

Advantage

Your personal finance edge

January–February | 2022



Prep your small business for a successful year

Five business tax traps to avoid | Smart subscription strategies
Podcasting 101 | Cabin fever | Olympic trivia

We're here to help you achieve your goals in 2022 and beyond

Happy New Year!

As the holiday season closes, tax season opens...and even if you're not exactly thrilled at the prospect, we look forward to helping you with your tax returns for the 2021 tax year.

Our team of accounting and tax professionals is always available to answer any questions you have and help you reduce your tax obligations as much as possible. And don't forget that beyond tax preparation and planning, we're also here to help you achieve your personal financial and business goals.

In this issue of *Advantage*, we have some tips on prepping your business for a successful 2022. We've also rounded up some sound advice to help you save on digital subscriptions, avoid business tax traps and even start your own podcast.

Once you've filed your taxes, check out our round-up of cabin getaways—it could be just what you need to relax and recharge. And if your relaxation time includes watching the 2022 Winter Olympics in February, we have some fun Olympic trivia to help you get into the spirit as you cheer your favorite athletes on to gold and glory.

With so much to look forward to, now is the perfect time to connect with us so we can help you create a plan that supports your goals for 2022 and beyond.

Your Trusted Advisors

We look forward to helping you with your tax returns for the 2021 tax year.

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Prep your small business for a **successful year**

For many small business owners, the COVID-19 pandemic became a never-ending guessing game of, "Is today the day my business closes for good?"

The last couple of years were rough ones for small businesses. Forced to deal with issues like social distancing restrictions, staffing problems and waning sales, some owners had to close their doors for good. Some owners continue to struggle, while others are successfully finding their footing in this new world—but must always be ready to reinvent their businesses as that world evolves.

Luckily, there are certain enduring business basics that can help every business owner prepare their businesses for a successful year... even when they can't be sure what the year will bring. Consider the following to get your business on the right track:

■ **Get and stay organized**

A successful business is one run by an organized business owner. Running a business involves a million details, and sometimes those details need to be accessed easily (e.g., tax audit, loan

opportunities, legal issues). Since you have to get ready to file taxes at the beginning of the year anyway, now is a great time to be sure your inventory is up to date and your records are complete, organized and detailed—and to promise yourself that they'll stay that way throughout the year.

■ **Review and adjust your business plan and goals**

Even in a calm period, things happen that could require a course change for your business. If you're like most of us, over the last couple of years, it's probably been tough to take an extra breath, let alone take a look back at the events of your year. Especially if you've had to change your product or service lines, or lay off employees, it's vital to give yourself some time now, at the beginning of the year, to outline what's changed. Then, you can adjust your business plan if necessary, gauge the progress of your goals, and determine whether and how those goals should change. You'll gain a new sense of focus, and you'll also have solid answers for your employees when they ask you questions about their future with the business.

■ Take a look at your online presence

If the pandemic taught business owners nothing else, it at least showed them the value of their online real estate and tools. Whether your particular “online” involves a remote work strategy or an e-commerce site (or both!), it’s vital that it meets the needs of the users and your business. Map out a plan for refreshing your website and e-commerce sites so that they’re not only attractive to customers and prospects but do what they need them to do. If you have employees who work remotely, make sure they have all the tools that enable them to do their jobs. And if you meet with customers and employees, be sure you have Zoom, Slack, Teams or another virtual meeting tool in case they still don’t feel comfortable with in-person meetings.

■ Have a contingency plan and an emergency fund

The idea of businesses shuttering and hundreds of thousands of people being thrown out of work practically overnight are no longer just stories in the Great Depression chapter of our high school history books. We’re still emerging from the COVID-19 pandemic, which means that it’s possible for our economy to backslide again. Plus, there’s always the possibility of natural disaster, illness or other unforeseen circumstances that can set you back...or put you out of business. Don’t wait to put together a contingency plan for steps you can take to keep your business in survival mode. Make it this year’s resolution (even if it’s a little past New Year’s Day) to start putting away funds to carry you through. Even if you start small, at least it’s a start.

