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The CFO Advisor

Guidance for Small Business Success™

As the seasons change and we approach the Fall of the year, it's also a good time to take a good look at ourselves, our businesses, and the changes we can make to get closer to our goals.

As we manage our businesses, we may find it necessary to make changes to the way we handle our operations, finances, or the way we supervise our staff. However, like the seasonal change of the colors in the leaves, it's important that any change we make is done smoothly and timely to ensure the desired end result.

In this issue of **"The CFO Advisor,"** you'll read up on several ways to keep you positive and grounded as we enter a new season. You'll learn tips for reducing stress, improving your mindset, and phrases to keep you motivated. You'll also learn ways to keep your finances in order during the pandemic, tips for continued success, and much more.

Until next month...

Dwight L. Hulse, CPA/CITP, CGMA



When To Amend Your Tax Return?

Whether you feel that it is worth it or not to file an amended return is not the issue. The issue is whether you are required to file an amended return. If there is a change in your filing status, income, or deductions, the IRS states that you file an amended return. Keep in mind that the IRS receives copies of W-2s, and 1099s and they perform matching inquiries to make sure that the information that you report on your tax return matches the information on the documents that they receive.

Using the incorrect filing status or reporting the incorrect amount of income and deductions, can affect the amount of your refund, or the amount that you owe. If after filing your initial tax return, you notice that you used the wrong filing status, or you did not report income or deductions, you should file an amended tax return. If you understated your income, intentionally or not, it is in your best interest to amend your tax return prior to the IRS contacting you. To minimize penalties and interest, if you find that you owe taxes, you should file an amended return sooner, rather than later.

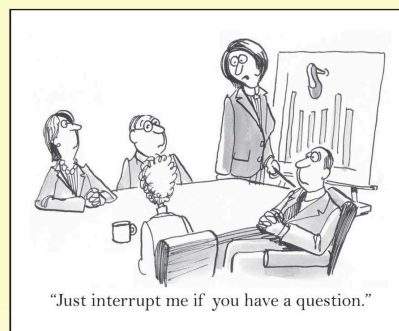
For math errors or omission of forms, such as the W-2, you normally do not need to amend the tax return. If there are math errors, the IRS will generally catch those and make the necessary adjustments and let you know via correspondence. If



you forgot to include a form, if the IRS needs it, they will contact you and request the form. If the reason for amending the return involves an additional form or schedule, when you amend your tax return, remember to include that form with the amended return.

If you are amending a tax return for an additional refund, it is advisable to wait until you have received the refund from the initial return before filing the amended return. If you have chosen to receive a paper check refund from the initial return, it is ok to cash the check while waiting for the additional refund.

Use the Form 1040-X to amend your tax return. Note that amended returns prior to tax year 2019 cannot be e-filed. A paper return will have to be mailed in and the processing time for an amended return is approximately 12 weeks (i.e. three months).



To check the status of your amended return, you can use the "Where's My Amended Return" Tool on the IRS website. You will need to enter your taxpayer I.D., (i.e. social security number), date of birth, and zip code. Remember, the processing time for an amended return is 12 weeks, so before checking on your amended return, make sure that at least 12 weeks has passed.

Keep Common Money Problems Under Control

The coronavirus pandemic has created money problems for many of us. *The Cosmopolitan* website has some advice for overcoming some of the most common ones:



- **You're overwhelmed by credit card debt.** See if you can transfer your credit balance to an account with low or zero interest. You may also be able to negotiate a payment plan with your credit card issuer. And consider placing your credit cards off limits — by sticking them

in your freezer, for example. They'll still be accessible in an emergency, but you won't be tempted to make impulse buys.

- **You owe money to a friend.** Don't try to save up every last penny before repaying your friends. Instead, start paying him or her back a little at a time. Discuss a realistic repayment schedule. In addition, offer help with cleaning or other services to defray some of the debt.

- **A friend owes you money.** Suggest alternatives, like paying for lunch or bringing over a bottle of wine. If your friend is amenable, he or she can slowly pay you back over time.

- **Fear of spending money.** In uncertain times, you may feel anxiety about spending any money. This is understandable, but you should regain some sense of control over your spending. It might help to actually donate a little money to a cause you support as a reminder that you still have some financial power.

- **You're way behind on your bills.** This will take some work — you'll have to call each creditor to discuss the situation. Start with your biggest or most pressing bill and try to work out a realistic schedule for payment. Try to stagger payment dates so everything isn't due on the first of the month. Ask if there's any financial incentive to setting up automatic payments, like a discount or a one-time credit.

