withholding

- Required Minimum Distributions (RMD's). As of Dec 31, 2022 you generally must start taking withdrawals at age 73 (if you reached age 72 after Dec 31, 2023). Check with your financial advisor with questions on how much and when you have to start.

What is Small Business Accounting?

- Communicates information about a company's operations and finances
- Allows entrepreneurs to make informed business decisions

Why is Small Business Accounting important?

- Tax planning
- Performance management
- Business decisions
- Investment decisions

Financial Documentation

- Balance Sheet:
 - A financial statement that reports a company's assets, liabilities, and shareholder equity
- Income Statement:
 - Shows a company's revenues, expenses and profitability over a period of time
- Statement of Owner's Equity:
 - A one-page report showing the difference between total assets and total liabilities, resulting in the overall value of owner's equity
- Statement of Cash Flows:
 - A financial statement that summarizes the amount of cash flowing into and out of a company

Budgeting

Budgeting

- Benefits of a Budget
- Manage your money effectively
- Increase profit
- Monitor performance
- Meet your goals/objectives
- Improve decision-making
- Allocate appropriate resources to projects
- Identify problems before they occur
- Plan for the future

Budgeting Tips for Entrepreneurs

- Separate your personal and business finances
- Business bank account(s)
- Set aside cash on a regular basis for taxes
- Keep all of your receipts
- Haggle with your suppliers
- Always shop around
- When you hire, budget the full cost
- Buy used
- Use bookkeeping/budgeting software
- Have a Certified Public Accountant
- Have adequate insurance

Create a Budget

- Plan for the future (i.e. next year)
- Project sales for next year
- Based on historical sales, percentage or dollars
- Actual percent of historical sale growth,
- Factor in new product(s) or service(s), etc.
- Estimate how many additional products or services can be sold next year by week, month, and then total for year.

Common Mistakes Businesses Make

- Balance Sheet – Misclassifying assets and liabilities
 - Current vs. Long term
 - Example: business could classify a long-term liability as short-term, overstating the amount that needs to be repaid in the current year
- Income Statement – Omitting sales
 - Decreases revenues recorded; decreases net income
- Income Statement – Omitting expenses
 - Can lead to overspending, since budgets use historical figures to plan
 - Potentially increases taxable income
- Co-mingling personal and business funds
 - Makes financial statements inaccurate
- Mistaking profit for cash flow
 - Just because the business shows a profit, does not mean there is adequate cash in the bank to cover expenses and liabilities
- Infrequent bookkeeping
 - Transactions and journal entries may be omitted
- Failing to save original receipts
 - Source document for transactions
 - Important for matching data entries to the original information
- Not using accounting software
 - Mistakes

Small Business Accounting

- Communicates information about a company's operations and finances
- Allows entrepreneurs to make informed business decisions

Accounting provides you with various pieces of information regarding your business operations. Here are some accounting use examples:

- Tax planning
- Performance management
- Business decisions
- Investment decisions

Balance Sheet

Balance Sheet - Illustration	
Assets	
Cash	1500
Accounts receivable	200
Inventory	500
Supplies	400
Prepaid Insurance	400
Land	15000
Equipment	10000
Total Assets	28000
<hr/>	
Liabilities	
Accounts Payable	5000
Note Payable	10000
Salaries Payable	7000
Unearned Rent	3000
Total Liabilities	2500
<hr/>	
Owner's Equity	
Capital	3000
Total Equity	3000
Total Liabilities and Equity	28000

Assets = Liabilities + Owner's Equity

<u>Assets</u>	<u>Liabilities</u>	<u>Owner's Equity</u>
Cash	Accounts Payable	Owner's Capital
Building	Notes Payable	Owner's Drawing
Equipment	Salaries Payable	Common Stock
Land	Sales Tax Payable	
Supplies	Unearned Revenue	
Accounts Receivable		
Notes Receivable		
Prepaid Expense		

Income Statement

Income Statement - Illustration	
Revenues	
Sales Revenue	30000
Service Revenue	20000
Total Revenues	50000
<hr/>	
Expenses	
Cost of Goods Sold	6000
Wage Expense	10000
Rent Expense	2000
Utilities Expense	1000
Interest Expense	500
Supplies Expense	500
Total Expenses	20000
Net Income	30000



Bookkeeping

Separate Business & Personal Finances

- Maintain a bank account specifically for the business.
- Don't be tempted to use the business debit/credit card for personal expenses!
- This keeps all business income and expenses separate, which simplifies recordkeeping and tax filing.
- If audited by the IRS, the burden on proof is on the owner to disclose business income and expenses.
- If a sole proprietor, set up a personal draw amount, instead of withdrawing from the business on an as-needed basis.

Keep Records of All Deposits

Helps to distinguish between different types of deposits:

- Income
- Owner investments
- Loan proceeds
- In an IRS audit, they IRS will request copies of bank statements. If deposits total greater than income reported, the IRS may assume that you didn't report all income.

