



I HAVE AN IDEA, NOW WHAT?

Setting up your Business for
Success.

SESSION TOPICS

I am a business and I can prove it!

Set up Accounting

Income vs. Expenses

- - Start Up Costs
- - Business Mileage
- - Business Meals
- - Inventory

Home Office

Secure Payment Methods

Self Employment Taxes

Marketing

Stress Management

I AM A BUSINESS AND I CAN PROVE IT!

Set up a business bank account

- You will need a copy of your IRS Federal Identification Number to open the account.
- Make sure you note your initial “investment” into the bank.
- Many times, banks require a larger initial deposit for a business account (or charge monthly fees when carrying less than a minimum amount.) Call the banks first to find out these requirements. It can cost you money! Most of the time a credit union is the most business friendly for these issues.

Call your local government and determine if you need a business license and if your in-home business is allowed.

Determine your accounting/tracking methods

- Income vs. Expenses (by category and Month!!) Examples: Quickbooks or Excel
- Mileage apps Examples: MileIQ, Stride Tax Mileage, Trip Log, etc.

○ Do you need a mailing address?

- When working from home, will you be seeing clients? Do you want people to come to your home? Do you need to protect yourself and set up a professionalism level by creating a PO Box?

I AM A BUSINESS AND I CAN PROVE IT!

Set up a DESIGNATED SPACE in your home for workspace.

Create a business email.

Create a business website. Examples of free sites to get started: wix, site123, weebly

Get small business insurance.

- General Liability (client trips and falls on your property or is damaged by your product)
- Business Owner's Policy (personal lawsuits, business property damage)
- Worker's Compensation Insurance (only if you will have employees)
- Cyber Security Insurance.

Develop a cyber security breach plan. (If you are keeping customer personal information, etc. this is a new **MUST HAVE**). There are free versions on the internet. The key is implementation!

SET UP ACCOUNTING

Good Record Keeping

How do I keep up with my records?

- Monthly
- By Expense on the computer and your record keeping in monthly envelopes.
 - Buy 12 envelopes and label monthly.
- Make a notebook with PRINTED bank statements or save to a computer MONTHLY! This can save you hundreds of dollars.
- Enter every item on your check statement MONTHLY.
- Schedule Time to do this at least once a month!

INCOME VS. EXPENSES (EXAMPLES)

Income Types

Sales

Refunds

Commissions

Personal Investment

Etc.

Expense Categories

Cost of Goods Sold

Start Up Costs (organizational costs)

Advertising

Utilities

Professional membership or subscriptions

Office Supplies

Postage

Contract Labor

Education

- Don't forget your business mileage! For every business mile = 56 cents for 2021



START UP COSTS

Organizational Costs (set up fees)

Fees to consultant/Research Development

Starter Kits Paid to become a consultant

Training Costs

WHAT IS BUSINESS MILEAGE?

The law requires that you substantiate your expenses by adequate records or by sufficient evidence to support your own statement.

The following information is required by the IRS for any audit purpose.

Date:	Trip Purpose	Locations To:	Location From:	Total Miles for trip
11/13/2020 round trip	Education	Local Library	Home office address	45 miles
11/15/2020 round trip	Bank	Credit Union	Home office	8 miles
Total				53 MILES = \$29.68 DEDUCTION!

YOU CAN NOT take mileage AND Actual Expenses. You must choose.

MOST taxpayers/businesses take mileage.

Actual Expenses - To use the actual expense method, you must determine what it actually costs to operate the car for the portion of the overall use of the car that's business use. Include gas, oil, repairs, tires, insurance, registration fees, licenses, and depreciation (or lease payments) attributable to the portion of the total miles driven that are business miles.

BUSINESS MEALS

To write off a business meal/coffee expense:

- You Must have a business related discussion.
 - You must pay for it.
 - Keep receipt and write on it: purpose of the meeting (what you discussed).
(make sure the date, time and location are on the receipt WITH the items purchased.)
 - PAY with your BUSINESS CARD from your business account.
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- How much can I deduct?
50% of total amount paid