Choose The Right Mindset For Creative Success

Your mindset influences your ability to think creatively and succeed in whatever you do. Here are four basic mindsets to cultivate, from the *MakeIt* website:

- **Growth mindset.** Believe that you can change, develop, and improve your talents, your abilities, and your intelligence. This will make you more willing and able to learn new skills.
- **Open mindset.** Be open to new ideas and willing to take seriously suggestions from other people. Ask questions, invite feedback, look for new perspectives, and think as positively as possible.
- **Promotion mindset.** Focus on winning and achieving goals. Someone with a promotion mindset will have a clear goal and actively shoot for it. People with a prevention mindset — the opposite — focus on "not losing" instead of achieving.
- **Outward mindset.** See other people as equals. Notice their value, and you'll be more trusted. Engage with all kinds of people, whatever their position or rank. Give their needs and desires the same level of importance as your own



MONEY TO SAVE?

Here's where to stash it. In these uncertain economic times, many of us are looking to increase our savings. The personal savings rate — the amount people are saving as a percentage of their disposable income — rose to 33% in April, up from 13% in March and much higher than the 8% it had stood at for months, according to the U.S. Bureau of Economic Analysis. One article from CNN looks at your options:



- **Traditional savings accounts.** Interest rates may be low — or nonexistent — but the traditional savings account offers convenience and security. Still, larger banks charge higher monthly fees that can add up, so do your homework before opening an account.
- **Online savings accounts.** These offer a higher rate of return, along with easy access and stability. Like traditional accounts, they're FDIC insured and allow you to keep your existing checking account. Read the fine print, though. Some will charge a fee if you don't make any deposits or withdrawals within a certain number of months, or if your account falls below a certain amount.
- **CDs.** A certificate of deposit is a safe place to stash your money if you won't need it right away. You agree to leave your money alone for a certain amount of time — six months, a year, five years, or more. The longer you sign up for, the more money you'll earn.
- **Money market accounts.** These generally offer a higher interest rate than standard savings accounts, and many allow you to write checks off the account. They may require a higher minimum deposit, and again, can charge fees for inactive accounts and other specifications.
- **High-yield checking accounts.** Sometimes called reward checking accounts, these are usually offered by community banks or credit unions. They typically offer rewards for meeting specific account requirements. Their interest rates can be higher than other accounts, but you may have to agree to a certain number of debit card payments or a specific amount of spending per month to earn the higher rate.

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.

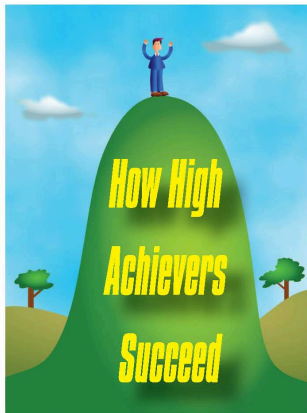


Do You Have A Tough Accounting / Finance Question You Want Answered?

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!





Do you wonder why some people manage to achieve so much in their lives

and careers? You can reach their level of success too — if you emulate some of their attitudes and actions. Here's where to start (from an article on the *Mission* website):

- **Know what you value.** You can't get what you want unless you know what you want. Start by identifying times when you were happy, proud, and fulfilled. Look for common denominators to determine what your true values are.
- **Don't obsess over your weaknesses.** Everyone has weaknesses, and some of them can't be eliminated. Don't use them as an excuse for not pursuing your goals. Focus on your strengths and seek goals that let you use them to their maximum.
- **Ask for help.** You can't do everything yourself. Be willing to ask for help from people who can compensate for your weaknesses and maximize your strengths. By the same token, be ready to help people who ask for your assistance. They'll be more willing to return the favor.
- **Take initiative.** Don't wait for permission to follow your dreams. Look at what you want to achieve, make a plan, and start out immediately. Identify one thing you can do to get started — and then do it.



Proud Mothers

Three women were sitting around a table playing bridge and bragging about their sons.

"My Freddie," said Margaret. "Everyone should be so lucky to have a son like my Freddie. Once a week he brings me a huge bouquet of flowers, he's constantly bringing me out to restaurants to eat, if I so much as hint that I want something the next morning it's on my doorstep."

"That's very nice about your Freddie," said Gertrude. "But with all due respect, when I think about the way my Sammy takes care of me, it just can't compare. Every morning as soon as I wake up, he greets me with bacon and eggs and freshly brewed coffee. Every day at noon he comes over and cooks me a gourmet lunch, and at least once a week he brings me to his house for supper. He truly treats me like a queen."

"Well," said Barbara, "I don't want to make any of you feel bad or anything, but wait until you hear about my Harry. Twice a week he pays someone \$200 an hour just so he can lie on their couch and talk to them, and who do you think he speaks about at those prices?" Barbara smiled. "Me! All he talks about is me!"

