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September 2009

“Working together for you.”

Criser, Gough, & Parrish

Small Business Alert

Stephen M. Criser — Laura B. Parrish — Greg R. Gough

September Breakfast Cereal Series

Who Should Attend

1. If you are running a small business or considering starting a small business.
2. If you have an hour to spare on the first four Tuesday mornings in September.
3. If you need a quick review or simply insight on some critical business skills.
4. If you want to make more money or simply keep more of the money you make.

Dates and Topics

- September 1, 2009 – Reading Financial Statements and Cash Flows
- September 8, 2009 – Tax Planning and Your Business
- September 15, 2009 – Which Entity is Best for You?
- September 22, 2009 – Accounting Systems that Work

Location

All sessions will be at Office This – 4031 E. Harry – Wichita, KS – 7:30 to 8:30 a.m.

Please RSVP as soon as possible. There is no charge as we want everyone who wants to be a better business person to attend. Seating is limited.

Call 316-685-1040 or email penny@crisergoughparrish.com.

Checklist to Help Businesses Prepare for Rebound

By Robert Half

1. **Keep reassessing budgets.** Financial staff must be prepared to continually modify budgets to reflect progress or setbacks.

2. **Evaluate your bench strength.** Some firms are realizing they have cut staff too deeply in response to the economic downturn. This can be an ideal time for a “talent upgrade” as many highly skilled financial professionals are in the job market.

3. **Revisit compliance requirements.** Companies should be prepared to evaluate financial reporting competencies, information technology controls, risk assessment procedures and documentation.

4. **Anticipate next-generation financial reporting.** The U.S. Securities and Exchange Commission has mandated that public companies report their financials using Extensible Business Reporting Language, or XBRL, an interactive data format, by 2011.

5. **Invest in your people.** Organizations that scaled back on training and development in recent months should consider reinstating these initiatives. Firms that invest in staff training better prepare their teams for new business opportunities. Professional development also boosts employee job satisfaction.

6. **Upgrade IT systems.** Outdated financial systems can impair a business’s ability to compete, but conversions take time and resources. Companies that are planning systems upgrades should ensure they have the budget and staffing resources to manage the implementation.

7. **Prepare for new products and services.** For companies that are considering new product or service launches, this is the time to ensure that the new offering can be introduced quickly when the economy rebounds. Cost accountants, financial analysts and others who can ensure business projections are sound can positively impact the success of the initiative.

8. **‘Re-recruit’ your best people.** Don’t be surprised if top performers are approached with other offers once the economy turns around. A best defense is a good offense: Managers should meet with their best people now to discuss their careers and remind them how much their contributions are valued.

(Excerpted from www.webcpa.com, 5/27/09)

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Seven Payroll Tax Problems

Past due payroll taxes may cause small business owners to lose their businesses — or even their freedom. The IRS is increasing tax compliance efforts in this area.

1. **Small businesses are the most likely target** of increased tax compliance enforcement. They have been identified by the IRS as the largest source of uncollected taxes.

2. **A business may be lost due to aggressive IRS collection tactics** for past due payroll taxes. When it comes to payroll tax debt, IRS revenue collectors have unyielding power and authority.

3. **Payroll tax penalties add up quickly** and generate huge tax debt regardless of whether the business is operated as a sole proprietorship, corporation or limited liability company (LLC). The three major penalties (failure to file, failure to deposit, and the failure to pay) can add up to about 33% plus interest if they are not paid within just 16 days of the due date for filing the 941 (Payroll Tax Return).

4. **Not filing or paying payroll taxes can be considered a federal crime.** The IRS may refer the case to the Criminal Investigation Division and ultimately to the Department of

Justice if the agency can prove that the business owner intentionally didn't file and/or pay.

5. **Borrowing from payroll taxes is against the law.** The money collected from employees for federal income tax and FICA tax does not belong to the business and must be accounted for and paid to the government.

6. **The IRS can pursue business owners individually** for payroll taxes owed. It may assess the Trust Fund Recovery Penalty (TFRP) against owners and shareholders. (**Note from CGP:** This is a 100% penalty.)

7. **What should business owners do if they are audited?** Someone who owes payroll taxes should obtain expert help before it's too late. Non-professionals should not take any chances when dealing with the IRS.

(Accounting Web Inc., via The Tax Strategist, 6/09)

Pursuant to federal regulations imposed on practitioners who render tax advice ("Circular 230"), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the IRS.

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