



Our monthly newsletter is included with your monthly invoice, as well as viewable on our newly updated web site www.stepsbookkeeping.com

In the Event of An Audit

We all dread them, and they do happen. Audits are time consuming and take you away from operating your business. They can result in penalties, disallowing of deductions and a lot of stress.

IRS agents are not likely to be forgiving if you do not abide by Federal rules. You can protect yourself now in anticipation of an audit. There are a few simple steps that make the audit process less painful and much faster.

1. Deposits into Bank Accounts – you must keep a record of all deposits into both personal **and** business accounts. A simple way is to photocopy all items for deposit including checks and cash.
2. Keep accurate, clean Mileage Logs – if you have vehicles used for business purposes (even those used for personal also), you must keep mileage logs or your deduction can be disallowed. Purchase a simple day-planner and write down any business related mileage. Include as much information about the business purpose as you can – who, where, why and when.
3. Meals and Entertainment – keep all of your receipts and write on them who you were with and what business was discussed. Be sure that the name of the establishment, date and amounts are legible. You may not be able to claim any Meals and Entertainment if consistent records are not kept.
4. Subcontractors – this is an important one. **All** subcontractors must receive a form 1099 at the end of the year, or be on payroll. Your entire subcontractor deduction can be disallowed if you do not follow this law. On top of Federal regulations, Oregon rules state that any subcontractor who's hours you govern (i.e. ask them to be on the job from 8 am to 5pm) must be on payroll, as they are not considered a subcontractor. Oregon law also requires that subcontractors must be licensed and bonded. If you cannot show proof, they must be on payroll. While some of these preventative steps are more difficult to adhere to for some of

our clients, it can become very costly if you do not follow Federal and State laws. Audits do not happen to all of us, but it is much easier to be prepared than pay hefty penalties and possible back taxes. Please contact us if you have any questions, or need help setting up new standards for record keeping in your business.

Patient Protection and Affordable Care Act

March 23, President Obama signed the Patient Protection and Affordable Care Act. This act provides credits for businesses with less than 25 full-time employees and less than \$50,000 in average wages. The credit is available if you are offering employee benefits for the first time benefits or for existing benefits paid. In general, you must pay for at least half of the benefits.

The maximum credit is 35 percent of premiums paid in 2010 by eligible small business employers and 25 percent of premiums paid by eligible employers that are tax-exempt organizations. In 2014, this maximum credit increases to 50 percent of premiums paid by eligible small business employers and 35 percent of premiums paid by eligible employers that are tax-exempt organizations (IRS Newswire, IR-2010-38). The maximum credit is increased to 50% of employer paid benefits, with the same limitations. The credit is lower for business with more than 10 full-time employees with average wages over \$25,000.00. This credit can be claimed in 2011 and beyond.

For more information, you can visit the [IRS website](http://www.irs.gov).

Familias en Accion 2010 and Beyond: Latino Health Equity Conference

In our December 2009 newsletter, we featured one of our clients, Familias en Accion. We would now like to extend you an invitation to help support this organization and their mission. This exciting one day conference features respected health researcher William Vega, PhD., and notable presenters in the field of Latino health. A special feature of the conference will be the interactive, energizing, and uplifting Yoga and Zumba experiences.

Please join us on May 20th, 2010 for the 2010 and Beyond: Latino Health Equity Conference. Sign up online early as conference slots are expected to fill up fast. Visit www.familiasenaccion.org for more information or to register.

We are also recruiting volunteers and donations for the silent auction at the conference. Ideas for donations are baskets (wine/cheese/cracker or movie baskets/athletic baskets), certificates for dinner for two, family packages for dinner, Regal movie tickets with snacks, spa gift certificates, massages, hair cuts, or art work. Please don't hesitate to call Familias en Accion at 503-284-0599 or Steph at 503.632.7276 and we can assist with the donation.

Featured Business:



J&I Painting

It's officially spring, and with the anticipation of nice weather, why not give our resident painting crew a call for a free estimate?

Isaac, owner of J&I Painting, is honest and knowledgeable. He will provide you with options for interior, exterior and much more. Based out of Beaverton, Oregon and licensed in Oregon and Washington and serves the entire Portland Metro/ Southwest Washington area.

Call Isaac at 503-535-9392 and schedule a time for a free estimate and have your home looking great for summer.

Learn to Read Your Businesses Financials

We are in the midst of planning our first ever Learn to Read Your Financials class. Be on the lookout for a class schedule this spring. We would be happy to hear any ideas on other topics.

Advertise with Us!

Please let us know if you would like us to provide a link to you on our website. This will provide contact with our current as well as prospective customers.