

LAUBER'S LEDGER

First Quarter

February, 2009

Surviving a Recession

By
Christine A. Lauber

We
don't
need
a
stimulus,
we
need
to
go
back
to
basics.

When things get bad or we get sick, the normal reaction is to go to bed and pull the covers over our head, to weather the storm. But businesses can't do that, they must keep their doors open and traffic flowing through or the business becomes the statistic.

What happens in a recession is that the air goes out of our balloon and the size certainly of our gross income shrinks. What we fail to respond to is that all the other aspects of our business must shrink comparatively. Inventories, receivables, payables, payroll and yes OVERHEAD must be reduced.

When we grow a business it is always about getting bigger and doing more, never is the concept to do less. So my approach is to think *Entrepreneurial*. If you can remember back when you first started the business and how you did things, that is the mindset you need to retrieve. As we grow we add departments, niceties, benefits and other items that not only are not necessary to the survival of the business, but are downright detrimental.

So what does it mean to be entrepreneurial:

Personnel – it means the people you keep are the ones that are multi-skilled. The business cannot afford specialists who are only partially busy.

Cash flow – you watch it like a hawk. Keep your bookkeeping posted daily so you always know where you are and what you can expect.

Receivables - monitor your receivables at least weekly and when a payment is missed, you call the customer.

Payables – talk to your suppliers if you are going to be late with payments. Understanding and keeping your promises is the best way to maintain a good relationship.

Inventories and Work in Process – shrink them, if there ever was a time to start the “just in time” inventory approach, this is it. Slow moving and obsolete inventories should be turned to cash.

Overhead – this area is fertile area for cutbacks. How many cell phones do you really need? How many printers and copy machines do you have? Do you have set back thermostats? And since everyone has too much weight – do you really need doughnuts every day? It all adds up.

Systems and Procedures – review how everything gets done. Eliminate wasteful steps and forms and timelines. Efficiency costs you nothing and makes a lot of money.

Think Lean, Think Entrepreneurial. See you on the other side.

Unemployed with Questions

By Lori Milani

In 2008, we witnessed economic conditions go from bad to terrible. To add to this, the unemployment rate has risen 7.2%. We have lost 2.6 million jobs, scary right?? What does this mean to us, the average worker? People are keeping the jobs they have, hanging on to their money and praying it won't happen to them.

If the worst should happen, don't despair. Follow a couple of easy steps:

- 1) Assess your situation- sit down and make a list of current expenses and any income. This will help you know where you stand, financially.
- 2) Apply for benefits- Do this as soon as possible. You can do this one of two ways: Go online www.in.gov/dwd or file in person at your local WorkOne center. There is a waiting period that is why you do this right away. You must provide your complete name, address and zip code. Your social security number and a personal identification (i.e. driver's license). The name address and phone number of your last employer, dates worked and reason you are unemployed. After you apply you should receive a Wage Transcript and Benefit Computation, read this thoroughly. If there is an error make sure you call and get it corrected. Next, you will be mailed a Determination of Eligibility, this will tell you if you are eligible for benefits. In a few weeks you should start to receive your benefits.
- 3) Trim the extras- Make adjustments to your expenses. Cable, take out, magazine subscriptions and coffee lattes are all luxuries and can be resumed once your situation improves.
- 4) Contact creditors- Let your creditors know your situation before you get behind. Most of the time a creditor will adjust your payment schedule. This will help you meet your obligations without ruining your credit.
- 5) Make do- Go to the library for instructional books to repair things yourself. Grow a garden to cut the grocery expenses, patch jeans and eat leftovers to help stretch your dollar.

He who helps himself will survive until the new changes in government make a difference in the economy. Meanwhile, keep your hopes up and your fingers crossed.



Breanna Peare joined our staff in December 2008. She earned a Bachelor's degree in Business Administration with a major in Accounting from Saint Mary's College. She is a fan of Notre Dame football and was excited when they won their bowl game. Breanna enjoys going to the beach, kayaking, and watching movies.

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Growing Your Peach Tree

Data → Information → Knowledge → Wisdom

Subject: Backing up Your Company Data

By Beth Santana

Issue: Backing up your company data.

What it will do: Allows you to restore your accounting data history up to the time when the back up was performed. It is IT insurance if something goes wrong.