Track Every Expense

- Improves financial awareness.
- Get the most deductions possible.
- Keep documentation to support all expenses!

Retain All Source Documents

Evidence that a financial transaction occurred.

Examples:

- Invoices
- Receipts
- Time cards
- Deposit slips

Reconcile the Bank Account Monthly

- Detect fraud—any unauthorized checks/payments?
- Determine the amount you really have in your account.
- Avoid bouncing checks.
- Detect bank/company errors.
- Know if customer payments bounced.

Invest in Accounting Software

- Even if it is a low cost solution, it allows your accountant to help you make decisions quickly throughout the year.
- Also allows the client to better understand the financial situation of the business.

Outsource Bookkeeping if Practical

- Professional expertise—reduce mistakes
- Spend less time on administrative tasks, more time managing business
- Simplifies tax preparation
- Receive accountant-generated financial statements

Realize When to Consult Your Accountant

- Considering changing business structure
- If you're uncertain if an expense is deductible—BEFORE purchase
- Not sure if someone is an employee or independent contractor
- Before trading in a business vehicle
- Are estimated payments on track?
- Any new laws that might impact your business
- Before purchasing another business

Financial Statements

- Balance Sheet
- Income Statement
- Statement of Owner's Equity
- Statement of Cash Flows

Financial Statement Analysis

- Financial statement analysis involves gaining an understanding of an organization's financial situation by reviewing its financial statements.
- Identifies:
 - Trends – attempting to identify patterns in financial statement accounts over time
 - Proportion analysis – ratios discern the relationship among the size of various accounts
- Financial statement analysis involves gaining an understanding of an organization's financial situation by reviewing its financial statements.
- Identifies:
 - Trends – attempting to identify patterns in financial statement accounts over time
 - Proportion analysis – ratios discern the relationship among the size of various accounts

Horizontal Analysis

- Horizontal analysis: analyses the increase and decrease in financial statement items over time.
- Compares statements for two or more periods.
- Each item on the most recent statement is compared with the same item on an earlier statement in terms of:
 - *Amount* of increase or decrease
 - *Percentage* of increase or decrease

Comparative Balance Sheet
December 31, 2008 and 2007

	2008 (\$)	2007 (\$)	Increase or (Decrease)	
			Amount	Percent
Follow these steps:				
1. Calculate change				
Current – Previous				
2. Divide by Previous				
<u>Amount of Change</u> Previous				
Assets				
Current assets	550,000	533,000	17,000*	3.2%
Long-term investments	95,000	177,500	(82,500)	(46.5)%
Plant assets (net)	444,500	470,000	(25,500)	(5.4)%
Intangible assets	50,000	50,000	—	—
Total assets	1,139,500	1,230,500	(91,000)	(7.4)%
Liabilities				
Current liabilities	210,000	243,000	(33,000)	(13.6)%
Long-term liabilities	100,000	200,000	(100,000)	(50.0)%
Total liabilities	310,000	443,000	(133,000)	(30.0)%
Stockholders' Equity:				
Preferred 6% stock, \$100 par	150,000	150,000	—	—
Common stock, \$10 par	500,000	500,000	—	—
Retained earnings	179,500	137,500	42,000	30.5%
Total stockholders' equity	829,500	787,500	42,000	5.3%
Total liabilities and stockholders' equity	1,139,500	1,230,500	(91,000)	(7.4)%

* 550,000 - 533,000 = 17,000
(17,000 / 533,000) × 100 = 3.2%

Vertical Analysis

- Vertical analysis: the percentage analysis of the relationship of each component in a financial statement to a total within the statement.
- In a vertical analysis of the balance sheet, the percentages are computed as follows:
 - Each asset item is stated as a percent of the total assets.
 - Each liability and stockholders' equity item is stated as a percent of the total liabilities and stockholders' equity.
- In a vertical analysis of the income statement, each item is stated as a percent of sales.

For Balance Sheet:

$\frac{\text{Component Account}}{\text{Total}} = \%$

For Income Statement:

$\frac{\text{Account}}{\text{Sales}} = \%$

Financial Ratios – Current Position

Working Capital: used to evaluate a company's ability to pay current liabilities.

- Working Capital = Current Assets – Current Liabilities

Current Ratio: ratio that expresses the relationship between current assets and current liabilities

- Current ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$

Quick Ratio: measures the "instant" debt-paying ability of a company

- Quick assets are cash and current assets that can be easily converted into cash. Includes cash, temporary investments, and receivables. Excludes inventories and prepaids.
- Quick ratio = $\frac{\text{Quick Assets}}{\text{Current Liabilities}}$

Financial Ratios – Accounts Receivable

Accounts Receivable Turnover: measures how frequently during the year the accounts receivable are being converted to cash

- A/R Turnover = $\frac{\text{Sales}}{\text{Average Accounts Receivable}}$

Number of Days' Sales in Receivables: an estimate of the time (in days) that the accounts receivable have been outstanding

- # Days' Sales in Receivables = $\frac{\text{Average Accounts Receivable}}{\text{Average Daily Sales}}$

