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CKR Financial Services

monthly journal

HELPING OUR CLIENTS GET THE LEG UP OVER THE COMPETITION

Sole Proprietor, Partnership, LLC, S-Corp, C-Corp... Are you registered as the right entity for the kind of and amount of business you do? For the next couple of months, we look into

Business Entities

One of the first classes we offered at CKR Financial Services LLC was the “Small Business Toolkit”, which took an owner from their business idea to a ready-to-be-registered entity in about 4 hours. During this course, we reviewed the pro’s and con’s of each business entity and endeavored to make sure business owners were educated to make sound decisions regarding their entity, as well as making them aware of the tax implications and accounting needs. I wish every business went through a course like this before starting their business but, more often than not, it’s a matter of “hurry, get something on paper so I can

open a business checking account” and, unfortunately, businesses get registered but maybe not as the most favorable entity for the company.

So, I’m going to dedicate some time in the next couple of newsletters to go through the various entities. Since tax season has officially started, we’re looking at this specifically in case we need to adjust your registered entity while filing your business return. For instance, if after reviewing the materials, you decide to have your business taxed as an S-Corp, we can file that paperwork when we file your Form 1040 or 1065 for the next business tax year.



There are 5 basic entities for business: Sole Proprietorship, Partnership, LLC, S-Corporation, and C-Corp (or Corporation). Let’s get started with the Sole Proprietorship.

INTRO: A Sole Proprietorship refers to an unincorporated business that has just ONE owner.

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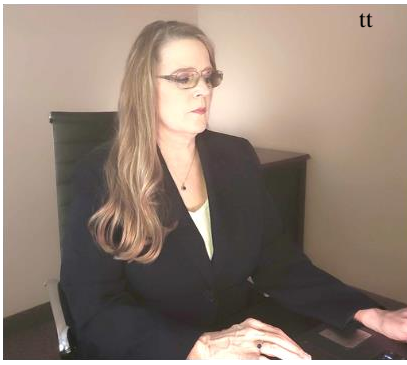
WE’VE MOVED!!! FINALLY!

At long last, we’re finally in our new home!

CKR Financial Services LLC

5250 South Pecos Road, Suite 102, Las Vegas, NV 89120

Please change our address in your address book, accounting, and banking platforms. We look forward to seeing you in our new building!



Entities cont'd

This issue about entities has come up so frequently in recent weeks, I want to be sure everyone has a good understanding of the entity purpose – it's there to serve YOU as the business owner, not the other way around.

THE KEY IS NOT TO PRIORITIZE WHAT'S ON YOUR SCHEDULE, BUT TO SCHEDULE YOUR PRIORITIES-
Stephen Covey

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SET UP: It is the easiest entity to set up and typically doesn't require a state license for the business. Creating a separate business or trade name isn't required.

PROS: Ease of setup. No formal documentation or paperwork is typically necessary.

Owners/workers may be required to have certifications such as hairdressers, electricians or plumbers, but the business entity itself doesn't require a state license and many folks do business under their own name and social security number.

CONS: Negative elements inherent to Sole

Proprietorships are the potential for the owner's personal assets to be at risk should something go wrong, and the business usually dissolves upon the death of the proprietor.

TAXES: Tax implications for the Sole Proprietor are these: The owner pays personal income tax AND self-employment taxes on profits earned from the business.

FINAL THOUGHTS: Most small businesses start as Sole Proprietors and either stay that way or expand and transition to a Limited Liability Company or a Corporation. I normally don't advise anyone to set up a Sole Prop due to the risk to personal assets. If the business caused

damage, a client could go after all personal assets such as house, car, tools, and retirement accounts.

If you are currently operating as a Sole Proprietorship, it may be time to re-evaluate and think of moving to an LLC or other entity that would suit the business while protecting your personal assets. Speak to a business asset protection specialist like Richard Cunningham (702) 706-3645 or contact our office for more information.

In the coming months, I will review the other entities as well as reasons and qualifications needed to switch from one to another.

"Whenever you see a successful business, someone once made a courageous decision."

-Peter Drucker

"Tell me and I forget, teach me and I may remember, involve me and I learn."

-Benjamin Franklin

REMINDERS:

-NV MIN WAGE \$10.50/HR W NO HEALTH BENEFITS \$9.50/HR W HEALTH BENEFITS WILL CHANGE TO \$11.25/\$10.25 ON 7/1/2023

**-MILEAGE FOR 2023 – 65.5¢ UP FROM 62.5¢
-MORE INCENTIVES TO ENCOURAGE SMALL BIZ TO OFFER RETIRMENT PLANS**



CKR FINANCIAL SERVICES

WE OFFER PAYROLL, BOOKKEEPING, TAX PREPARATION AND ADVISORY SERVICES. ARE YOU ALL SET FOR SUCCESS? IF NOT, GIVE US A CALL

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