

# *J* Leif Jensen and Associates

Solutions Based Consulting & Certified Public Accounting Firm



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We are grateful to have you joining us.  
Happy Thanksgiving.

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# In-house or Outsource

Companies across the board are looking at what they do and how they do it to see if greater efficiencies can be had by bringing some services in-house or outsourcing some services they are currently providing.

When I was at Waste Management we provided a service to Fortune 500 companies where we took over all waste streams for the company and guaranteed fee to the client. My unit then had to make money by getting vendors to remove the waste as economically as possible, so we could still recognize a profit for the services.

We have a client who lost business from one of their larger clients because their client believed they could save money by bring the transportation component back in-house rather than paying my client as an outsource for transportation needs.

We have provided accounting services to clients who knew that the time and expense of hiring and training someone to handle the accounting/bookkeeping activities were greater than paying us to provide them. We actually have a client paying a family member more than 75% more than our proposed fee to poorly keep the companies records.

Granted these decisions need to be looked at and evaluated regularly to ensure that they still make economic and practical sense. Companies need to make these evaluations to ensure that they remain profitable and competitive in their market.

Do you look at what services make sense for you to be providing or outsourcing? We can assist.



## Maintaining HR Records

I am working with a client that recently closed their business. This client started with us after they had the business up and running. We offered to work with them at various levels, but in an effort to contain costs they became an annual client and we prepared the year-end tax returns only. Read more to learn of the issues that resulted and a great resource we have to help.

For payroll they were using Intuit's full payroll service. The employees clocked in onto the Square POS system and the paychecks and reports were mailed to the client. Knowing that they were using a service I thought the records were being maintained.

Since the business shut down in late 2017, they have since cancelled their payroll subscription.

But then they received a letter from the Illinois Department of Labor, one of the past employees reported them for underpayment of overtime and for the state minimum wage.

Now the client is scrambling to make sure that they can provide me all of the information necessary for the audit. They are having some troubles. They were unaware of the time frame for maintaining employee records, even if the business closes. Personnel files need to be maintained 7 years, applications and I-9's for 3 years.

On our website we have a record retention guideline for businesses. So make sure you know what you need to maintain and for how long and maintain the records. You never know when you will have to produce a record for a reporting body or a former employee.

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## Detailed Planning

We recently met with a couple looking to create a new Not for Profit, they were a referral from a center of influence. They are proceeding slowly and are looking for the right team to be put in place before they truly get started.

I was impressed with the due diligence that the couple had performed before the meeting. The couple already had a Board of Directors in place. They have outlined most of the documents necessary to create a NFP.

What they were doing was interviewing professionals to assist them through the process, ensuring that all the i's dotted and the t's crossed. They meet with attorneys who wanted large amounts of money to redo what they had already created. Again they were looking for the right team to work with.

It appears that I may have made the cut. They had requested a referral for an attorney that I can work with. It probably did not hurt that I knew one of the BOD members.

Hopefully this is the first step in a long beneficial relationship for all involved.



## Wacky/ History/ On This Day?

- It is the last month of the Fall season.
- November in the Northern Hemisphere is similar to May in the Southern Hemisphere.
- Elections are held in the United States on the Tuesday after the first Monday in November.
- The third Thursday of November is the Great American Smokeout. Smokers are encouraged by the American Cancer Society to stop smoking on this day.
- Some Christian churches celebrate All Saint's Day on the first day of November and All Souls Day on the 2nd.
- American football is the main sport watched in the United States during this month.
- Most, if not all, of the leaves have fallen off the trees by the end of November.



Visit their  
website

### Featured Client/Partner

Parallel Machine is a state of the art CNC tuning and milling shop located in Palatine Illinois. We have been a family owned and operated business for over 42 years with a proud history of military service. Our machine shop staff has a combined 65+ years of experience in the CNC and milling industry and everything we produce is proudly made right here in the USA.

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