How to accomplish:

- Open the **Tasks** menu.
- Click **File**.
- Click **Backup**.
- In the Backup Company dialog box, options may be set to remind you to backup. A check mark should be in front of the statement to *Include the company name in your backup*. Click **Backup**.
- In the Save backup screen, choose from the drop down list the location where you would like to save the data. Click **OK**.
- Peachtree will copy the files and inform you of how much space Peachtree needs to store the data.
- Peachtree will then backup the data and return you to the main screen.

How will it work: There are several devices to use to store your data. The best type is removable storage. A floppy disk is popular, but not much data can be held on them. Other devices include CD's and a USB drive. Both of these devices will hold more data but the USB drive is suggested.

Once backed up and saved on removable storage, your accounting data can be restored to the time of the last back up. This will save time by not having to re-input information in case of some type of error happening. It is recommended to back up your data at least once a week.

The final output: A backup of your company's financial data to be restored in case of an error occurring, hard drive crashing, file becoming corrupt or natural disaster.

Quickbooks

Subject: Bank Reconciliations

By Michele Lorah

Issue: Why are bank reconciliations so important and how to do them co

What it will do: You will be able to understand bank reconciliations and prepare them correctly.

How to accomplish:

Why are bank reconciliations important?

Why would any of us prepare more for the weather than to make our business successful? We know that we must have the right tools to clear the snow away, but do we realize that we need the right business tools to clearly see the health of our business. The bank reconciliation is one of these tools. It is a way to compare your book cash balance with the bank's cash balance. Cash is very important to a business; you could say that it is the lifeline of a business. It is important to do this monthly to make sure there are no mistakes in QuickBooks, or mistakes on the bank statement. This is also a good tool to use to make sure money is not being taken out by anyone unauthorized. Keeping your cash accounts current and keeping an eye on it is very important to the success of your business.

To Prepare a Bank Reconciliation:

- ❖ Open your company in QuickBooks.
- ❖ Go to Banking → Reconcile.
- ❖ Select the account you want to reconcile in the dropdown menu.
- ❖ Enter the bank statement date.
- ❖ Enter the bank statement ending balance.
- ❖ If there are any service charges on the bank statement, enter the amount, date and account (usually Bank service charges).
- ❖ If there is any interest earned, enter the amount, date and account (usually Interest income).
- ❖ Click Continue.
- ❖ On the left side you will click on the check/payment that appears on the bank statement. If there are any checks/payments on the bank statement that are not in QuickBooks, you will need to research to verify if it is a legitimate withdrawal or not. If it is legitimate, enter into QuickBooks and then check off on the bank Reconcile screen. If it is not legitimate, you will need to take the necessary steps with the bank to correct.
- ❖ On the right side you will click on the deposit/other credit that appears on the bank statement. If there are deposits or other credits on the bank statement that are not in QuickBooks follow the same steps you did with the checks.
- ❖ Once you have completed these tasks, check the Difference amount on the bottom right of this screen. If the balance is 0, you are finished and click Reconcile Now. You should print the reconciliation and keep with your bank statement.
- ❖ If your Difference has a balance other than 0, then you need to look back at your bank statement and find where there is a difference until you get 0. Then follow the direction above to complete your reconciliation.

The final output: You now have a completed bank reconciliation and you will be able to see at a glance the correct balance in your checking and other cash accounts. You can monitor the cash coming in and out of your accounts. This will also make less work for your accountant; since they will not have to spend the time to reconcile your cash accounts to the bank statements. You will have a more accurate picture of your company's cash condition in QuickBooks.

2008 Tax Law Changes

By: Breanna N. Peare

It's tax season once again. Time to get out your W-2s and hope for a big refund. As always, the IRS decided to adjust the rules in the tax law. Here are a few main changes for 2008.

1. Standard deductions

a. Married filing jointly or qualifying widow	\$10,900
b. Single or married filing separately	\$5,450
c. Head of Household	\$8,000
d. Additional for Elderly/Blind-Unmarried	\$1,350
e. Taxpayer Claimed as a Dependent	\$900

2. Personal/Dependent Exemption \$3,500

3. Unearned Income without Kiddie Tax \$1,800

4. Auto Standard Mileage Allowances

a. Business through 6/30/08	50.5 cents
b. Business after 6/30/08	58.5 cents
c. Medical/Moving through 6/30/08	19 cents
d. Medical/Moving after 6/30/08	27 cents

5. IRA Annual Contribution Limit \$5,000
Catchup over age 50 \$1,000

6. Section 179 Deduction \$250,000
a. Qualifying Property Limit \$800,000

We hope you enjoy the new numbers, as they all increased for the year 2008.

