



THE FORESIGHT COMPANIES, LLC

Accounting Newsletter

DECEMBER 2014

SPECIALIST IN:

- **Mergers & Acquisitions**
- **Valuations**
- **Management**
- **Accounting**
- **Customer Surveys**
- **Financing**
- **Re-Engineering**
- **Human Resource Services**

**The Foresight
Companies, LLC**

6520 N. 7th Street,
Suite 200
Phoenix, AZ 85014
www.f4sight.com

PH: (602) 274-6464

Fax: (602) 277-6722

It's That Time of the Year...Again - by Diane DeClercq

"It's the most wonderful time of the year" when businesses close books and accountants take a long deep breath. Business owners are celebrating or licking wounds. Accountants have clean-up to do and decisions to make. January thru April is when we do most of our obvious work. Getting a jump start on some of these activities makes the process smoother.

Remember December 31st is the last day to make adjustments to your 2014 books before taxes! For those of you using Foresight Accounting Services we assist you with the following checklist items.



End of Year Checklist:

1. Payables/1099's

Review any outstanding payables. If you are a cash basis tax filer, attempt to get as many payables paid before year end as cash flow allows. This gets them into expense tax deductions for this year. Old payables still hanging in the books need to be cleaned up now.

Review your 1099 vendor information to make sure it is in compliance. A 1099 must be generated for any vendor/contractor whom you paid over \$600. This does not include merchandise or incorporated

vendors. You will need a valid address and tax ID number for each vendor. This is on the W9.

2. Payroll

Prior to printing W2's, review payroll summary for accuracy. Have all payroll taxes been paid and reports filed? If you are planning to issue employee or shareholder bonuses, be aware of payroll submittal dates to ensure they fall in this years' payroll. Most state unemployment rates adjust on the 1st of the year. You will receive notice of any changes and need to communicate these changes to your payroll service.

3. Receivables

Review receivables for accuracy to ensure all payments/discounts have been applied and all refunds have been posted. If you file taxes on accrual basis now is the time to write off any bad debt. Even cash basis filers can clean up and write off items. Do not overstate receivables for items you know will never be paid.

4. Invoices/Payments

Are client invoices and payments input, recorded, and exported from client database software to your accounting software? According to the Constructive Receipt Law, if you received payment but have not input the invoice or recorded deposits, it is still considered income.

5. Banks/Credit Cards

Are bank and credit cards charges input & reconciled?

6. Inventory

On December 31st review physical inventory on hand so this cost can be accurately reflected on your balance sheet.

7. Assets

Do you have new asset purchases, or disposals? They need to be reflected on your upcoming tax return.

8. Prepays/Debts

Do you have prepaids or debts listed on your balance sheet that no longer exist or need to be adjusted? Verify balances so any adjustments can be made before tax preparation.

9. Budgets

Take what you know from this year and apply it to a budget for the upcoming year. A business trying to operate without a budget is flying blind into the future and hoping there will always be good weather. We all know that is not always the case.

