

Leif Jensen and Associates

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Dear Reader,

As CPA's we are committed to providing a full range of high quality professional services including: accounting, bookkeeping, consulting, payroll, management advisory services, income tax preparation and other attestation services. Our goal is to meet our client's expectations as their most trusted advisor.

If you need help preparing your taxes, please call our office to schedule an appointment.

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Featured Service: Audits, Reviews and Compilations

We provide attest functions to clients based upon their needs or requests from banks, funders, Board of Directors or governmental agencies.

W-9

With a quarter of the year remaining, now is the time to look towards the year end for tax issues and year end planning.

Businesses should be making sure that they have valid up to date W-9's for all of the Independent Contractors that they utilize. I am also talking about those whom you do businesses with beyond the mis-categorized employees you have.

To further assist I have included the IRS definition of an Independent Contractor:

People such as doctors, dentists, veterinarians, lawyers, accountants, contractors, subcontractors, public stenographers, or auctioneers who are in an independent trade, business, or profession in which they offer their services to the general public are generally independent contractors.

Whether these people are independent contractors or employees depends on the facts in each case. The

general rule is that an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done. The earnings of a person who is working as an independent contractor are subject to Self-Employment Tax.

If you are an independent contractor, you are self-employed. To find out what your tax obligations are, visit the Self-Employed Tax Center.

You are not an independent contractor if you perform services that can be controlled by an employer (what will be done and how it will be done). This applies even if you are given freedom of action. What matters is that the employer has the legal right to control the details of how the services are performed.

If an employer-employee relationship exists (regardless of what the relationship is called), you are not an independent contractor and your earnings are generally not subject to Medicare and Social Security Taxes for Self-Employed.

Counterpoints

“I think the great leaders find partners who basically can exploit their weaknesses but not, kind of, dance on their strengths. Instead of hiring weaker versions of themselves they hire people that are tremendous experts at what they’re not.” – Donny Deutsch

When to bring them on? Do you actually bring them on as a partner?

I have clients who love being in control of their businesses. They technically may not have all of the necessary skills to continue to be the CEO of their companies, but no outside person would have the same passion and level of commitment to the company.

One client met someone on vacation and they were very impressed with their background and what they had to say. There were serious discussions as to the next steps to take.

When they got to the negotiation stage things came to a screeching halt. The would be partner wanted a significant equity stake as well as a medium six figure salary, before they made a real suggestion or recommendation to prove their worth.

Since a high profile consultant did not deliver on their promises, my client was not interested in handing large chunks of the business over on the possibility of what this person may or may not be able to bring to the company.

Another client was looking to take the business to the next level and felt that they needed to hire an outside expert to assist them. After spelling out the company’s details and hearing how equity would not be part of the equation, one applicant demanded a ridiculous salary and a high equity stake after stating that money was not an issue.

This gentleman was a pass since he apparently was not able to comprehend the details after it was explained to him.

It always appears easy when discussing finding the yang to your ying, but the reality of it is far from fun and never easy.

Quarterly Metric Meeting

A client's business has been going through a bit of a transition lately, so we pulled together a monthly and annual listing of their data going back four years. This was to ease the monthly comparison for longer term trends and the annual was just for more basic review.

The client wanted to take a more micro view at the sales trend from the macro metrics, so we are able to do a deep dive, check-up and verify client individual trends.

Since this was our first time doing this type of analysis with the client, we focused only on "Total Income". The clients were pleased with the results of the meeting.

We now plan to meet and review the monthly metrics every quarter. This will allow the client to work in and on their business simultaneously.

They have been given some homework assignments. They are contacting clients who have stopped ordering and will follow-up. We also discussed a new approach to marketing to a specific market segment. They need to work on these before we do another deep dive.

How often are you doing a deep dive into your data to review the metrics? For assistance call our office.

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Featured Client



Final Automotive Finishes, Inc.

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finalautomotive.com

Final Automotive Finishes is here to establish a new concept and take on wheel refinishing and repairs while providing the best customer service and standing by our product with pride.

We offer a full range of wheel related services to anyone and everyone. Our technicians have been in the industry for over 10 years and implement the best strategy to ensure top quality and nothing short of excellence. Our goal is to not only meet, but exceed expectations to ensure the highest quality work and experience. We strive to assure your encounter here is seamless and does not break the bank.

We are the leading source for all wheel repairs, wheel refinishing services, and the hub for all wheel related needs. We take pride in what we do best and ensure nothing short of the finest quality workmanship, we have deemed the "Final Touch".