Update on Indiana State and County Withholding

By: Daniell Tetzlaff

Last November, I wrote an article about Indiana changing the withholding coupons and requiring county detail. The forms are now in circulation and should have been mailed out to you by now with January being due by February 20th, at the earliest. DO NOT throw these out if you use a payroll service. You need to send the forms to your payroll service provider. In the past if you electronically sent in your taxes, you didn't need to send in a coupon. This has changed. You MUST send in a coupon, regardless of how you make your tax payment. Noted below are some of the specific changes.

The coupon is now a full page with both sides requiring information. The front side resembles your old coupons with a few minor changes. State taxes and County taxes withheld are now broken out and reported on lines 1 and 2. Line 6 has been added to report your EFT credits. For EFT filers, you will electronically make your payment and report that total on line 6, thus making line 7, total amount due, equal zero. The back side has a list of all Indiana counties. You enter the amount of county taxes you have withheld by county. The total of this page will need to equal line 2 on the front page.

I cannot stress enough that you are not to throw these away. They will be needed regardless if you prepare your company's payroll or if you use a payroll service provider. If you have any questions, please contact our offices at 574-288-4801.

Identity Theft

By: Kimberly M. Boyd

Did you know the Federal Trade Commission estimates as many as 9 million people in the United States have their identities stolen each year? Unfortunately, your identity can be stolen in a matter of seconds. There are some simple steps to take to protect your information, so you don't become one of the 9 million.

First, let's start by defining identity theft. Identity theft, or identity fraud, occurs when someone else takes your information including your name, social security number, and credit card numbers. They then take this information to steal money from your accounts, apply for loans and other forms of credit, and even acquire a job using your name. The thief can steal hundreds, or thousands of dollars without you knowing about it.

Thieves can steal your information in many ways, so it's best to be aware. Some of the most common ways include: dumpster diving, phishing, pre-texting, and changing your address.

- Dumpster diving is just what it sounds like. Thieves look through the trash and try to find bills or any other papers with important information. So make sure you shred any documents that have personal information on them.
- Phishing is a process of trying to obtain important information such as passwords and credit card numbers by pretending to be a legitimate website. They can also send you false emails or pop-up messages to try to trick you into revealing your information. Don't fall for the scam.
- Pre-texting is similar. This is when people get your information under false pretenses. Some people call and say they are working for a research company. They then ask for your name, birth date, social security number, and so forth. Once they have this information they will contact your banks and pretend they have access to your accounts.
- Some thieves even try to change your address. This sends your bills and other statements to another location. Once they have your information, they are soon on their way to ruining your credit and your reputation.

So, how do you know if someone has stolen your identity? You need to check on your bank statements and credit card statements regularly. You also need to keep an eye on your credit report. The sooner you find out your identity was stolen, the quicker you can get it resolved. Sadly, most people find out their identity has been stolen the hard way. This can happen when collection agencies start contacting you for payment on items you never purchased. Or you might try to apply for a loan and get denied. Whenever you find out, you need to take action immediately.

There are many people to notify and steps to take when your identity is stolen. It's important to keep a record of who you contact and when. This will come in handy later if you need to reference anything. You will have to notify all of your creditors. It's a good idea to place a fraud alert on your credit reports. This will help avoid any more accounts from being open in your name without your knowledge. You will also want to close accounts that you suspect to have been opened without your permission.

Next, file a complaint with the Federal Trade Commission. This can be done online, over the phone, or you can write them. Just remember speed is key in proving your innocence. The sooner you act the better off you will be. You will also need to file a report with the police. Be sure to take a copy of the complaint you filed with the FTC. You can ask the police department to include this complaint in their report.

Unfortunately it will take some time and patience before those individuals who have been victims of identity theft to clear their name completely. You should continue to monitor all of your financial records very closely. Even when things get resolved entirely, remember to keep an eye on your records. Be conscious to all of the signs of identity theft. If you are aware, you will be able to protect what is solely yours, your identity.

