



# Tax Season is Over, Now What?

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# Agenda

What To Do "The Rest of the Year"

- 1 Quarterly Estimated Tax Payments
- 2 Payroll Filing Requirements
- 3 Quarterly Sales Tax Filings
- 4 Account Reconciliation
- 5 Financial Statement Preparation and Analysis
- 6 Budgeting



# Estimated Tax Payments

- Individuals reporting business income on form 1040 may be required to pay estimated quarterly tax payments
  - Must owe at least \$1,000 in tax in current tax year, AND you expect your withholdings to be less than:
    - 90% of tax on your current year tax return, OR
    - 100% of tax on prior year tax return
- Planning for quarterly tax payments should be completed when filing your prior year tax return
- Quarterly estimated tax payments are due as follows:
  - January 1 through March 31 – Due April 15
  - April 1 through May 31 – Due June 15
  - June 1 through August 31 – Due September 15
  - September 1 through December 31 – Due January 15



# Payroll Filing Requirements

- The IRS will dictate when your company needs to file Form 941, depending on the size of your company and the number of employees
  - Most employers report either quarterly or after each payroll
  - This filing includes all federal payroll taxes and employer portion due including Federal Income Taxes, Social Security and Medicare
- Must file Form 940 Federal Unemployment taxes quarterly
- Must file WI taxes and forms quarterly
- Annually must file:
  - Form 940 – Employer’s Annual Federal Unemployment Tax Return
  - Form 944 – Employer’s Annual Tax Return
  - Create W-2’s for all Employees
  - WI-WT-7 – Wisconsin Annual Reconciliation



# Quarterly Sales Tax Filings

- Do you sell a product that requires you to collect Sales Tax from your customer?
- Each state has their own rules regarding what is taxable.
- The State of WI requires you to have a Seller's Permit
- WI requires all Sales Tax to be filed electronically
- Businesses must keep adequate records to support sales tax due
- Quarterly and Monthly filers must file the last day of the month following the end of the reporting period
- Early monthly filers must file by the 20<sup>th</sup> day following the end of the reporting period



# Account Reconciliations

- All accounts should be reconciled on a monthly basis
- Ensures that all transactions are accounted for properly
- Accounts to be reconciled include but are not limited to:
  - Business Checking
  - Business Savings
  - All Business Credit Card Accounts
  - Paypal Accounts
  - Square Accounts
- At least quarterly, should also review the following for duplicate transactions:
  - All vendors
  - All customers



# Financial Statement Preparation

- Determine cash flow and performance
- Should be prepared at least quarterly, if not monthly
- Financial statements to be prepared include:
  - Income Statement
  - Balance Sheet
  - Outstanding Invoice Aging Summary
  - Outstanding Bill Aging Summary
  - Cash Flow Summary
  - Budget to Actual Reports





# Budgeting

- Goal Setting Tool
  - Look at past trends in your business
  - Determine future business goals
  - Monetize those trends and goals into the future
- Should be monitored at least quarterly
- Budget should be a fixed tool, adjustments should be made to actual revenues and expenses





# Any Questions?

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My poll question, closing September 30, 2013, respond using any of the methods above:

- If your CPA could provide one financial service to you right now that they are not, what would that service be?
- Tell me you are a Lone Eagle, and one random winner will receive one hour of accounting services free!