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CKR Financial Services

monthly journal

HELPING OUR CLIENTS GET THE LEG UP OVER THE COMPETITION

When it comes to housekeeping, I prefer to leave that to the professionals. However, just as we have to get the house in order, the beginning of the year is a great time to review and get your business set for success. Here are some tips-

Good Housekeeping for 2021

January is the perfect time to get your proverbial ducks in a row.

1-Talk with your employees and make sure they update their Form W-4's in case they have moved or changed marital status. They may also need to update them simply because of the changes in the tax code that occurred in 2019 and, perhaps, they have still not adjusted their withholdings. We have known several clients whose employees owed taxes this year when they have not had a liability in the past due to those changes.

2-Follow up with vendors to get a W-9 if they have done over \$600 in work for you in 2020. You don't want the penalties for failure to comply.

3-1099's need to be mailed by January 31, 2021 for vendors and subcontractors. Again, heavy penalties for non-compliance.

4-Did your business participate in the tax deferral that was suggested the last quarter of 2020? If so, you need to prepare your employees that they will need to pay that deferral BACK which will appear that their taxes



are higher and they will see less in their take-home pay. The latest guidance from Congress is in the new stimulus package lengthening the repayment period from April 2021 to December 31, 2021 for those taxpayers. It still looks to us that whatever the employee does not pay back, the employer will be on the hook for, so employers will want to recover that if an employee is terminated.



BE MINDFUL OF YOU

Business owners have myriad important tasks as well as distractions that take and take and take from one's very soul. Be mindful to "refill the tank". Find something to renew yourself whether it's a game of pool, a long bath, a date night, or a long talk with a good friend. You can't keep running on empty.



What's new for 2021

Well, at the time of this writing...

We have been keeping up with the news outlets, IRS publications, and Congressional updates to advise our clients on the new stimulus and PPP Forgiveness information. It has been changing daily. As of this writing, President Trump has signed the Consolidated Appropriation Act 2021. A bill that adds \$300 to extended weekly unemployment benefits and provides more than \$300 billion in aid for small businesses.

A few key business provisions include:
•\$284B for first and second round PPP forgivable small business loans and to

allocate \$20B to provide EIDL Grants for businesses in low-income communities.

- \$15B for shuttered live venues, independent movie theaters and cultural institutions
- \$12B to help business in low-income and minority communities
- The employee retention tax credit and several expiring tax provisions have been extended
- A temporary 100% business expense deduction for meals (rather than the 50%) as long as the business expense is for food provided by a restaurant and only for expenses incurred after December 31, 2020.

The legislation also supersedes the IRS guideline that made the expenses paid for by the PPP funds are non-deductible.

Who is eligible to apply for PPP2?

- Employers with 300 or fewer employees
- Have used or will use the full amount of their first PPP loan
- Can show a 25% gross revenue decline in any 2020 quarter compared with the same quarter 2019

There are several other provisions of PPP2, give us a call to discuss in more detail.

"I'm not an economist, and we all know economists were created to make weather forecasters look good."

RUPERT MURDOCH

IN THE BUSINESS -vs- ON the Business



Are you spending too much time working IN your business that you can't work ON your business? You may need to outsource some of that activity to a professional who can help you regain the reigns before it gets away from you. We may be able to help or recommend someone who can.

Where's My Stimulus Check? Log in to <https://www.irs.gov/coronavirus/get-my-payment> and click the button "Get My Payment". CKR Financial Services does not have an "in" with the IRS for information on your stimulus. This is your best bet to find out where your money is!



ARE YOU HAPPY WITH YOUR PAYROLL PROVIDER? WE HAVE PAYROLL AND INTEGRATED HR SOLUTIONS THAT CAN HELP AND JUST MAY SAVE YOU MONEY!

HR-ON-DEMAND ON SALE THIS MONTH! BUY FOR \$60/MONTH IF PURCHASED BY JAN 31, 2021. NORMALLY \$75/MONTH.

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