Financial Roadmap

By Peter Schubert

How do you know if your business has been profitable? In theory, you can look at the books, the financial records of the business, but only if they are kept up to date. Many small business owners do not know if they made a profit until their tax returns are prepared. By then it is too late to correct mistakes made in the past. The financial records of a small business should reflect income and expenses for tax purposes, but they should also tell how the business is performing financially.

The checkbook is usually the main source to keep track of the company's income and expenses. Keep a separate checking account for your business. Use it only for business expenses, not personal spending. The IRS frowns on intermingling of personal and company expenses. When you want to withdraw money for personal use, write a check to yourself or transfer funds into your personal checking account. Keep all your checkbook statements, canceled checks, and deposit slips. Be sure to do this because many banks no longer return canceled checks.

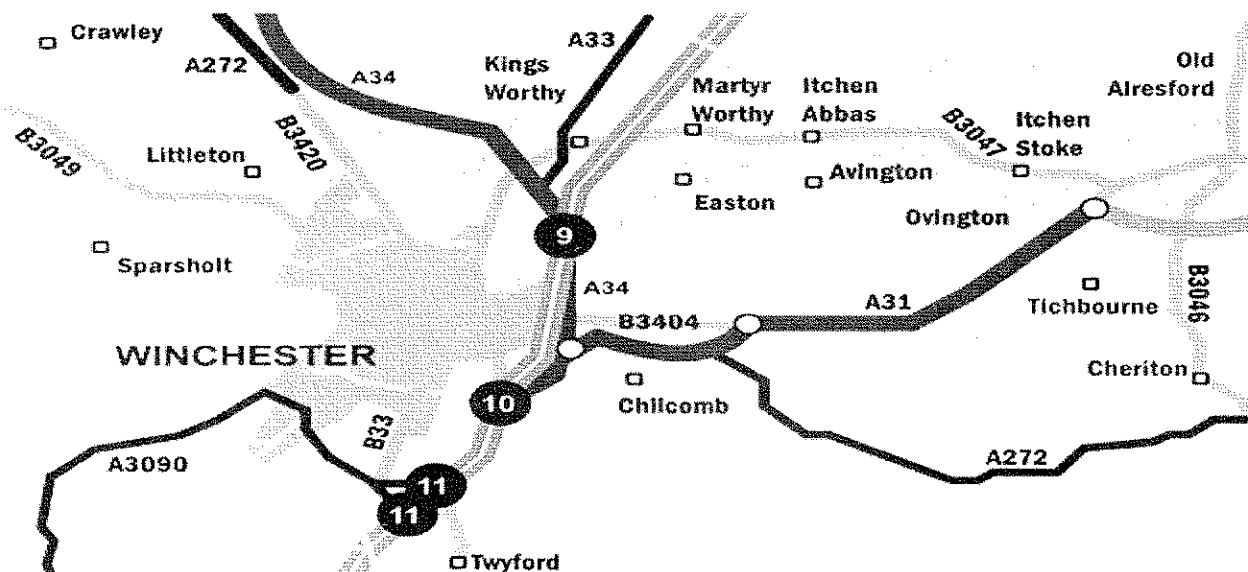
Keep supporting documents such as bank statements, paid bills, sales invoices and receipts. These documents contain information that you will need to properly record your books and to prepare your tax return. Organize them by categories according to the type of income or expense. Some business owners store receipts by month, but it is better to organize them by category. Categorizing simplifies both locating documents and tax preparation. Also, there are many software programs available to help you to keep track and organize business transactions.

An expanding file folder is an excellent yet simple storage system for supporting documents. Use a folder for each category of expense. File receipts into folders after you have recorded them in your bookkeeping system, whether on paper or on your computer. Organize bank statements into file folders as well.

To make tax preparation simpler, use categories that correspond to the sole proprietorship business tax return, Schedule C Business Income or Loss. Below is a list of some of the categories:

- Advertising
- Transportation. Keep a log of your business miles. The IRS requires a written record; estimates of mileage will not suffice.
- Equipment and software purchases.
- Professional fees
- Contract labor to hired professionals
- Office supplies
- Inventory
- Utilities including your cell phone and internet bills.
- Wages paid to employees and payroll taxes

Organization and up to date accounting records will help you know what direction your business is going.