Financial Ratios – Inventory

Inventory Turnover: the relationship between the volume of goods sold and inventory

- Inventory Turnover = $\frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$

Number of Days' Sales in Inventory: the relationship between the volume of sales and inventory

- # Days' Sales in Inventory = $\frac{\text{Average Inventory}}{\text{Average Daily COGS}}$

Financial Ratios – Profitability

Ratio of Sales to Assets

- Measures how effectively a company uses its assets
- Ratio of Sales to Assets = $\frac{\text{Sales}}{\text{Average Total Assets}}$

Rate Earned on Total Assets

- Measures the profitability of total assets, without considering whether the assets are financed by debt or equity
- Rate Earned on Total Assets = $\frac{\text{Net Income} + \text{Interest Expense}}{\text{Average Total Assets}}$

Rate Earned on Stockholder's Equity

- Measures the rate of income earned on the amount invested by the stockholders
- Rate Earned on Stockholder's Equity = $\frac{\text{Net Income}}{\text{Average Total Stockholders' Equity}}$

Red Flags on Financial Statements

- Several years of revenue trending down computed as follows:
 - If the company has not rebounded in 3 years, it might not be a good investment anymore.
- Large "other expenses" on the Income Statement.
 - Find out what they are specifically, and if they are likely to reoccur.
- Unsteady cash flow
 - A stockpile of cash can indicate accounts are being collected, but not much new work coming in.
- Shortage of cash could be indicative of under-billing for work.
- Rising accounts receivable in relation to sales
 - Money tied up in accounts receivable cannot be used in the business to continue generating revenue
 - Only profitable if collected

- Large inventory balance
 - Company has too much money tied in up inventory
 - Inventory might expire or become obsolete
- Consistently higher liabilities than assets
 - Company is over-leveraged

Common Mistakes Businesses Make

- Balance Sheet – Misclassifying assets and liabilities
 - Current vs. Long term
 - Example: business could classify a long-term liability as short-term, overstating the amount that needs to be repaid in the current year
- Income Statement – Omitting sales
 - Decreases revenues recorded; decreases net income
- Income Statement – Omitting expenses
 - Can lead to overspending, since budgets use historical figures to plan
 - Potentially increases taxable income
- Co-mingling personal and business funds
 - Makes financial statements inaccurate
- Mistaking profit for cash flow
 - Just because the business shows a profit, does not mean there is adequate cash in the bank to cover expenses and liabilities
- Infrequent bookkeeping
 - Transactions and journal entries may be omitted
- Failing to save original receipts
 - Source document for transactions
 - Important for matching data entries to the original information
- Not using accounting software
 - Mistakes are more likely if bookkeeping is done on paper or in Excel

Common Accounting Errors

- Error of principle
 - Purchase of a fixed asset that should be capitalized gets expensed instead.
 - Recording a personal expense as a business expense
 - Recording a capital contribution as a loan when there is no intention to treat it that way
- Error of omission
 - Forgetting to record the depreciation for a given period
 - Failing to record some out-of-pocket expenses
 - Not recording a required adjustment to inventory
- Error of commission
 - Original entry error – an incorrect figure is entered in the records, but still posted to the correct account.
 - Calculation error – Recording a journal entry with a miscalculated figure.
 - Reversal of entries – The amount is correct, the accounts are correct, but debits and credits are reversed.
 - Transcription error – Two numbers have inadvertently reversed
 - Compensating error – Two equal and opposite errors leave the books in balance.

Budgeting

- Benefits of a Budget
 - Manage your money effectively
 - Increase profit
 - Monitor performance
 - Meet your goals/objectives
 - Improve decision-making
 - Allocate appropriate resources to projects
 - Identify problems before they occur
 - Plan for the future

Budgeting Tips for Entrepreneurs

- Separate your personal and business finances
- Business bank account(s)
- Set aside cash on a regular basis for taxes
- Keep all of your receipts
- Haggle with your suppliers
- Always shop around
- When you hire, budget the full cost
- Buy used
- Use bookkeeping/budgeting software
- Have a Certified Public Accountant
- Have adequate insurance

Create a Budget

- Plan for the future (i.e. next year)
- Project sales for next year
- Based on historical sales, percentage or dollars
- Actual percent of historical sale growth,
- Factor in new product(s) or service(s), etc.
- Estimate how many additional products or services can be sold next year by week, month, and then total for year.