■ Build a support network

Being a business owner can be a lonely experience. Make it a point to find someone—or several someones—you can mutually share a sympathetic ear with or serve as a sounding board for questions,

decisions or dilemmas. A business coach, other local small business owners, your peers in professional associations across the country (remember, Zoom is your friend), or even the right Facebook group know what you’re going through because they are, too. And that can make a world of difference.

■ Keep the focus on customer service

A business without loyal customers is...probably out of business. Consider sending a survey to your current customers to ask what they like about your business, what could be improved and what they want to see in the future. Then, act on their answers and suggestions if possible (i.e., “Carry widgets in more sizes” is a definite possibility; “Start a free widget Wednesday” maybe not so much). Don’t neglect your prospective customers, either. Make it easy for them to get the information they want and need from you by making your website easier to navigate. If it makes sense to offer educational content, make it easy for them to find and download it. Find out where they spend their time online—Facebook, Instagram, etc.—and see if it makes sense to fit social media marketing into your marketing plan, if you haven’t already. Use the adaptability you’ve learned over the last two years to think outside the marketing box.

Author Karen Salmansohn writes, “The most challenging times bring us the most empowering lessons.” If that’s true, the last two years have been a master class in adapting and managing through the chaos.

The way you run your business today may look nothing like it did two years ago, but no matter how much has changed, you can take steps to make sure you have your business set up for success this year. ■



Smart digital subscription strategies

We all do it—sign up for digital subscriptions because we figure we'll save money. But as we add more services, like music and video streaming, apps, cloud storage, video libraries, or software, the costs can start to add up.

Take a moment and calculate what you spend each month on your digital subscriptions (and don't forget the ones that renew annually). We'd bet it's higher than you realized.

If it's time to start cutting back on digital subscription expenses, here are a few tips to help you determine which online subscriptions you really need—and how you may be able to save on the ones you use regularly.

■ **Look for free options**

Many of your digital subscriptions likely offer free options, or there's a free alternative. For example, Google offers free cloud applications—Docs, Sheets and Slides—that you can use in place of Microsoft Word, Excel and PowerPoint. Most music streaming vendors also offer a basic free account. If you can tolerate the native ads, you can maintain your free account as long as you like.

■ **Identify and eliminate duplicate accounts**

Take a few hours on a weekend afternoon and look through your bank or credit card statements to get a better picture of what you're buying and how much you're spending on each subscription. Are you using all of those subscriptions? Is each one really worth what you're paying for? Is each subscription so unique that another existing service couldn't take its place? If the answer is no, it may be time to consider cancelling one or more of your subscriptions in order to save yourself a nice chunk of change each month.

■ **Share accounts with friends and family**

Lots of services offer family plans that can save you money if you find a family member or friend who will share the subscription costs. Many of these services give each person on the plan their own profile or allow multiple logins from a number of different devices.

■ **Keep tabs on one-off purchases**

Make sure you're keeping track of your music downloads, movie rentals and in-app purchases. A few dollars here and there add up quickly. The best way to control these costs is to set a budget and stick to it. Checkbook or budgeting apps can make it easier to stick to your monthly spending, so you don't go overboard.

■ **Set a date to survey your subscriptions**

A few times a year, make sure you take count of all the subscriptions you've signed up for. If you notice there are several that started as free trials and then began to charge you, it may be time to use your calendar or set reminders to cancel those subscriptions, especially if you aren't really using them.

It's hard to live in today's world without at least a few digital services subscriptions, but it's also much too easy to end up with more subscriptions than you need. Use the tips above to streamline your digital subscriptions—and save money in the process. ■



PODCASTING 101

Do you have a passion or a platform you'd like to share with the world? Podcasting is one of the fastest-growing ways to do so. Fans love the friendly, informal feeling of their favorite podcasts and are always looking for more content, while podcasters love the ability to grow their platforms and effectively reach a larger targeted audience.