Optimal Health in 2009

By: Chad McDonald

Are you one of the countless people who made New Year's resolutions to get healthy this year, but you didn't know where to start so you have already given up? I recently heard Certified Nutritionist, Nichole Kuhl, speak at a presentation to the Young Professionals Network. She has some very practical advice for those of us who want to feel better and live healthy.

Prevention is Key - "If you don't make time for health now, you will be forced to make time for disease later" -- Anonymous. Ms. Kuhl presented three directives for healthy living: eliminate weight loss confusion, eat healthy for life, and become a savvy supermarket shopper.

With the hundreds of diets out there, how do you know what will work? The thing almost all diets have in common is the reduction of calories. Counting calories may seem like a time consuming pain, but do it for one week. You will see what foods you eat really are not good for you. Another benefit many people find is, if you have to write it down, you are less inclined to eat it. Counting calories is a lot of work so it is not the solution, use it as a tool to get you started.

To lose weight, find your ideal weight and multiply it by 12. Eat fewer calories than that and your body will use the excess fuel in your body to compensate. To maintain the weight you successfully achieve, use a multiple of 15 as a guide. Exercise is good too. Find an activity you like and do it as frequently as possible. The best exercise is the one you will continue to do.

Eat better foods - "To eat is necessity, but to eat intelligently is an art" La Rochefoucauld. Our bodies are designed to eat whole foods. That is, food in its most natural state. The less processed the better. Things to avoid are hydrogenated oil -- trans fat, MSG -- excitatory toxin, high fructose corn syrup, and artificial sweeteners. If you cannot pronounce it, don't eat it. Read the label. No ingredient list is the ideal, but the shortest list you can find will do.

The World's Healthiest Foods, www.whfoods.org, has a list of vegetables and how they should be cooked. This website has a lot of very useful information and is worth your time. Some vegetables actually break down when heated up, and you lose the benefit of eating them. Some are okay to steam but not longer than five minutes, and never boil foods. Avoid vegetable oils.

Shop smart -- Read the labels not just the big print on the front claiming to be "Fat free". Often these products are filled with other ingredients your body has no business consuming. Check the serving size. A serving may only be a ¼ cup, but you eat the entire box -- 3 or more servings.

Shop the perimeter of the grocery store, (not the bakery section). Whole foods are found there, stay out of the aisle as much as possible. The aisles have all the processed foods that are easy to prepare but very bad for us. When you cook, make extra and freeze it. Then, when you need a quick meal, just thaw, cook, and eat. Also, when you buy eggs, beans, in-season fruit, you get several meals from one bag. So think of all the money you save by buying in bulk, so to speak.

Make a commitment to achieving your personal best health. Don't wait until it is too late. Track your calories for one week, and stop eating when you feel satisfied, which is before full and frequently before your plate is clean. Clean out the processed foods in your cupboards and stock up on fresh foods. There are many recipes on-line for healthy meals, do some digging to find foods you like to eat. Exercise regularly; it helps speed your metabolism.

Look good, feel good, and live well!

Tips for Giving an Effective Presentation

By Scott Weber

When the lights dim and everyone thinks, great time for a nap, you really need to get their attention. The question is, how do you keep their attention, get your point across, and deliver an effective message. Here are a few tips that will help you give that presentation that will stick in your audiences' minds.

Know your objectives and audience:

Who will you be giving this presentation to, a Board of Directors, Management Group, or the working person? Obviously you won't give the same presentation to a Board of Directors as you would to the workers. Do they know about the subject? If you are talking above their head, they will lose interest very quickly and your objective will be lost. What do you want your presentation to accomplish? Is it supposed to be informative or persuasive?

Know your material:

Research your material and know it from all angles. Arrange the material so it naturally flows. Think of possible questions that could be asked for each topic covered and have the answers to those questions. Don't let your material run long. Rehearse your presentation to know how long it will take. I would suggest to rehearse it to someone you trust enough to give you both positive and negative feedback. Don't memorize your presentation. You will probably come off sounding like a robot and lose your audience's attention quickly.

Know the equipment:

If you are using powerpoint, make sure it works before you start. What if you don't have access to a computer? Make sure you have handouts for everyone. If you are planning to use a projector, make sure you have access to one.

Making the presentation:

Briefly introduce yourself. Talk loud enough and clearly so that everyone can hear and understand you. While you are giving your presentation, don't talk to the slides, keep your focus on your audience. Keep your presentation moving and stick to the main points. Ask for questions throughout the presentation, not just at the end. Give a brief conclusion to summarize everything.