Creating a Budget

- What expenses will change and how by how much based on projected sales?
 - Expenses are fixed or variable
 - Take into account the economy, new laws and regulations, and politics (not just the USA)
- Compare historical expenses
 - Any recent increases
 - Shop around for better price
- Use previous year's income statement as base
- Factor in any changes to the balance sheet
- Input future change as Fixed or Variable
- Review past financial statements
- Make a plan for the next year
- Create projections in sales and expenses

Payroll

- Employees vs. Contractors
 - The IRS uses three categories to help distinguish employees from contractors:
 - Behavioral Control – who controls what work is accomplished and how the work is done
 - Financial Control – how the business pays the worker
 - Relationship – permanency of the relationship

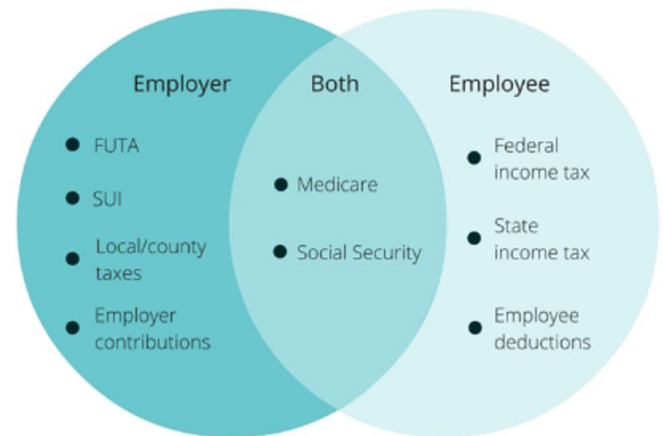
Employee	Independent Contractor
Receives instructions on when, where, and how to work	Sets own schedule and hours
Trained by employer	Has a business license
Furnished with tools or materials necessary	Has own tools and equipment
Continuing relationship with employer	Does same work for multiple people

Forms for New Hires

- Federal W-4 – Employee's Withholding Allowance Certificate
- State W-4 (if applicable)
- Form I-9 – Employment Eligibility Verification

Payroll Tax Withholdings

- Most employers must withhold, deposit, and pay:
 - Income tax
 - Social security tax
 - Medicare tax
- Unemployment tax (not withheld)
- Employers must match and pay the amount of employee FICA!!



Employment Taxes

- Each quarter, the employer must file Form 941- Employer's Quarterly Federal Tax Return
 - Report income taxes, Social Security tax, and Medicare tax withheld from employee's paychecks.
 - Pay the employer's portion of Social Security and Medicare tax.
- Federal Unemployment Tax Act (FUTA) provides for payments of unemployment compensation to workers who have lost their jobs.
 - Annually, employers must file Form 940 - Employer's Annual Federal Unemployment (FUTA) Tax Return

Payroll Considerations

- Pay Periods
 - Weekly – every week; 52 times a year
 - Biweekly – every 2 weeks; 26 times a year
 - Semimonthly – twice a month; 24 times a year
 - Monthly – once a month; 12 times a year
- Wage and Salary Types
 - Nonexempt vs. Exempt (Fair Labor Standards Act)
 - Minimum Wage
 - Child Labor Law
- Tax-Exempt vs. Taxable Benefits

Maintain Accurate Info on Employees

- Payroll info
- All information necessary to prepare W-2's:
 - Name changes
 - New address?
 - Social security number

Use a Payroll Service if Practical

- Improve accuracy—Each year, 40% of small businesses pay a penalty for improperly filing payroll taxes
- Withholding calculations are complex
- Professional expertise
- Deadlines are always looming

Taxation

Filing and Paying Business Taxes

Do I have to file an income tax return?

- You must if your net earnings from self-employment were \$400 or more. (For the purposes of this workshop)

Do I need an Employer Identification Number (EIN)?

- Yes – if you pay wages, have a self-employed retirement plan, or operate as a partnership or corporation.
- Recommended – to open a business bank account, and for certain transactions with other businesses.
- Very simple to apply online.

What business tax return do I file?

- Sole proprietor – Sch C
- Partnership – 1065
- S Corporation – 1120S
- C Corporation – 1120
- LLC – Depends on number of members and how the entity has elected to be taxed
- It is recommended to have an accountant prepare these forms for you!

When is my return due?

- Partnership (1065) and S Corporation (1120S) – March 15
- C Corporations (1120) and Sole Proprietors (1040 Schedule C) – April 15

What if I won't be able to file on time?

- File Form 4868, the Application for Automatic Extension (until Oct 15).
- Does not extend the time to actually PAY taxes, only to file return.

What if I have a balance due to the IRS?

- The balance must be paid in full by the due date of your return to avoid penalties and interest.

How do I pay income tax?

- Pay as you receive income (example: the way an employee has withholding from paycheck).
 - "Pay As You Go, So You Won't Owe"
- Must make estimated tax payments if you will owe taxes of \$1,000 or more when you file your return; otherwise, you may pay tax due when you file your return.
- There could be a penalty if you did not pay enough tax by withholding or by making estimated tax payments.

How long do I need to keep my prior years' tax returns and records?

- Statute of limitations to audit a tax return – 3 years after the return is due or filed OR 2 years from the date the tax is paid.
- Keep employment tax records for at least 4 years.

Self-Employment Tax

What is Self-Employment tax?

- Self-Employment tax consists of Social Security and Medicare tax.
- Similar to the FICA deductions from employee's paycheck.
- When you are an employee, your employer pays half and you pay half. When you're self-employed, you pay all of it.

