



CHECK-UP1
 THE MIRROR.....1
 PAYROLL COMPLIANCE.....2

CKR Financial Services

monthly journal

HELPING OUR CLIENTS GAIN THE ADVANTAGE OVER THE COMPETITION

Many folks don't go to a Doctor until something is wrong. It's human nature to be REACTIVE instead of PROACTIVE, but the health of your business is important! Make some time for a

Check-Up!

Two words no one looks forward to or makes time for: Check-Up! Let's take a quick look at two places that may need a quick review.

The first is to get in touch with your commercial insurance agent and review your policies. Our friend, Paula Marker, has worked in commercial insurance for years advised the following:

1-Make sure your contact information (name, phone, address) is correct. Businesses change hands, change names, and sometimes move without updating this vital information with the insurance agent.

2-Confirm the amount of your Business Personal Property (BPP) is still the same. (Did you buy/sell/donate equipment, desks or printers?) This could affect claim payouts if not updated correctly.

3-Make sure you are not under-

insured so you don't fall prey to penalty for lack of coverage.

4-Review payroll and how many employees you have. If payroll is higher or lower than the previous year. It's a great time to confirm or adjust this amount when the policy is being renewed.

5-Review deductibles to confirm they are in line with premium and budget.

6-Review building coverage, auto coverage, additional insureds, any and all endorsements to see if they are still needed.

While you are reviewing your insurance policies, it is also a good time to think about your corporate documents. Our friend, Richard Cunningham is an asset protection attorney. He recommends a business owner review their corporate documents at least every few years to ensure any changes are documented.



1-Did you bring on a new partner? If so, did you create and fund a buy-sell agreement to protect the partners from ending up with an unintended business partner?

2-Do you know where your company documents are? In the year of the pandemic, many companies were left scrambling to get documents because the owner didn't know the whereabouts of their corporate documents.

3-Has the company been holding annual meetings and were they documented? All corporations are required to hold shareholder meetings at least annually and it is good practice for LLC's to do the same.

4-Review the company assets. Large purchases may require the company to be revalued and should be authorized by the board or shareholders.



THE MIRROR

This is really more about personal evaluation and the self-evaluation of your business. Do you like who you are? Do you like the direction your business is going? Take a look in the "mirror". See the view others have of you. If you like it; keep doing what you're doing. If you don't; change it. Did your business grow into something you don't like? Maybe it's time to sell. You need to align your personal goals and business direction so that you are personally satisfied with the man, or woman, in the mirror.



Payroll Compliance

Lessons learned in the field are lessons not soon forgotten. The importance of payroll compliance is so important.

Rule # 1, don't mess around with other people's money.

Rule # 2, you can't hide from the tax man.

This month, I wanted to talk about an issue that has absolutely wreaked havoc on businesses: Payroll Compliance. You might wonder, "How does someone get out of compliance when it comes to payroll? You simply pay employees their wage and call it a day." Well, that's a great start but that is JUST the beginning.

First, let's get something out of the way. The state of Nevada raised the minimum wage to \$8.75 for employees who are offered health benefits and \$9.75 for those who do not. So, if you have employees on minimum wage, check their status and make sure you are paying the correct amount. IF you missed the notice, you need to make up the difference NOW. Before someone makes a complaint with the Labor Commission – as employees are apt to do. This also means that if an employee makes less than \$13.125 if

offered benefits, less than \$14.625 without, then they must be provided overtime pay of one and one-half times their regular rate of pay for working more than 8 hours in a 24-hour period. If they make those rates or above, overtime kicks in once they hit 40 hours in a work-week. Okay, now that's out of the way, let's get back to the regular compliance issues.

It is important to have a reliable means to track time for your employees and have them acknowledge the hours you are going to process for payroll. Often this is done by having the employee sign their own timecard. While this is not law, it is best practice to avoid later disputes. It is also important for the employer to review these timecards to account for all hours worked.

Federal taxes must be withheld. Be sure you have employee W-4s on file so that

you can verify the amount of taxes coming out. Employers are responsible for paying federal taxes on time! In a pinch, some employers pay the wages and withhold from paying the taxes. **Do not fall into this trap!** It is more advisable for the employer to forego their salary in order to make sure the taxes are paid as penalties quickly accrue to the tune of thousands of dollars, and the IRS is not sympathetic when other bills are being paid. The law states that federal taxes must be paid BEFORE other suppliers.

Add to this the Form 941 quarterly filing and Form 940 yearly filing, along with any state payments and garnishments, and compliance is not as easy as 1-2-3.

We recommend using a reputable payroll processing company to help your business stay in compliance.

"The only man who never makes mistakes is the man who never does anything"
THEODORE ROOSEVELT

Prepare for Sept 16! Estimated tax payments are due September 16. Now is a good time to review your books and make sure everything is in order for your estimated tax payment. Go ahead and set up a meeting with your bookkeeper or accountant to be sure everything is wrapped up tight! Be sure you have given your bookkeeper all your expenses, receipts, statements, and other financials so that they can successfully compile the data.

"Our greatest glory is not in never failing, but in rising every time we fall"
-Confucius

"IRS Troubles?"

- 1-For refund info, log in to <https://www.irs.gov/refunds> and click the blue button "Check My Refund Status".
- 2-Got a notice from the IRS, contact us ASAP. These are time sensitive and need immediate attention.
- 3-Although notices are time-sensitive, the IRS works from its own clock, and they are running behind this year. It started with COVID and they never caught up. So, your automated letters are going out but responses to real letters seem to take forever.