Form 941 Errors

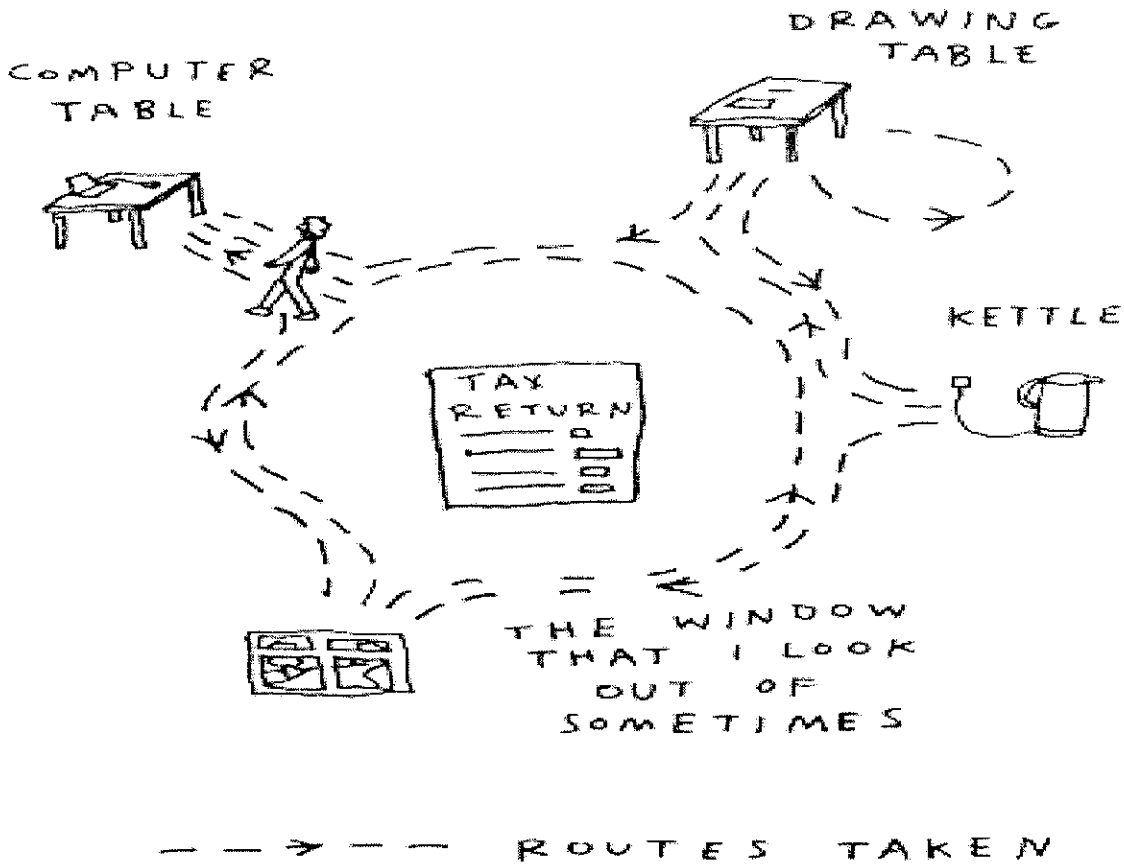
By: Daniell Tetzlaff

The IRS has done away with the 941-c and created the 941X to report Form 941 errors. Starting 1/1/2009 if you notice an error on Form 941 you will use Form 941X to make the corrections regardless of what Form 941 you are correcting.

Previously you would send in a 941-c with your next Form 941 and the overpayment or underpayment would be reported on line 7. Now you can file Form 941X as soon as the error is noted, without being accompanied by Form 941. With overpayments, you can choose to have the money refunded or applied to your next Form 941. Underpayments will be paid when the 941X is filed either by check or EFTPS.

This new form doesn't only apply to Form 941. If you need to correct a Form 943, 944, 945 or CT-1; you would use the appropriate X form. For example, you would use 944X to correct Form 944.

DIAGRAM SHOWING HOW I HAVE
BEEN AVOIDING MY TAX RETURN



cartoon by Dave Walker

CartoonChurch.com

Tax time is upon us again. Don't procrastinate. Get your information in and get it out of the way.



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