Am I required to pay self-employment tax?

- You must pay SE tax if your net earnings from self-employment were \$400 or more.

- SE tax rate – 15.3%
 - 12.4% Social Security
 - 2.9% Medicare Tax
- Minimum earnings subject to self-employment tax:
 - Only the first \$132,900 (2019) of your combined wages and net earnings is subject to the 12.4% Social Security part of SE tax
 - You must pay the 2.9% Medicare part of the SE tax on all net earnings

Estimated Tax

What is estimated tax?

- A method of paying tax on income that is not subject to withholding tax (ex: self-employment income, business earnings, interest, rent, dividends).
- Includes self-employment tax and federal income tax.
- The IRS requires estimated tax to be paid quarterly.
- If you underpay your estimated tax, you will owe more to the IRS when you file your return. If you overpay your estimated tax, you will receive a refund. (Similar to how withholding tax works.)

How do I know if I have to pay estimated tax?

- Use Form 1040 ES, Estimated Tax For Individuals, to estimate your taxable income for the year.
- You generally have to make estimated tax payments if you expect to owe taxes (including self-employment tax) of \$1000 or more.

State & Local Taxes

- In addition to all the aforementioned federal taxes, it is important for the client to know state specific taxes:
 - Sales & use tax
 - Property tax
 - Business privilege tax
 - Personal property tax (machinery, equipment, furniture, etc.)
- In addition, many states require income tax withholding, as well as State Unemployment Tax (SUTA).
- Your state and county governments, as well as local municipalities, can provide information about the specific taxes that apply in your area.

Deductible Business Expenses

- Expenses must be considered **ordinary** and **necessary** to be deductible.
 - **Ordinary**: things that are commonly used, and accepted by general industry standards.
 - **Necessary**: helpful and appropriate in running your trade or business.
- Expense amounts must also be reasonable.
- Keep all receipts for items you plan to deduct! The burden of proof falls on the taxpayer.

- | | |
|-------------------------------|--------------------------------|
| · Automobile expenses | · Advertising |
| · Depreciation | · Bank fees |
| · Employees' pay | · Education expenses |
| · Insurance | · Licenses and regulatory fees |
| · Interest | · Moving machinery |
| · Legal and professional fees | · Repairs and maintenance |
| · Pension plans | · Subscriptions |
| · Rent expense | · Supplies and materials |
| · Taxes | · Utilities |
| · Travel | · Business use of your home |
| · Meals (50%) | |

Deductible Business Expenses

- Mileage
 - 58 cents per mile for business miles driven
- Meals
 - 50% deductible
 - Must be business related, or necessary due to business travel
- Travel
 - Trip primarily for business – deduct all travel expenses
 - Transportation, business use of automobile, meals, lodging
 - If personal vacation activities are incorporated, only the business portion of the travel can be deducted

Deductible Business Expenses

- Entertainment
- Bribes and kickbacks
- Charitable contributions (deducted at the individual level)
- Dues to business, social, athletic, sporting clubs
- Lobbying expenses
- Penalties and fines
- Political contributions

Tax Cuts & Jobs Act of 2017

- Notable changes for businesses
 - Special rules for pass-through entities (Section 199A – 20% deduction)
 - New income tax withholding tables
 - Corporate rate reduced to a flat 21%
 - Corporate Alternative Minimum Tax (AMT) repealed
 - Depreciation changes – additional bonus depreciation & increases to Sec. 179
 - Expanded use of cash basis
 - No deduction for entertainment expenses
 - Changes to treatment of employee transportation fringe benefits
 - No Net Operating Loss (NOL) carryback

Deduction for Qualified Business Income of Pass-Through Entities

- Section 199A Deduction
- In general, Taxpayer is allowed a deduction for any taxable year of an amount equal to *the lesser of*:
 - (a) Taxpayer's "combined QBI amount" for the taxable year, or
 - (b) an amount equal to 20% of the excess (if any) of
 - (i) Taxpayer's taxable income for the taxable year, over
 - (ii) any net capital gain for the taxable year.
- Section 199A Deduction:
 - In simplified terms, the basic deduction is 20% of net qualified business income.
 - Deduction taken on the individual's tax return – "pass-through"
 - Subject to multiple limitations, based on:
 - Trade or service
 - Taxpayer's taxable income
 - W-2 wages paid
- Pass-Through Entity
 - Sole proprietorships, partnerships, LLCs, and S Corporations
 - Entities themselves are not subject to income tax
 - Owners are taxed individually on the earnings, taking into account their share of the profits

- Qualified Businesses
 - Any trade or business other than specified service trade or business
- Excluded "specified service" businesses:
 - Health, law, accounting, actuarial sciences, brokerage services, investment management trading, dealing in securities

