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CKR Financial Services

monthly journal

HELPING OUR CLIENTS GAIN THE ADVANTAGE OVER THE COMPETITION

When am I supposed to file my return? Between LLC's, personal returns, and S-Corps, it can be confusing-

Deadlines for the 2020 Tax Season

MAR 2, 2021: Deadline for Farmers and Fishermen to file individual income tax returns unless they paid 2020 estimated taxes by Jan 15, 2021 – which would push deadline to Apr 15.

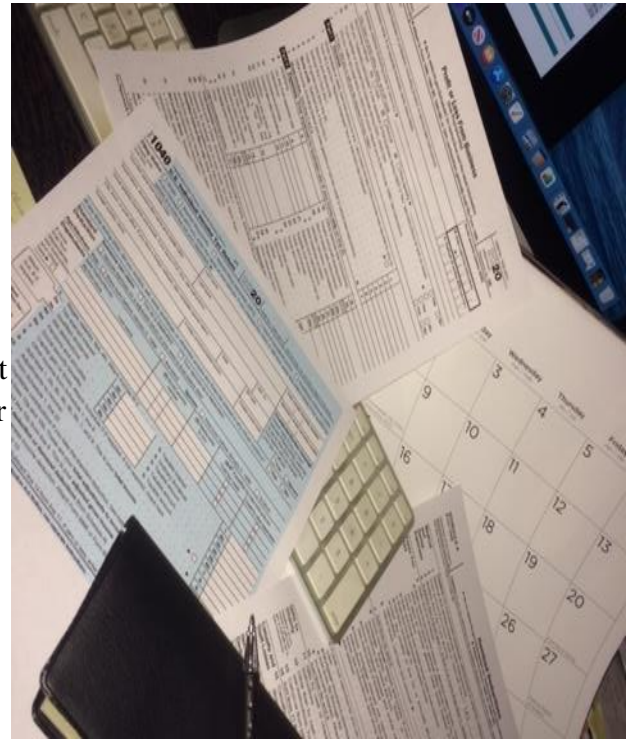
MAR 15, 2021: Filing deadline for Multi-Member LLC's, Partnerships and S-Corp returns (Forms 1065, 1120, 1120-A and 1120-S) or for the extension of these entities. This includes Foreign Partnership Returns.

APR 15, 2021: Filing deadline for 2020 Personal and C-Corp Returns (Forms 1040 and 1120) or to request an automatic extension for an extra 6 months.

This deadline also includes Trusts, Estate, Gift Tax, and Non-Resident Alien Returns. **ALSO** Deadline for 1st-quarter estimated tax pmts for the 2021 tax year.

JUN 15, 2021: Deadline for 2nd-quarter estimated tax pmts for 2021 tax year. Also the deadline for US citizens living abroad to file an Individual Tax Return.

SEP 15, 2021: Filing deadline for Multi-Member LLC's, Partnerships and S-Corp returns IF Extension was requested. (Forms 1065, 1120, 1120-A and 1120-S). **ALSO** Deadline for 3rd-quarter estimated tax pmts for 2021 tax year.



OCT 15, 2021: Final extended deadline for individual and corporate tax returns for tax year 2020 (Form 1040 and 1120).

You can see that in addition to our regular Bookkeeping and Payroll services, we will be busy making sure our clients are serviced through the LONG tax season. And you wonder why we sometimes seem a bit busy when you call in?



WHAT INSPIRES YOU?

People inspire me. I love to hear their stories and share their laughter. I think that's one of the reasons this pandemic has affected me so much. I don't get to see nearly as many people in person as I used to and the time spent on Zoom is often just business, but I do make time to have non-business conversations with friends to stay motivated and inspired.



The Great Divide

I say this often and it bears repeating: “Keep your business and personal accounts separate.” Many owners feel that if there is excess in the business account, it is okay to spend it personally – there are ways to do just that but you have to transfer it to your personal account first!

First and foremost, make sure your business is set up with a business checking account and credit or debit card. **ONLY USE THIS ACCOUNT FOR BUSINESS.** You’ve gone through the trouble of setting up a business entity, applying for a business license and now you have a business account. So **WHY** would you run personal expenses through this account? There is no good reason. In fact, it opens you up to scrutiny and possible litigation. For instance, if your company gets sued, if you have maintained separate accounts where only business items run through the business and only personal items run through your personal accounts, the claimant will only be able to

come after your business funds. However, if you have consistently run personal items (non-business meals, personal shopping, etc) through the business account, then you have opened the door for the claimant to come after not only your business but your personal wealth including your car and home. It’s easy to avoid this simply by transferring money from your business account to your personal account. Then, whatever you spend from the personal account isn’t held up for review in a business audit. Likewise, gifts made to family or friends from your personal account are just that. When they come out of your business account, they are viewed in the context of contractor pay,

wages, or owner’s draw because while you may give friends or family members gifts from your personal account unquestioned, everything becomes an auditable event when running through the business account. I always advise to keep the corporate veil well-defined and greatly divided. This keeps your business books nice and clean when trying to get those things like loans or PPP forgiveness. Banks, lending institutions, and auditors do not like books that are muddled between personal and business items. It devalues the business and makes it more difficult to to move forward successfully.

“Accounting is the language of business.”

WARREN BUFFET

Building Blocks of Business People

Having the right people in the right positions to build your business is imperative. It is also not always the easiest thing to achieve. For years, I struggled with getting the right team in place. Sometimes, staffing decisions had to be based on fiscal responsibility alone. Other times, the wrong person came wrapped in the right resume and I didn’t let them go when I discovered their deficiencies and they ended up costing me more money than I saved in wages. My advice to business owners now is to take the time upfront to vet your potential employee. Then, if you find issues, act swiftly to either train up or remove them so you can get the right person in the right place to build your business the right way.

“Where’s My Tax Refund?” Log in to <https://www.irs.gov/refunds> and click the blue button “Check My Refund Status”. You will need: 1- Your SSN, 2-Filing Status, 3-Exact Refund Amount. Refunds are generally issued within 21 days of when you electronically filed your return or 42 days of when you filed a paper return. CKR Financial Services does not have an “in” with the IRS for information on your refund. This is your best bet to find out where your money is!



WE HAVE A LA CARTE HUMAN RESOURCE SERVICES THAT MAY BE HELPFUL TO STREAMLINE YOUR BUSINESS AND KEEP YOU IN COMPLIANCE. GIVE US A CALL TO SEE IF THEY ARE A GOOD FIT FOR YOUR GROWING COMPANY.
Your Partner in All Things Business