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The CFO Advisor

Guidance for Small Business Success™

Welcome to the January edition of “The CFO Advisor!” I hope you had a nice New Year’s Eve and are looking forward to the amazing things coming your way.

Reflecting on the past year can be a great way to plan, but understand that things are ALWAYS changing. The rules of the game are becoming more complex, but you can be sure that my team and I will accompany you throughout the year and be readily available to answer your questions to the best of our ability!

We are here for you and want nothing more than for you to succeed, which is why we begin this month’s newsletter with “A Resolution for Fiscal Fitness in 2018.”

Then we cover some tax tips that could save you money this upcoming year that will leave your bottom line larger and your heart happier.

We continue the newsletter with ways to relieve depression through exercise, defining the characteristics of a happy professional, and creating a safe work environment. Implement the tips shared in this newsletter and start your journey towards a more successful 2018.

Until next month...

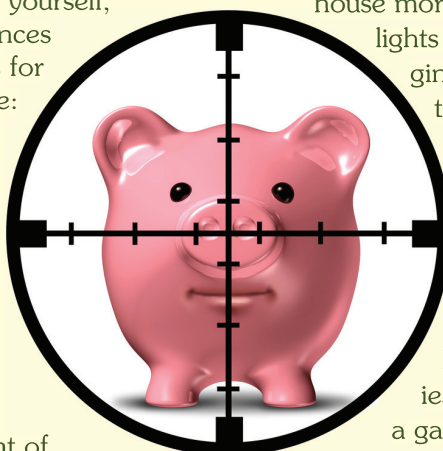
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A Resolution For Fiscal Fitness In 2018

Most New Year’s resolutions revolve around getting fit, but for the entrepreneur like yourself, those resolutions often apply to your finances as well. Here are some simple resolutions for strengthening your overall financial profile:

- **Pay down your mortgage.** You can save more than \$63,000 on a 30-year \$200,000 mortgage by paying just \$100 more a month. Another tip to paying down your mortgage early is to submit bi-weekly payments. That extra payment can knock eight years off a 30-year mortgage, depending on the loan’s interest rate.
- **Save 10 percent.** Put aside 10 percent of your income for long-term investments and retirement savings before paying any bills. You should start doing this ASAP if you have not already.
- **Track your expenses.** Record every dollar you spend for at least one week. You’ll get a clearer idea of where the money goes and what you can cut back on. This is really the first, and smartest, step to managing your money and taking control of your finances because you will be able to clearly determine if the expenses are worth the cost.



- **Energize your house.** Look for ways to make your house more energy efficient by shutting off the lights when you leave a room and unplugging gadgets. These are just a few ways to become energy efficient, but you can also energize your house by keeping it clean, adding plants, and playing upbeat music whenever you can.

- **Stay home.** Resist the temptation to eat out. Cook more meals at home. Instead of going to the movies, rent a video, read a book, or play a game with your whole family. Staying home is a great way to save money on gas, food, and even the extra tip for the server.

- **Don’t rely on credit cards.** Credit card debt can eat up your savings and your future. Start reducing your debt, and don’t buy anything on credit if you don’t have the money to pay the bill off promptly. Another way is to organize your credit card charges in categories such as only buying groceries with your credit card, or only buying clothes. This will help you track your spending and not get behind on sorting your bills. ♦

Not Mobile Friendly?

Having one version of your website is no longer enough. With the majority of people using mobile devices to connect to the internet, Google considers it important for every website to have a second, mobile-friendly version that appears when accessed by smartphone or tablet; if you don't have one, they could assign you a lower rank.

You may have noticed that some of your favorite websites look different depending on whether you're visiting them from a desktop computer or from your smartphone. Usually the version that appears on your smartphone will have a menu that can be accessed with one touch, and presents its options in a large font that can be seen easily on a smartphone, as well as buttons large enough to be navigated with just a thumb or finger. If you built your own website using a platform like WordPress, your mobile-friendly second version may have been created automatically.

However, if you hired a web designer to build your website, you'll want to ask them if they've also created a mobile version.



"Ever wonder why they call this the RUSH HOUR?"

WHAT FRIENDS ARE FOR

Two women were discussing their weight loss goals and dieting strategies. "We should team up. We could work out together, exchange recipes, and support each other," said one woman.

"Sounds like a plan," replied the other.