Resources to Assist Clients

- IRS Websites
 - Small Business and Self-Employed Tax Center
 - Small Business Taxes: The Virtual Workshop
 - IRS YouTube Channel – Small Business playlist
 - IRS Tax Calendar for Businesses and Self-Employed
- IRS Publications
 - Publication 15 – Employer's Tax Guide
 - Publication 334 – Tax Guide for Small Businesses
 - Publication 463 – Travel, Entertainment, Gift, and Car Expenses
 - Publication 505 – Tax Withholding and Estimated Tax
 - Publication 535 – Business Expenses
 - Publication 583 – Starting a Business and Keeping Records
 - Publication 587 – Business Use of Your Home
 - Publication 1779 – Independent Contractor or Employee
 - Tax Cuts and Jobs Act FAQ

Communication with Accountant

Be Proactive

- Your accountant should be a year-round trusted advisor.
- Share your goals with your accountant so that you can work together strategically throughout the year.
- Talk to your accountant BEFORE year-end. During tax season is too late!
 - Benefit from charitable contributions?
 - Any opportunities to lower income tax bill?
 - Need to increase estimated payments?

Maintain Connection throughout the Year

- Communication is key in all business relationships!
- Constant communication is necessary for your accountant to properly do their job.
- Your accountant is a trusted and valuable advocate for your business.
- Open lines of communication allow any issues to be resolved more quickly.

Understand Documents Needed

- Bank statements—checking account, notes payable
- Credit card statements
- Financial output from accounting software if applicable
- 1099s and W-2s given to contractors and employers
- Proof of expenses—preferably already tallied in categories
- Proof of revenue—deposit slips, invoices, register receipt tapes
- Auto mileage log
- Info on home office

Notify of IRS Correspondence Immediately

- Your accountant is an advocate for your business.
- In order to properly help, the business owner must provide any correspondence in a timely manner.
- The IRS imposes deadlines!
- Penalties and fees can rack up quickly.

What do I need to file my Taxes?

The Documents you need to tax prep depends on your situation. To help you prepare for your tax appointment we've created a checklist to help you know what forms to send up or bring in.

Personal Information

Tax Identification Numbers are mandatory items on your checklist. All taxpayers will need the following to do their taxes.

- ___ Your social security number or tax ID number
- ___ Your spouse's full name, social security number or tax ID number, and date of birth
- ___ Identity Protection PIN, if one has been issued to you, your spouse, or your dependent by the IRS
- ___ Routing and account numbers to receive your refund by direct deposit or pay your balance due if you choose

Dependent(s) Information

Parents and caregivers should gather this information as they review what they need to file their taxes.

- ___ Dates of birth and social security numbers or tax ID numbers
- ___ Childcare records (including the provider's tax ID number) if applicable
- ___ Income of dependents and of other adults in your home
- ___ Form 8332 showing that the child's custodial parent is releasing their right to claim a child to you, the noncustodial parent (if applicable)

Tax Return(s) for Last Year

Previous year's tax returns will be helpful to ensure continuity between tax returns.

- ___ Form 1040 for Personal Returns
- ___ Form 1120-S for Corporate returns
- ___ Form 1065 for Partnership returns

Sources of Income

Many of these forms won't be needed to file taxes every year. For example, you will only receive the investment forms you may need to file your taxes if you had distributions or other activity.

Employed

- ___ Forms W-2

Unemployed

- ___ Unemployment (1099-G)

Self-Employed

- ___ Forms 1099, Schedules K-1, income records to verify amounts not reported on 1099-MISC or 1099-NEC
- ___ Records of all expenses — check registers or credit card statements
- ___ Business-use asset information (cost, date placed in service, etc.) for depreciation
- ___ Office in home information, if applicable
- ___ Record of estimated tax payments made (Form 1040-ES)

Rental Income

- ___ Records of income and expenses
- ___ Rental asset information (cost, date placed in service, etc.) for depreciation
- ___ Record of estimated tax payments made (Form 1040-ES)

Retirement Income

- ___ Pension/IRA/annuity income (1099-R)
- ___ Traditional IRA basis (i.e., amounts you contributed to the IRA that were already taxed)
- ___ Social security/RRB income: SSA-1099, RRB-1099

Savings & Investments or Dividends

- ___ Interest, dividend income (1099-INT, 1099-OID, 1099-DIV)
- ___ Income from sales of stock or other property (1099-B, 1099-S)
- ___ Dates of acquisition and records of your cost or other basis in property you sold (if basis is not reported on 1099-B)
- ___ Health Savings Account and long-term care reimbursements (1099-SA or 1099-LTC)
- ___ Expenses related to your investments
- ___ Record of estimated tax payments made (Form 1040-ES)
- ___ Transactions involving cryptocurrency (Virtual currency)

Other Income & Losses

- ___ Payment Card and Third Party Network Transactions - 1099-K
- ___ Gambling income (W-2G or records showing income, as well as expense records)
- ___ Jury duty records
- ___ Hobby income and expenses
- ___ Prizes and awards
- ___ Trust income
- ___ Royalty Income 1099-MISC
- ___ Any other 1099s received
- ___ Record of alimony paid/received with ex-spouse's name and SSN
- ___ State tax refund

**Types of
Deductions**

The types of deductions you can take depend a lot on your life situation. It's likely you won't need all of the documents listed below for your taxes.