If you've ever wondered what goes into setting up a podcast, this guide will give you some building blocks to start your own podcast and create an impact with your message.

10 steps to publishing a popular podcast

Broken down to its most basic, there are 10 general steps in the podcasting process. There isn't room in this article to go into great detail, but we'll talk a little about each step. Some advice: Don't try to finish all the steps in one go. It takes time to find the right name and brand image, save up for equipment, etc.

① Have a podcast topic

Your podcast should be informative, educational and entertaining. Even if you think your information is the most interesting in the history of podcasts, it must be presented in a way that will engage the audience you have in mind.

② Create a podcast title

Engaging your audience starts with the title of your podcast. There are a few different routes you can take when selecting the right title:

- Use your own name (e.g., The Susan Smith Show, #AskSusanSmithShow).
- Use a creative name (e.g., In Stitches: A Podcast About Sewing Seamlessly).
- Use a descriptive name (e.g., The Fashionista Show).

You'll also want a benefit-driven subtitle that further explains what your podcast is all about, as in the "In Stitches" example. "A podcast about sewing seamlessly" explains exactly what a listener can expect.

③ Develop your cover art

Think of your cover art as your logo for your podcast. Make sure whatever you (or your graphic designer) create is within the specs of the hosting site you use.

④ Find intro and outro music

The music that starts and ends your podcast strengthens your brand and gives your message energy. You can use a freelance service like Fiverr to get an intro/outro done for a very affordable price.

⑤ Get podcasting equipment

It's important to choose quality equipment and software. You'll need a good microphone as well as software for recording and editing yourself and your guests.

⑥ Create your studio

Whether it's a closet, your car or a designated room in your house, find a quiet space in which

to record your podcast. Make sure you won't be interrupted by barking dogs or questioning kids while you're recording.

⑦ Record and edit the episode(s)

Many podcasters like to record more than one episode in a single day to save time, so if you're able, it may be something you want to try (just be sure to stick to your publishing schedule if you only do one episode per sitting). Once you've recorded the episode, it's time to edit. If your editing skills aren't strong, it may be worth the money to hire a freelancer.

⑧ Find a podcast hosting service

Podcast hosting services, which can be free or paid, will provide you with a URL for your RSS feed, so you can publish your podcast on platforms like iTunes or Google Podcasts. Names to look for include BuzzSprout, Podbean, Anchor, Audioboom and Soundcloud.

⑨ Upload and publish your first podcast

Once you've chosen your podcast platforms (e.g., iTunes, Google, Spotify, Stitcher, TuneIn, etc.), upload your podcast with show notes, cover art and any other details you'd like to include.

⑩ Promote your podcast

Announce and share your podcast on social media. YouTube, Facebook, Instagram, Twitter and Pinterest are all popular choices—and free, unless you decide to use their paid advertising programs. Keep in mind that just because you record a podcast doesn't mean everyone will listen to it, at least initially. Be patient, keep putting the word out there, and make sure you're marketing to an audience that's receptive to your topic.

Keep recording and growing your platform...

Don't get discouraged if your first few podcasts don't get many listens. As you continue podcasting and homing in on what your audience wants, listeners will start finding your old episodes, and your audience will grow. ■



Five business tax traps to avoid

When you're a business owner, you can't afford to ignore proper tax and income reporting for your business, lest you fall unwittingly into one of the following tax traps. Luckily, all of these traps are easily avoided with some due diligence and—when needed—a little extra guidance from a tax professional.

1 Incorrect startup cost deductions

New businesses can deduct expenses related to starting their operations as first-year tax deductions. However, there's a common misconception that these expenses can be deducted right away, leading many business owners to overestimate their deductions. In the first year, you have to make your first sale, and then the IRS allows up to \$10,000 in deductions from startup costs (\$5,000 for startup and \$5,000 in organizational costs) if total expenses do not exceed \$50,000. If your startup costs are more than \$50,000, but less than \$55,000, there are still deductions available, reduced by the dollar amount beyond \$50,000.

