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CKR Financial Services

monthly journal

HELPING OUR CLIENTS GAIN THE ADVANTAGE OVER THE COMPETITION

CTA Filings IMMINENT

The Corporate Transparency Act isn't going anywhere. We are here to help.

The Corporate Transparency Act, that awful piece of legislation that we kept hoping would be repealed, looks like it's here to stay, and small to medium businesses will need to make their filings by Jan 1, 2025 in order to stay compliant. Penalties are HUGE if a business is out of compliance.

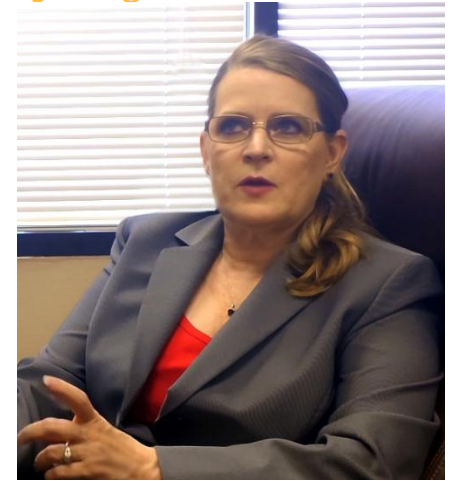
The information we received when this legislation first came out had accounting firms, including ours, hesitant to assist clients because it was being said that certain parts of this legislation required interpretation of facts, which gets into LEGAL territory, and CKR Financial Services is not a law firm, nor do we dispense legal advice. Nor are we insured to provide legal services.

Additionally, penalties are severe and misrepresentation, whether intentional or in error, can result in both civil and criminal charges.

Now, however, we have been advised that most filings will not require such interpretation and are rather straight-forward in the handling of data in order to get the

filings accomplished. Given this new outlook, CKR Financial Services WILL be able to assist our clients with the BOI (Beneficial Ownership Information) Filing in order to stay compliant with the CTA. If legal interpretation is necessary, we will refer our client to an attorney since that would be out of our scope.

Once again, the Corporate Transparency Act (CTA), enacted in 2021, is meant to get ahead of shell companies, to combat illicit activity including tax fraud, money laundering, and financing terrorism by capturing more ownership information for certain businesses operating in or accessing the country's market. Enforcement is overseen by a branch of the IRS called the Financial Crimes Enforcement Network (FinCen). To that end, the legislation requires the personal information of each "beneficial owner". Anyone with a 25% ownership stake would need to provide this information.



REGARDLESS of ownership, CEO's, COO's, and anyone who has some form of control of the company is also required to provide their personal information including an image of ID, such as a non-expired driver's license or passport. There are 23 businesses that are exempt from this act. You can check for exemptions on the FinCen.gov website. Look at question C.2. under the Beneficial Ownership Information page. There is no cost for a business to complete the forms directly from the FinCen.gov website. If hiring a 3rd party, such as CKR Financial Services, there may be fees involved due to the expense of 3rd party software and additional liability insurance on each filing.

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As mentioned previously, penalties are STEEP for non-compliance with the CTA's BOI filing. Fines of up to \$500 per day, with a maximum penalty of \$10,000 for non-compliance could bankrupt a small business. There can also be criminal penalties of imprisonment for up to two years for serious cases. They are really trying to scare small businesses into compliance. One must also update the BOI if any changes are made within 30 days of said occurrence. So, if someone on the BOI gets married and their name changes, they would need to update the BOI within 30 days. If there is a change of address

for the business OR for someone listed in the BOI, this needs to be updated within 30 days to stay compliant. While the BOI is a one-time filing, any changes require updating the BOI in order to stay compliant. Penalties for non-compliance with these corrections are the same for not filing: up to \$500 per day with a maximum of \$10,000 and possible civil penalties of imprisonment for up to two years.

Regardless of whether your small business files for itself or uses a 3rd party filer, it's time to give this some attention as it is not going away and the deadline is looming.

"The more time you spend complaining about what you deserve, the less time you have to focus on what you can create. Focus on what you can control"

- James Clear

"Diligence is the mother of good luck."

-Benjamin Franklin

"What you get by achieving your goals is not as important as what you **become** by achieving your goals."

-Henry David Thoreau

If there is no struggle, there is no progress.

-Frederick Douglas

Thanksgiving by the Numbers: *We saw this on Equation Technologies and thought our folks might enjoy it.*

- 1- *While Christmas ranks as #1, Thanksgiving ranks a close second as America's Favorite Holiday*
- 2- *It takes 10-12 hours to thaw a 20-24 pound turkey in cold water compared to 5-6 days in a refrigerator*
- 3- *The Butterball Turkey Hotline answers over 100,000 questions during the months of November and December*
- 4- *86% of Americans eat turkey on this day*
- 5- *Over this holiday weekend, there are 24.6 million passengers flying domestically and internationally*
- 6- *The Macy's Thanksgiving Day Parade extends 2.5 miles*
- 7- *The number of spectators that watch the parade is approximately 3.5 million*
- 8- *28% of Americans will have more than 12 people at their Thanksgiving table*
- 9- *The average American travels 24.6 miles to reach their Thanksgiving destination*
- 10- *The average number of hours spent cooking the Thanksgiving meal is 7*

Saving Money this Thanksgiving:

- 1-Look for sales flyers when buying your turkey. We've seen prices down by 1/2 when looking at the local supermarket specials.
- 2-You don't have to do it all yourself. Ask guests to bring a side or desert.
- 3-Making gravy or buns from scratch can cut costs.
- 4-Children generally don't eat as much as adults, so when planning how much per person, count on less for kids.
- 5-Remember the dollar store. From spices to serving plates and utensils, you can save bundles by shopping at your local Dollar Tree.
- 6-Home-made deserts are often cheaper and tastier than store-bought cakes and deserts.
- 7-Check your supermarket sales flyers to save on alcohol. It doesn't go bad quickly, so buy ahead of time and save.

BOOKKEEPING, PAYROLL, TAX PREPARATION, HR-ON-DEMAND.

LET US KNOW HOW WE CAN HELP YOU.

New Service Offered by CKR Financial Services
Your Partner in All Things Business

