

Video #1 Session 1.1

1. Introduction to Class:

1. Not a GAAP Class
 2. Knowing your business is different than understanding how it makes money.
 3. IRS introduction: A for profit company that works for the Government and has specified powers
 4. Purpose for the Class:
 - a. Understating the Basics of a business Structure
 - b. **Tax Purposes** – to pay the correct tax you will need the right bookkeeping structure
 - c. **Job Management** – what can I afford to buy, hire etc.
2. **Introduction to business structures** – Before you start your business, chose wisely your structure
1. Sole Proprietorships – 1040 with a Schedule C
 2. Partnerships – 1065
 3. LLC – not a tax structure
 4. Corporations 1120, 1120S
3. **First steps to Starting a Business**
1. Getting an EIN
 2. Designating a tax year

Video #2 Session 1.2

4. **Choosing an Accounting Method** –
- a. Accrual –
 - i. QB auto fills to Accrual
 - ii. Understanding and commitment to accrual is key
 - iii. Pitfalls
 1. Time consuming
 2. Inability to fix errors
 3. Consistency needed
 - b. Cash
 - i. Simpler system for small business
 - ii. Pre-paid accounts can be an issue
 - c. Other
 - i. Mark to Market
 - ii. Completed Percentage
 - iii. Hybrid

5. Business Taxes

- a. Income
- b. Self-Employment tax
- c. Employment tax
 - Tax Brackets Explained
 - Self-Employment tax Explained

Example: Income of 207,000

47,000 Income Tax Brackets added together

21,000 SE Tax – plan for it!

68,000 Tax Total.

- d. Due dates
- e. GE Tax
- f. Estimated Tax payments
- g. Alternative Minimum Tax
- h. Healthcare Penalties
- i. Penalties - False Statements, Failure to file, Failure to Pay, Failure to withhold, Failure to Pay on time, Compounding problems

Video #3 Session 2.1

6. Taking Business Expenses

- a. Ordinary and Necessary
- b. Personal (VS) Business
 - i. Do the right thing
 - ii. Don't take personal stuff
- c. General
 - i. Pay
 - ii. Retirement
 - iii. Real Estate
 - iv. Interest
 - v. Taxes
 - vi. Insurance
- d. Can't take:
 - i. Personal Income Tax payment
 - ii. Sales Tax

7. Record Keeping

- a. A record keeping system is required

- b. It's your responsibility
- c. 4 – 10 Years
- d. Types of Record Keeping
- e. Receipts

8. Thinking like a Successful Business owner

- a. 3 Needs
 - i. Passion
 - ii. Proficiency
 - iii. Profit / Market

- b. The Numbers Talk (Spread Sheet Explanation)
 - i. Personal Need 8,200
 - ii. Company Cost 6,300
 - iii. Taxes 3,444
 - iv. Total Needed \$17,944 / Hours of Work = Cost per hour
 - v. Every time you make a decision consult these numbers.

Video #4 Session 2.2

9. GE Taxes and Job Management

- a. Registering in the State of Hawaii
 - i. Create your business / Hawaii DCCA
 - ii. Register your business
 - iii. Apply for a GE Tax Number
 - 1. Step 1 Register at DCCA
 - 2. Step 2 Get GE Number
 - 3. Sep 3 Sign up for GE Tax
 - 4. Step 4 Application for Mailed Verification
 - 5. Step 5 Apply Again (6 week to 3 Month process)

- b. Paying the Hawaii GE Tax
 - i. GE does not send you a tax bill (Think Utility)
 - ii. Form G-45 – due periodically
 - iii. Form G 49 - Due annually
 - iv. Anyone making money in Hawaii needs to address this
 - v. Tax Percentage
 - vi. Calculating the GE Tax
 - vii. GE Exceptions
 - viii. Filing online

Video #5 Session 2.3

10. QuickBooks Bookkeeping

- a. Setup
- b. Billing Clients
- c. Chart of Accounts / Categories
- d. Entering bills
- e. Manually Entering GE Tax
- f. Invoices
- g. Deposits
- h. Reconciliation
- i. Petty Cash
- j. Other Functions
 - i. Preferences
 - ii. 1099
- k. Vehicle mileage
- l. Customer info
- m. Bills
- n. Statements
- o. Reconciliation problems
- p. Accounts Receivable Reports

Video #6 Session 3.1

(10.) QuickBooks Continued

- q. Sales breakdowns
- r. Job profitability
- s. QuickBooks odd jobs
 - i. Inventory
 - ii. Purchases
 - iii. Employees and payroll
- t. Banks
- u. Budgets**

Video #7 Session 3.2

11. Connection between your Bookkeeper (QuickBooks) and your Tax Preparer

- a. Reports Needed from QuickBooks
 - i. Profit and loss
 - ii. Balance Sheet with Comparison
 1. Cash
 2. Accrual

- b. Avoiding theft using QuickBooks
 - i. Check and balances
 - ii. “The person doing your bookkeeping should not be the person making deposits”
 - iii. Your Bookkeeper should not do your taxes
- c. NAICS codes – Avoiding IRS red flags
 - i. 1040 and Schedule C Tax Return
 - ii. Tax Brackets and Self Employment tax

Video #8 Session 3.3

(11) Connection between your Bookkeeper (QuickBooks) and your Tax Preparer Continued:

- d. QuickBooks and your taxable income
 - i. Reconciliation and Banks
 - ii. Credit Cards
 - iii. Loans
 - iv. Income
 - v. Fixed Assets and Depreciation
 - vi. GE TAX
 - vii. PPP Loans

Video #9 Session 4.1

(11) Connection between your Bookkeeper (QuickBooks) and your Tax Preparer Continued:

- e. Advanced QuickBooks
 - i. Customizable Reports
 - ii. Display
 - iii. Filters
 - iv. Headers and footers
 - v. Fonts
- f. Creating Invoices
- g. Transaction journals
- h. Cost of Goods.

Video #10 Session 4.2

(11) Connection between your Bookkeeper (QuickBooks) and your Tax Preparer Continued:

(h) Cost of Good continued.

- i. How to calculate COG
- ii. Organizing product
- iii. Variable costs
- iv. Separating out Cost of Goods
- v. Avoiding IRS problems

i. Expenses of a Business

- i. Definition
- ii. Exceptions to Expenses

Video # 11 Session 4.3

(11) Connection between your Bookkeeper (QuickBooks) and your Tax Preparer Continued:

(i) Expenses continued

- iii. Personal Expenses of owner
 1. Health Ins
 2. Business expenses unsubstantiated
 3. Owner Draw
- j. Understanding what QuickBooks is doing
 - i. Assets and Liabilities belong to the company not the owner
 1. Example 1 \$100 put into your business is a liability. Because the business owes the owner
 - 2.
 - ii. Understanding Balance Sheets
 - iii. Retained Earnings
 - iv. Owner draws and Equity
 - v. Relationship between P&L and Balance Sheets
- k. Donations as expense