2 Improper entity selection

You may start your business as a C-corp or LLC because it seems straightforward; however, there may be tax advantages or disadvantages for doing so. Selecting the wrong tax entity can affect your tax obligations and your personal liability, so it's important to get things right—and that's where the help of a tax professional can be invaluable.

3 Misclassifying employees vs. contractors

Trying to classify an employee as a contractor (or vice-versa) can have serious consequences. If you hire independent contractors to save money, but you set expectations that they work certain hours or meet other employee-like conditions, you may be on the hook for payroll taxes. Failure to pay or heed IRS regulations in this situation could result in severe tax penalties.

4 Late tax payments or filing

Running a business is a full-time endeavor—and then some. While it's easy to understand how a tax filing or payment can slip through the cracks in a busy schedule, the IRS isn't quite as understanding and will assess fees and fines for delinquent taxes accordingly:

a) Penalties for late tax filing are equal to 5 percent of the tax owed for each month, or part of a month, that your return is late up to five months (25 percent). If your return is more than 60 days late, the minimum penalty for late filing is the smaller of \$100 or 100 percent of the tax owed.

b) If you file on time but don't pay all amounts due on time, you'll need to pay a late payment penalty of 0.5 percent of the actual tax owed for each month, or part of a month, that the tax remains unpaid from the due date, until the tax is paid in full. There is no maximum limit to the failure-to-pay penalty.

5 Poor records for tax information and accounting

If keeping tax and financial records isn't your strong point, you may want to outsource this function to an accounting professional to ensure your records are up to date for tax season and your estimated tax payments through the year. Precise records will also be invaluable in case you're faced with an IRS audit. While it may seem like a lot of work now to keep on top of your records, the real tax trap is not having access to the receipts, invoices and income tracking that will be required should the IRS ask you to substantiate your tax deductions or filing information.

Avoid tax traps with professional guidance

It's vital to avoid these and other business tax traps, since they can cost you a lot of money and time. Many self-employed individuals are so focused on running their business that they don't have time to address or learn about these issues—and this poses a significant risk in terms of their tax liabilities. To avoid dealing with these issues, enlist the help of a tax professional who can conduct due diligence to catch these and other potential problems before the integrity of your business's financial infrastructure is compromised. ■

Cabin fever: Remote cabin getaways

Close your eyes and picture it: A cozy cabin in the wilderness. Just you, your family, the smell of the woods, and a quiet place where you can unwind and get away from the chaos of everyday life.

Now open your eyes—and check out this list of eight beautiful cabins, all available for rental online. While we haven't had a chance to check out these locations in person, they all rated between 4.5 to 5 stars on their respective booking sites, so they may be worth a look if a cabin getaway is on your to-do list.





■ Mountain cottage

An ideal location for a large group, this mountain cottage has something for everyone. Relax in the hot tub, tee off at the golf course or hit the slopes at the Hoodoo Ski Area.

URL: <https://bit.ly/3cfEhQp>

Location: Sisters, Oregon

Sleeps: 13

Pet friendly: No



■ Hopeland Farm's Red House

Stay on a 100-acre farm with chickens and ducks. You're just 10 minutes from charming downtown Lititz and 30 minutes from Lancaster.

URL: <https://bit.ly/3kpKXQf>

Location: Lititz, Pennsylvania

Sleeps: 8

Pet friendly: Yes

■ Big Bear Treehouse

This mid-century modern-style cabin offers it all, from hiking to skiing and other outdoor activities. Or you can just stay warm and cozy in front of the gorgeous stone fireplace.

URL: <https://bit.ly/3bZFWJz>

Location: Big Bear, California

Sleeps: 5

Pet friendly: No

■ 100-year-old Farmhouse

Relax in a hot tub under the stars at this cozy farmhouse. While you'll feel nicely secluded, it's just a short car ride into town for food and other necessities.