Home and Vehicle Ownership

- Forms 1098 or other mortgage interest statements
- Real estate and personal property tax records
- Receipts for energy-saving home improvements (e.g., solar panels, solar water heater)
- Electric vehicle information
- All other 1098 series forms

Charitable Donations

- Cash amounts donated to houses of worship, schools, other charitable organizations
- Records of non-cash charitable donations
- Amounts of miles driven for charitable or medical purposes

Medical Expenses

- Amounts paid for healthcare, insurance, and to doctors, dentists, and hospitals
- Amounts paid for qualified insurance premiums if paid outside of the Marketplace or an employer provided plan
- Health Insurance
- Form 1095-A if you enrolled in an insurance plan through the Marketplace (Exchange)

Childcare Expenses

- Fees paid to a licensed day care center or family day care for care of an infant or preschooler
- Amounts paid to a baby-sitter or provider care of your child under age 13 while you work
- Expenses paid through a dependent care flexible spending account at work

Educational Expenses

- Forms 1098-T from educational institutions
- Receipts that itemize qualified educational expenses
- Records of any scholarships or fellowships you received
- Form 1098-E if you paid student loan interest

K-12 Educator Expenses

- Receipts for classroom expenses (for educators in grades K-12)

State and Local Taxes

- Amount of state and local income or sales tax paid (other than wage withholding)
- Invoice showing amount of vehicle sales tax paid and / or personal property tax on vehicles

Retirement & Other Savings

- Form 5498-SA showing HSA contributions
- Form 5498 showing IRA contributions
- All other 5498 series forms (5498-QA, 5498-ESA)

Federally Declared Disaster

- City/county you lived/worked/had property in
- Records to support property losses (appraisal, clean-up costs, etc.)
- Records of rebuilding/repair costs
- Insurance reimbursements/claims to be paid
- FEMA assistance information
- Check the FEMA website to see if your county has been declared a federal disaster area

¿Qué necesito para presentar mis impuestos?

Los documentos que necesitas para la preparación de impuestos dependen de tu situación. Para ayudarte a prepararte para tu cita de impuestos, hemos creado una lista de verificación para que sepas qué formularios enviar o traer.

<p>Información Personal</p>	<p><i>Los Números de Identificación Fiscal son elementos obligatorios en su lista de verificación. Todos los contribuyentes necesitarán lo siguiente para hacer sus impuestos.</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Su número de seguro social o número de identificación fiscal. <input type="checkbox"/> El nombre completo de su cónyuge, número de seguro social o número de identificación fiscal, y fecha de nacimiento. <input type="checkbox"/> Número de Identificación de Protección de Identidad, si le ha sido asignado a usted, su cónyuge o dependiente por el IRS. <input type="checkbox"/> Números de ruta y de cuenta para recibir su reembolso por depósito directo o para pagar su saldo adeudado, si así lo elige.
<p>Información de Dependientes</p>	<p><i>Padres y cuidadores deben recopilar esta información al revisar lo que necesitan para presentar sus impuestos.</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Fechas de nacimiento y números de seguro social o números de identificación fiscal. <input type="checkbox"/> Registros de cuidado infantil (incluido el número de identificación fiscal del proveedor) si corresponde. <input type="checkbox"/> Ingresos de dependientes y de otros adultos en su hogar. <input type="checkbox"/> Formulario 8332 que muestre que el padre custodio del niño renuncia a su derecho de reclamar al niño a favor del padre no custodio (si aplica).
<p>Declaración(es) de Impuestos del Año Pasado</p>	<p><i>Las declaraciones de impuestos del año anterior serán útiles para garantizar la continuidad entre las declaraciones de impuestos.</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> Formulario 1040 para declaraciones personales. <input type="checkbox"/> Formulario 1120-S para declaraciones corporativas. <input type="checkbox"/> Formulario 1065 para declaraciones de asociaciones.
<p>Fuentes de Ingresos</p>	<p><i>Muchos de estos formularios no serán necesarios para presentar impuestos cada año. Por ejemplo, solo recibirá los formularios de inversión que pueda necesitar si tuvo distribuciones u otras actividades.</i></p> <p>Empleados:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Formularios W-2. <p>Desempleados:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Desempleo (1099-G). <p>Trabajadores por cuenta propia:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Formularios 1099, Programas K-1, registros de ingresos para verificar cantidades no informadas en 1099-MISC o 1099-NEC. <input type="checkbox"/> Registros de todos los gastos, como registros de cheques o estados de cuenta de tarjetas de crédito. <input type="checkbox"/> Información de activos de uso comercial (costo, fecha de puesta en servicio, etc.) para depreciación. <input type="checkbox"/> Información de oficina en el hogar, si aplica. <input type="checkbox"/> Registro de pagos de impuestos estimados realizados (Formulario 1040-ES). <p>Ingresos de alquiler:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Registros de ingresos y gastos. <input type="checkbox"/> Información de activos de alquiler (costo, fecha de puesta en servicio, etc.) para depreciación. <input type="checkbox"/> Registro de pagos de impuestos estimados realizados (Formulario 1040-ES). <p>Ingresos de jubilación:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Ingresos de pensión/IRA/anualidad (1099-R). <input type="checkbox"/> Base del IRA tradicional (es decir, cantidades que usted contribuyó al IRA y que ya fueron gravadas). <input type="checkbox"/> Ingresos de seguridad social/RRB: SSA-1099, RRB-1099. <p>Ahorros e inversiones o dividendos:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Intereses, ingresos por dividendos (1099-INT, 1099-OID, 1099-DIV). <input type="checkbox"/> Ingresos por ventas de acciones u otros bienes (1099-B, 1099-S). <input type="checkbox"/> Fechas de adquisición y registros de su costo u otra base en propiedades que vendió (si la base no se informa en 1099-B). <input type="checkbox"/> Cuenta de ahorros para la salud y reembolsos de cuidado a largo plazo (1099-SA o 1099-LTC). <input type="checkbox"/> Gastos relacionados con sus inversiones. <input type="checkbox"/> Registro de pagos de impuestos estimados realizados (Formulario 1040-ES). <input type="checkbox"/> Transacciones con criptomonedas (moneda virtual). <p>Otros ingresos y pérdidas:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Transacciones con tarjeta de pago y de redes de terceros: 1099-K. <input type="checkbox"/> Ingresos por juegos de azar (W-2G o registros que muestren ingresos, así como registros de gastos). <input type="checkbox"/> Registros de servicio de jurado. <input type="checkbox"/> Ingresos y gastos por pasatiempos. <input type="checkbox"/> Premios y reconocimientos. <input type="checkbox"/> Ingresos fiduciarios. <input type="checkbox"/> Ingresos de regalías: 1099-MISC. <input type="checkbox"/> Cualquier otro 1099 recibido. <input type="checkbox"/> Registro de pensión alimenticia pagada/recibida con nombre y SSN del ex cónyuge. <input type="checkbox"/> Devolución de impuestos estatales.

