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The CFO Advisor

Guidance for Small Business Success™



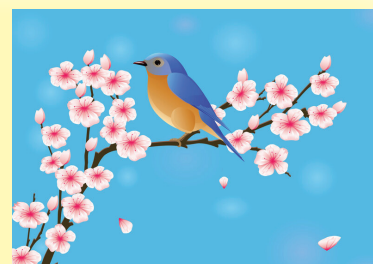
Welcome to April! This is the time of the year we are supposed to see more rain (April Showers bring May Flowers). We are really excited at this time of the year! Why?

April 15th (technically the deadline is April 18th) is almost here. Inside this issue, we will let you know how to avoid IRS scams, share an article to help you sell your home, and provide tips on what to do if you cannot pay your taxes (yes, it happens!)

We hope you are enjoying the wonderful weather of this early spring.

Until next month...

Dwight L. Hulse, CPA/CITP, CGMA



WHY FORD STOPPED ACCEPTING ORDERS FOR MAVERICK PICKUP TRUCKS

Looking to buy a Ford Maverick pickup truck? If you don't already have an order in, you might have to wait until 2023.

During the first few days in

January, Ford announced that they would stop accepting orders for Maverick trucks.

Shortages are nothing new. Hot products, from Tickle-Me-Elmo to the latest video game console, can be hard to find at any given time. But supply chains and production typically shift to match demand with a matter of months, not years. It's hard to find comparable shortages in recent memory. Perhaps not since World War II have so many products remained out of stock for months on end.

So what gives? As with many things 2022, a lack of computer chips has hampered production. Shifts towards remote work and other factors have spurred demand for computer chips,



and so far, chip makers haven't been able to ramp up production to match demand. When you think of computer chips, your mind may first wander to smartphones and

laptops. However, a modern car can require thousands — yes thousands — of chips.

Manufacturing computer chips is more than just assembly. Advanced robotics, clean rooms, and specialized skills, among many other things, are all needed to produce chips. The lead time to increase output can measure in years. So even as Intel and other chip makers announce plans to expand production, shortages may remain common through the near future.

That said, even with enough chips, Ford might struggle to meet the high demand for the Maverick due to limited manufacturing capacity. Right now, all Maverick assembly takes place at the Hermosillo Stamping and Assembly plant in Mexico.

Is It A Scam? How To Know If The IRS Is Really Calling

IRS scams are everywhere, bilking people out of thousands of dollars and fraudulently obtaining their personal information.

Phone scams are big at tax season. The thing to remember is that the real IRS will never:

- * Call to demand an immediate payment using something like a prepaid debit card, gift card, or wire transfer. If the IRS wants money from you, they will send a letter first. It won't come as a surprise.
- * Threaten you. The IRS will never say they are going to bring police or any other kind of law enforcement person to arrest you.
- * Demand tax payments without offering you the opportunity to appeal or even ask for details about the demand.
- * Call you about a tax refund. They might write to you, but they won't call you first.

If you receive such a call, note the number and hang up. You can report the scam at treasury.gov/tigta/reportcrime_misconduct.shtml



LOW-COST TECH SOLUTIONS FOR YOUR BUSINESS

A dollar saved is a dollar earned, and for small businesses, healthy finances can determine success or failure.

While companies strive to keep costs low, software and technology expenses can add up quickly. Fortunately, you can find free solutions that often work as well as paid options.

If you pick up an Office Suite for your team, you may pay \$10 or more per user each month. Not into subscription costs? You could buy stand-alone software, but that may set you back \$250 or more. Or, you could use LibreOffice, a free open-source office suite that works on Mac, Windows, and Linux, providing free alternatives for Word, Excel, PowerPoint, and other tools. You can also use the free Linux operating systems to replace Microsoft Windows and Mac OS completely.

An image is worth a thousand words. When writing blogs or putting together sales materials, you may need pictures. There are tons of stock photo websites, but with many, rights to the photos will set you back some bucks. With Pixabay and Unsplash (among others), you can find images that are free for commercial use. Just make sure you check individual licenses. Need to touch up photos? Photoshop sets you back a few hundred dollars. Or you can use GIMP for free.

Many businesses now use Dropbox and other services to store and share files. These services get pricey, often starting at \$10 or more per month. Over a few years, you'll quickly shell out hundreds in fees. However, you can buy a lifetime membership from a service like pCloud for less than \$200, or pay just \$4.99 a month.

Do a bit of searching and you'll find plenty of other free or low-cost alternatives. Just make sure you check out customer and professional reviews first to ensure they're up to the task.



Good News At Tax Time On Your Home Sale

Here are three words you don't hear everyday: Tax-free money.

There aren't too many things you can say that about, but for many homeowners that sell, it is true since profits on most home sales are excluded from taxable income.

According to TurboTax, most home sellers don't even have to report home sales to the IRS.

