

# ACCURATE BOOKKEEPING & ACCOUNTING

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January, 2008  
Accounting & Tax Tips

Dear Business Owners & Interested Parties,

I hope the New Year is looking up for you all. To aid in beginning the year on a helpful note, we are once again bringing you several bookkeeping and tax tips. If we can be of further assistance, feel free to let us know.

### Accounting Tips:

If your company carries a large number of material vendors, the new year might be a good time to begin an effort toward cutting down on how many vendors you use. You will better be able to convince the ones you continue to use that they should give you volume discounts if you buy in volume. Additionally, the amount of time you spend on payables will be substantially reduced. To go along with this effort, paying your bills on time will shorten your payable list and may very well get you term discounts. This is one of the easiest ways to put money in the bank and free up valuable time.

If you use a suspense account, does your accountant clear it monthly to make certain it doesn't carry to the end of the year? If it does carry the whole year, you may be in for additional time and monetary costs as you prepare your profit/loss to file your taxes.

### Personal Tax Tips:

It's not too late if you have money you want to put into your IRA. You have up until the day you file your taxes (or April 15), in order to include in the 2007 tax year. If this applies to you, start reviewing investments now to give yourself time.

If you make monetary contributions to a church, be sure to either write a check or put your cash in the contribution envelopes with your name on it. Some people would rather not have a written record of their giving, but the IRS has tightened their requirements. If you don't have proof by cancelled checks or a church-generated statement at the end of the year, they will disallow your deduction.

### Business Tax Tips:

If you need and don't have your 1099 forms already, you only have several weeks left. Call your payroll service or go to the different stationery stores before it's too late. They may run out and you are required to have all 1099's postmarked by Jan. 31.

If you use business lunches as a means of doing business, be certain to make a note on all receipts including who was there and, if able, what the meeting was about. This can be brief (such as vendor, marketing, legal, etc.), but it is required by the IRS to be deductible. Also, it's a good idea not to use the same people every time. That's considered going out to lunch, not a business lunch.

Until next month,

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