Provide The Right Context When Training

When you're training your employees, remember that no task exists in isolation. Be sure to address the past, present, and future:

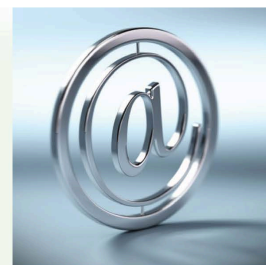
- **What precedes the task?** How does one prepare to do the job? How do you know when the work needs to be performed? What kind of work (by others) went into getting the task to this point?
- **What's the goal?** Discuss how to accomplish the task.
- **What happens next?** Who else is affected by the finished task? What should you do once your job is completed?



SEND EMAILS THAT GET RESULTS

Do your emails get the attention and rapid response they deserve? Here's how to make sure people read and answer your messages while they're still fresh:

- **Grab them with your subject.** The subject line should read like a compelling newspaper headline. One technique is to use the subject line to tell people what you want up front: "Please come to the 3 p.m. meeting," for example, or "Do you have the Jones file?"
- **Limit yourself to one subject per message.** Don't overload readers with questions and data. Single-topic emails are easier to answer than lengthy essays or questionnaires.
- **Ask for action.** Tell the reader what you need him or her to do — present a report at the 3 o'clock meeting, or bring the Jones file to your office. Specify whether you want a response to your email. If it's not necessary, tell them.
- **Be consistent.** Tracking emails is easier when you keep the same subject line.



Quotes:

"Many folks think they aren't good at earning money, when what they don't know is how to use it." — **Frank A. Clar**

"If we command our wealth, we shall be rich and free. If our wealth commands us, we are poor indeed." — **Edmund Burke**

"To succeed in life, you need two things: ignorance and confidence." — **Mark Twain**

"A strong positive self-image is the best possible preparation for success." — **Dr. Joyce Brothers**





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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.

DON'T Follow This Advice



The internet is full of advice on how to succeed, but not all of it's good. Inc. magazine points at some common "words of wisdom" that aren't all that wise:

- **"Don't get too close to people."**

Relationships are the key to success. If you hold yourself at arm's length, people won't trust you. Keep your friendships on a professional level, but don't shy away from building strong, long-lasting relationships with employees, co-workers, managers, and customers.

- **"Stick to your business plan."**

No matter how good your plan is, it shouldn't be set in stone. Situations change, and if

you're not willing and able to adapt and adjust, you'll run your career into the ground. Stay on top of trends and developments in your industry so you can react quickly.

- **"Do what you love."** You probably shouldn't pursue a career in a field or position you absolutely hate, but just because you love to cook doesn't mean you'll be able to open and run a five-star restaurant. Figure out what you do best, and look for a career that fits your talents. You'll be happier and more successful in the long run.

- **"If you want something done right, you have to do it yourself."**

If you take on every task, you'll burn yourself out in a short time. Learn to delegate. Trust the people around you to do their jobs. If you don't have the required expertise within your organization, hire it. Save your energy to focus on the big picture.

- **"If you build it, they will come."** It might have worked in Field of Dreams, but in reality, creating a product or opening a business is just the beginning. Be ready for the work involved in marketing your organization, managing growth, dealing with competition, and navigating the regulatory landscape.

- **"Never say no."** The customer isn't always right, or reasonable. You may think you can't afford to turn down an opportunity, but take the time to consider whether a request is reasonable, and if you're the right person (or organization) to do it. You'll last longer by being judicious about where to invest your energy and resources instead of trying to please absolutely everybody.



Financial Survival Tips For The Pandemic

The COVID-19 pandemic has forced many people out of work and created financial problems for families struggling to survive. The Courier Journal offers some advice for staying afloat:

- **Make a budget.** Sit down with a piece of paper or some budget software and analyze your monthly expenses — food, housing, gasoline, and the like. Track your spending to ensure the numbers are accurate. This will give you a good idea of what you're paying for, and also what you can reduce or eliminate.

- **Prioritize your bills.** Generally speaking, your top priorities are food, utilities (gas, electricity, and water), shelter (rent or mortgage), and your vehicle. Pay those before you pay anything else.

- **Ask for extensions.** Many lenders, sympathetic to the plight of consumers, are open to delayed payment plans. Contact your landlord, mortgage company, credit card company, student loan provider, and other people and organizations you owe money to, and try to negotiate for better terms and rates.

- **Cut costs and increase income.** Look for sales and deals when you buy. Examine how much you spend on entertainment and look for saving strategies. Also, go through your home and look for items you can sell on Etsy or eBay to generate some extra cash.

- **Don't touch your retirement savings.** You may be tempted to dip into your 401(k) or other retirement savings plan. Aside from possible tax penalties, you probably don't want to take out money that you'll need later unless you absolutely have to.