"And when I'm craving a deep-dish pizza with a side of cheese fries, like I am right now..."

"Don't worry, sister, I've got your back," said the friend.

"I could go for a slice myself and know just the place. Come on, I'm driving."



One Hour Of Exercise May Relieve Depression

Feeling depressed? Get moving. As the Medline Plus website reports, a survey of some 34,000 adults found that people who exercise just one hour a week have a 44 percent lower risk of depression over 10 years than those who don't exercise at all.

A Norwegian survey tracked exercise habits along with depression and anxiety risk among people with an average age of 45 who underwent physical exams and filled out questionnaires about their medical needs and lifestyles. The results showed that the intensity of the exercise didn't matter — an hourlong walk provided just as much relief as a high-impact workout.

Exercise didn't appear to have any effect on anxiety risk, but the researchers found that regular exercise for at least one hour per week was connected to a lower risk of depression, regardless of gender or activity intensity. However, more than an hour's exercise didn't appear to further decrease the risk of depression substantially. Also, the scientists have noted that they haven't proven a direct cause-and-effect relationship between exercise and depression. Still, it sounds like another good reason to get off the couch and start up a modest exercise routine.



Quotes: "We will open the book. Its pages are blank. We are going to put words on them ourselves. The book is called Opportunity and its first chapter is New Year's Day."
— Edith Lovejoy Pierce

“"The speed of your success is limited only by your dedication and what you're willing to sacrifice."
— Nathan W. Morris

"I used to have this toy, a magic slate. You wrote or drew on it and then, just by pulling up the plastic cover, everything you did disappeared and you could start new. Maybe everyone feels that on New Year's Eve: They can pull up the magic sheet and rewrite their lives."
— V.C. Andrews

"And now we welcome the New Year, full of things that have never been."
— Rainer Maria Rilke

"Let me give you a New Year message: Believe in yourself, because no one ever achieved anything significant without believing in himself and no one ever will! Believe in yourself powerfully, especially when there is no reason left to believe in yourself because the ultimate bottom is the best place to start a big rise!"
— Mehmet Murat Ildan

"Balancing your money is the key to having enough."
— Elizabeth Warren





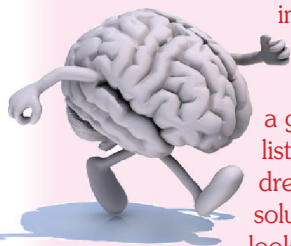
Take These Steps Toward A Safe Workplace

A safe environment is essential for a productive workplace. Employees should neither be afraid of getting hurt at work nor fear being punished if they are hurt. Here are some ways to prevent such fears and to show your concern for your staff's well-being.

- **Hold regular safety meetings.** Emphasize the importance of safety and to reinforce safe behaviors and discuss everything from ergonomics and parking lot safety to operating machinery and driving company cars.
- Make sure any **safety equipment** required for a job, such as goggles or wrist braces, is onsite and being used.
- **Don't overwork your employees.** Fatigue makes people more prone to accidents.
- If someone is injured on the job, **review the guidelines** and consider instituting new ones to prevent a similar accident from happening again.
- **Encourage staff members to suggest safety improvements.** Create a suggestion program just for this purpose.

Three Tips To Spark Your Brain

Everyone can be creative, as long as they're willing to give up some preconceptions about what being creative really means. Try these tactics for opening up your mind to innovative possibilities:



- 1) Focus on intuition, not intelligence.** You don't have to be a genius to be creative. Train yourself to listen to your feelings, random thoughts, dreams, and intuition. Often ideas and solutions come to us when we aren't looking.
- 2) Give yourself space to think.** Collecting data about what you're working on is good, but don't let facts crowd out your creative impulses. Set the information aside and step back to allow your mind to process it without pushing. Build some room inside your head to let ideas grow.
- 3) Try something different.** Breaking your routine can lead to creative insights. See the kind of movie you'd never ordinarily watch. Take a walk in a new neighborhood. Fly a kite or take up a new exercise regimen. Mixing things up can help your mind look at the world in a different light.

Are You In Need of a Trusted Business Advisor?

If you are not my client and would like to explore whether we might be a good fit, please contact me. As an experienced business advisor, I have worked not only in private and public industries but also across many functional areas and can help you implement best practice solutions to improve profits.