You exclude home sale profit from your taxable income with three tests:

1. Ownership: You owned the home as your main residence for at least two years of the five years prior to sale.

2. Use: The home was your main residence for at least two years of the five years prior to the sale. So if you lived in a house for 10 years and then rented it out for two years before you sold, you would qualify for this exclusion.

3. Timing: You did not sell another house and exclude profit from that sale within two years prior to the sale.

If you meet these three tests, you can exclude up to \$250,000 in profit from your taxable income. If you are married and filing a joint return, you can exclude up to \$500,000 in profit. At least one spouse must have lived in the home for two of the five years prior to the sale.

The tax rules also allow for some special circumstances.

If your spouse dies and you have not remarried, you can count the period that the deceased spouse owned and used the property as the test for use. Military or foreign service personnel can often get an exception to the use test. There are also some exceptions in case of divorce or separation.

Of course, if you are lucky enough to make more than \$250,000 (or \$500,000 if you are married and filing jointly), the situation changes. These profits are considered capital gains and are taxed. Depending on your income, they can be taxed from 0 to 20 percent.

Retirees who show this kind of profit on a home sale should speak to a financial advisor, since profits that large could increase income and Medicare premiums.



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 dwright@dlhulseconsulting.com. Perhaps I'll feature you in a future issue!



Book Review: How To Craft The Story Of Your Business

Stories can be powerful tools for businesses big and small. In her book *Stories That Stick: How Storytelling Can Captivate Customers, Influence Audiences, and Transform Your Business*, Kindra Hall covers why stories are effective and how to craft tales that truly wow your audience.

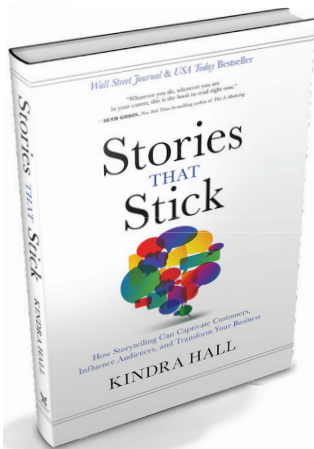
Fact is, markets are extremely competitive and organizations often struggle to stand out. Why should someone use your app or dine at your restaurant? Through proper storytelling, it's possible to cut through the noise. Stories

centering on products, founders, and other things can help you differentiate from the competition.

Hall argues that storytelling is essential for building bridges between different parties. This could mean a bridge between customers and the company. You can also use stories to close the gap between employees and the firm, with investors, and much more. And if your stories impact folks on an emotional level, there's a good chance that any bridges built will last a long time.

On the other hand, burying people and organizations with stats and dry PowerPoint presentations often causes them to tune out rather than engage. Meanwhile, stories can invoke "narrative transportation," encouraging your audience to forget about their surroundings and to instead focus on you, your company, and your products.

So how do you craft brilliant stories that help your organization, founders, and other stakeholders stand out? Pick up *Stories that Stick* and you can catch all the details. For now, make sure your tale contains the four essential elements of a story: identifiable characters, authentic emotion, a significant moment, and specific details.



What To Do If You Can't Pay Your Taxes

Tax day is fast approaching and that means millions of Americans are busy assembling their tax returns. While many Americans look forward to refunds, some will find themselves sending payments to Uncle Sam. And, unfortunately, not everyone will have the money to pay their taxes.

The IRS reports that as of 2020, more than 11 million Americans owed back taxes. With more people relying on the so-called gig economy, earning money by giving rides through platforms like Uber or through making deliveries through DoorDash, unpaid tax bills and delinquent payments may rise.

That's because you have to pay taxes on such income, and often, it's not automatically withheld.

So what do you do if you can't pay your taxes? Two tips:

First, don't panic. While people get sent to jail over tax issues, it's typically due to tax fraud and serious, willful crimes. Americans can't be jailed simply because they're unable to pay their income taxes. But the IRS can make your life difficult, with steep fines, property liens, and seizing your bank accounts.

Second, never ignore the problem.

You still want to file your taxes on time even if you can't make your payments. Not filing your taxes is a crime and you could find yourself in legal trouble for not doing so. You'll also get hit with late filing fees. In some cases, you can set up monthly payment plans with the IRS. This way, you can pay your taxes in monthly installments. Payment plans will still incur fees and penalties, however.

If you can't pay your taxes, sometimes you can reach an agreement with the IRS to settle for a lesser amount. This is called "offer in compromise" but this will depend on your particular facts and circumstances as not everyone qualifies for this program.



Quotes: "When one door closes, another door opens; but we so often look so long and so regretfully upon the closed door, that we do not see the ones which open for us." — *Alexander Graham Bell*

"Almost everything will work again if you unplug it for a few minutes, including you." — *Anne Lamott*

"Our anxiety does not come from thinking about the future, but from wanting to control it." — *Kahlil Gibran*

"The key is not to prioritize what's on your schedule, but to schedule your priorities." — *Stephen Covey*





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