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CKR Financial Services

monthly journal

HELPING OUR CLIENTS GAIN THE ADVANTAGE OVER THE COMPETITION

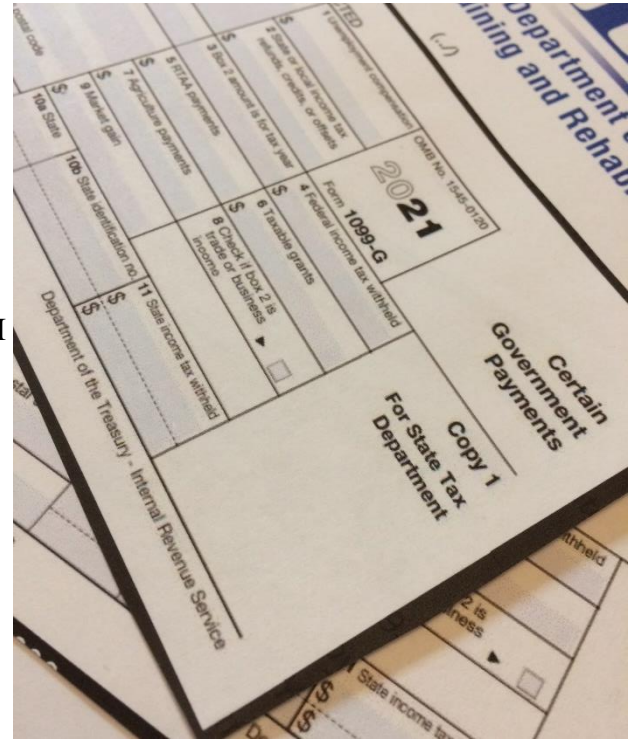
The filing deadline has moved and now, the way unemployment is handled is going to change, too-

Change is Constant

New guidelines from the IRS have pushed the filing deadline for personal taxes from April 15 to May 17, 2021. This does not apply to estimated tax payments, so be sure to get those in on time!

Moreover, there is a change to the way unemployment will be handled this year. If your modified adjusted gross income (AGI) is less than \$150,000, the American Rescue Plan enacted on March 11, 2021, excludes unemployment income up to \$10,200. If you are married, each spouse receiving unemployment compensation doesn't have to pay tax on unemployment compensation of up to \$10,200. Amounts over

\$10,200 for each individual are still taxable. If your modified AGI is \$150,000 or more, you can't exclude ANY unemployment compensation. If you file Form 1040-NR (nonresident alien), you can't exclude any unemployment compensation for your spouse. If you have already filed your tax return, DO NOT FILE AN AMMENDED RETURN. The IRS is reportedly already taxed (see what we did there) with processing more than 45 million returns. Accordingly, the IRS does not need more paperwork for the same return when they already have the figures. The current plan is for the IRS to automatically account for those who have already filed and had the \$10,200



in unemployment and either issue a refund or adjust the amount owed if there was a balance due. The IRS plans to deliver more specifics and updates in future. For those who have not filed and have over \$10,200 in unemployment, OUR software has already been updated to accommodate the change in the tax law so you will get the maximum refund available to you by filing with us as of this date.



LET'S TALK ABOUT SELF-TALK.

I try to leave this space for self-care and helpful suggestions. I'm going to challenge you to, rather than speak negative things about yourself and your business, say positive things about both. In the car, in the mirror, in the shower - wherever you end up having a little chat with yourself, try to emphasize your accomplishments, your goals, and your good qualities. Lay the groundwork for success in your self-talk and you will be sewing the seeds for success and prosperity. It can't be worse than the other way.



Unlocking the P&L.

You're a business owner. You use a bookkeeping software. But how does it all come together and what does it really mean? Today, I want to help simplify the Profit & Loss Report. It's not a mystery once you learn how to read it.

So, you may be asking “what is the importance of the P&L – what are you really looking for in that thing?” In short, we are looking for the fiscal health of the company. In the simplest of terms, a Profit and Loss Statement measures Income against Expenses. Think of these as 2 columns. You have Income as a heading and fill out the column with Income Items like Revenue, Sales, Interest Income, Gains, Commissions Earned – basically anything that puts money in your business coffer. Then you have a column headed by Expenses which gets filled out by Expense Items like Cost of Goods, Marketing and Advertising, Payroll, Interest Expense, Insurance, Utilities, Office Supplies, Professional Fees, Taxes – all those things

that you spend money on in your business.

Profit and Loss Statements generally follow a format of showing the Income/Revenue entries at the beginning or the “top line”, so to speak. In turn, the costs of doing business (or your Expenses) are subtracted. The difference is known as “the bottom line” – I’m sure you’ve heard that phrase before. The bottom line is also referred to as Net Income, Profit or Earnings. If this number falls into the negative, it is known as a Loss.

It is helpful to compare income statements from different accounting periods as the changes in income and expenses over time are more meaningful than the numbers themselves.

They can shed light on best practices or cracks in operations

that need more oversight. For instance, if you see that you are paying twice as much into your cost of goods from one period to the next whether it be fiscal year or quarter, this will lead you to research the increase and find the source of the increase. This gives you the ability to make informed decisions. If your supplier has raised prices, you may find another vendor who supplies the same items for less or you may increase your price to cover the higher cost. Your research may indicate waste or employee theft which you can handle once you are in the know. Without the P&L, you may not have seen what was going on and continued to operate in the negative.

“Money often costs too much.”

RALPH WALDO EMERSON

Building Blocks of Business Financials

What I’m talking about here are reporting mechanisms. If you’ve applied for a loan recently, you know that lending institutions require a set of financials like a P&L (Profit & Loss), a Balance Sheet, and other documents. Over the next couple of issues, I’m going to try to explain basic financial reports so that you can not only see them, but USE them in your business.

These reports are more than just apparitions that your bookkeeper or accountant can decipher. They are valuable tools in the business owner’s hands to see where the business has been, where it currently sits, and what changes to make so the business can grow. This month, I talk about the P&L. Let me know if you have questions!

“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 OFFER FLAT-RATE PRICING FOR PAYROLL. IF YOU HAVEN’T RECEIVED A PAYROLL PROPOSAL IN A WHILE, WE MAY BE ABLE TO SAVE YOU MONEY. PLUS WE HAVE INTEGRATED HR OPTIONS TO HELP YOU KEEP THINGS EASILY MANAGEABLE!

Your Partner in All Things Business