TAX CORNER

Business Tax Tips That Could Save You Thousands – Maybe More

We have worked with many entrepreneurs like you over the years. We find that the majority of you strive to run your business like a well-oiled machine. We also know that you want to legally minimize your tax burden while reducing any exposure to an IRS audit.

What follows are several tax tips that could save you from a burdensome tax bill, hefty penalties or forfeiting money that legally belongs to you.

Pay the correct amount of estimated taxes.

Make it a habit to put away money throughout the year for taxes: about 25% of your earnings, in its own account. Then, on a quarterly basis, send that money to the respective agencies. Solopreneurs and independent contractors, pay special attention to this one.

Stay ahead of retirement account contributions.

There are various pension plans that have different limits to contributions. Be sure to stay on top of net income tallies to avoid making excess contributions, which could subject you to an excess contribution penalty in addition to the amounts not being deductible. If the excess contribution is not removed, you could be penalized for it every year until the amount is withdrawn. Consult with your tax specialist to ensure you are maxing out on contributions as well.

Document what you pay to independent contractors. If you outsource tasks to contractors, you are required to file Form 1099-MISC when payments of \$600 or more have been made to the contractor. Without proof of payment, these amounts are unlikely to be allowed in an audit." Additionally, if the required 1099-MISC forms are not issued, you could be subject to a penalty.

Classify workers properly. Classifying an employee as 1099 can have advantages to you as the business owner, but if they are an actual employee with set hours, they should be classified as a W-2 employee. Failure to classify workers correctly can leave your business liable for past taxes and penalties.

Keep good records. The IRS frowns on sloppy record-keeping. They could disallow some deductions and credits or rule that your business isn't really a business. The most common form of poor record-keeping is failing to keep business and personal expenses separate. Your business should have its own bank account.

If you have questions about any of the above, please reach out to your tax specialist.



Do You Have A Tough Accounting / Finance Question You Want Answered?

I love hearing from my small business clients and friends who enjoy reading my monthly newsletter. I'm always looking to answer pressing questions you might have relating to small business. If you have a question, tip or idea, please call me at 352-450-2880 or email me at dwight@dlhulseconsulting.com. Perhaps I'll feature you in a future issue!



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Disclaimer: Any accounting, business or tax advice contained in this communication, is not intended as a thorough, in-depth analysis of specific issues, nor a substitute for a formal opinion, nor is it sufficient to avoid tax-related penalties.

Succeed As An Entrepreneur

Do you want to start your own business? Join the club. Many ambitious people become entrepreneurs to better control their destiny. The club you don't want to join, though, is the failed entrepreneur club. These tips from the Entrepreneur magazine website can help you avoid that fate:



• **Find out what customers want to buy.** The most innovative product in the world will fail if nobody wants to buy it. Instead of focusing on what you want to sell, start by identifying what potential customers in your industry want.

• **Prioritize cash flow.** Get cash flowing into your business immediately by, for example, asking for cash deposits up front or selling services that customers can pay for monthly.

• **Keep costs low.** One way to do this is to buy used office furniture and equipment instead of paying full price. Another strategy: Pay your vendors up front in exchange for a reduced fee.

• **Be conservative.** Train yourself to underestimate revenues and overestimate expenses. This conservative approach, even though it sounds pessimistic, can help you avoid overextending your business in the early days.

• **Focus on sales.** As the saying goes, nothing happens in business until a sale is made. Adopt a single-minded attitude toward marketing and selling. Don't worry about developing your brand at first — concentrate on generating leads, analyzing successes and failures, and doing whatever is necessary to start bringing revenue in.

THE FREELANCER'S LIFE IS A HAPPY ONE

Are freelancers happier than other professionals?

In a survey on the future of work and the gig economy from ReportLinker, 65 percent of people overall said yes. The report notes that 26 percent of respondents would consider work as a freelancer or independent contractor.

Here's what freelancers themselves enjoy about working outside corporate walls:

- Being one's own boss — 29 percent.
- Better work/life balance — 23 percent.
- Flexible working hours — 17 percent.
- Freedom — 10 percent.
- Better compensation — 8 percent.
- More interesting challenges — 6 percent.
- Better use of skills 4 — percent.

The main drawbacks? Twenty-seven percent cited the lack of retirement benefits, 19 percent named financial insecurity, and 18 percent pointed to lack of job security.