Los tipos de deducciones que puede tomar dependen mucho de su situación de vida. Es probable que no necesite todos los documentos enumerados a continuación para sus impuestos.

Propiedad de vivienda y vehículo:

- Formularios 1098 u otros estados de cuenta de intereses hipotecarios.
- Registros de impuestos sobre bienes raíces y propiedad personal.
- Recibos de mejoras en el hogar que ahorran energía (por ejemplo, paneles solares, calentador de agua solar).
- Información del vehículo eléctrico.
- Todos los demás formularios de la serie 1098.

Donaciones caritativas:

- Cantidades en efectivo donadas a lugares de culto, escuelas u otras organizaciones benéficas.
- Registros de donaciones caritativas no monetarias.
- Cantidades de millas conducidas con fines caritativos o médicos.

Gastos médicos:

- Cantidades pagadas por atención médica, seguros y a médicos, dentistas y hospitales.
- Cantidades pagadas por primas de seguros calificados si se pagan fuera del Mercado o un plan proporcionado por el empleador.
- Seguro de salud.
- Formulario 1095-A si se inscribió en un plan de seguro a través del Mercado (Exchange).

Gastos de cuidado infantil:

- Tarifas pagadas a un centro de cuidado diurno con licencia o cuidado familiar para el cuidado de un bebé o preescolar.
- Cantidades pagadas a una niñera o proveedor de cuidado de su hijo menor de 13 años mientras trabaja.
- Gastos pagados a través de una cuenta flexible de gastos de cuidado dependiente en el trabajo.

Gastos educativos:

- Formularios 1098-T de instituciones educativas.
- Recibos que detallen gastos educativos calificados.
- Registros de becas o becas recibidas.
- Formulario 1098-E si pagó intereses de préstamos estudiantiles.

Gastos de educadores de K-12:

- Recibos de gastos de aula (para educadores de grados K-12).

Impuestos Estatales y Locales

- Monto de impuestos estatales y locales sobre ingresos o ventas pagados (que no sean retenciones salariales).
- Factura que muestre la cantidad de impuestos sobre la venta de vehículos y/o impuestos sobre la propiedad personal de vehículos.

Jubilación y Otros Ahorros

- Formulario 5498-SA que muestra las contribuciones a la HSA.
- Formulario 5498 que muestra las contribuciones a la IRA.
- Todos los demás formularios de la serie 5498 (5498-QA, 5498-ESA).

Desastre Declarado Federalmente

- Ciudad/condado en el que vivió/trabajó/tuvo propiedad.
- Registros para respaldar las pérdidas de propiedad (tasación, costos de limpieza, etc.).
- Registros de costos de reconstrucción/repación.
- Reembolsos de seguros/reclamaciones por pagar.
- Información de asistencia de FEMA.
- Consulte el sitio web de FEMA para ver si su condado ha sido declarado área de desastre federal.