URL: <https://bit.ly/3qInSC6>

Location: Ephraim, Utah

Sleeps: 4

Pet friendly: No



■ Montana Treehouse

Located near the entrance of Glacier National Park, this one is great for a family getaway! Kids will love sleeping in the canopy while mom and dad enjoy fishing, golfing and more.

URL: <https://bit.ly/3koVlIT>

Location: Whitefish, Montana

Sleeps: 4

Pet friendly: Yes

■ Little Bear Cabin

Located in Michigan's beautiful Upper Peninsula, this secluded log cabin in Manistee National Forest and just steps away from Lake Michigan feels like it's a world of its own.

URL: <https://bit.ly/3D6QMcv>

Location: Manistee, Michigan

Sleeps: 5

Pet friendly: Yes

■ 1907 Log Cabin

You can enjoy BBQ and live music less than a mile away from this cabin perched on the Palisades of the Kentucky River—or visit the Jean Farris Winery down the road.

URL: <https://bit.ly/3C1Zfwf>

Location: Lexington, Kentucky

Sleeps: 4

Pet friendly: Yes

■ New Log Home

If you're a baseball fan, this pick is a home run. Located just 30 minutes from the Baseball Hall of Fame, this Catskills cabin is near all kinds of recreational opportunities.

URL: <https://bit.ly/3okSBMQ>

Location: Davenport, New York

Sleeps: 4

Pet friendly: Yes

It's time to take a break; you deserve it. Check out one of the cabins above to relax and unwind...or find one of your own to add to the list. ■



Check out this Olympic history trivia to help you get into the spirit as you cheer your favorite athletes on to gold and glory in the 2022 Winter Olympic Games, which are scheduled to start on February 4.

What year did the Olympic Games begin?

The first Olympics took place in Greece in 776 B.C. The Greeks loved competition and began the games to honor Zeus, the king of the gods.

Guess the Olympic motto:

- A. Man's reach exceeds his grasp
- B. Faster, Higher, Stronger
- C. Refuse to lose
- D. Dare to be Great

The answer is B. On July 20, 2021, the International Olympic Committee (IOC) approved a version of the motto that added a new word to the end, to recognize the unifying power of sport. Now the motto reads, "Faster, Higher, Stronger—Together."

What are the colors of the Olympic flag?

Blue, yellow, black, green and red on a white background, which represent colors that are found in every competing nation's flag.

How many Winter Olympics have there been?

The 2022 games will be the 24th. The Winter Games began in 1924, in Chamonix, France, with bobsled, curling, ice hockey, skiing and skating. Today, there are 15 winter sports.

Four Olympic Games have been cancelled. What years, and why?

1. 1916: World War I
2. 1940: World War II
3. 1944: World War II
4. 2020: COVID-19 pandemic

What are the two winter sports that debuted in the Summer Olympics?

Figure skating made its Olympic debut in 1908 and ice hockey in 1920. In 1924, they were both moved to the first Winter Olympic Games.

Contrary to the name, gold medals are not made of solid gold. What other metal is used in their creation?

After 1912, gold medals contained mostly silver. Current gold medals are 92.5 percent silver and contain at least 6 grams of gold. Silver medals are made of pure silver, and bronze medals are actually red brass, a combination of copper and zinc.

There are only five countries that have been represented at every modern-era Summer Olympics. Can you name them?

Greece, Great Britain, France, Switzerland and Australia. For various reasons, many countries over the years have boycotted the games or been placed on temporary bans by the IOC.

Where will the 2022 Winter Olympic Games be held?

Beijing, China. The next Winter Games will be held in Milano Cortina, Italy in 2026, and the next two Summer Olympic Games will be held in Paris, France in 2024 and Los Angeles, California in 2028.

Drop some of this new Olympic knowledge at your viewing parties in February, and impress your friends while you watch Shawn White land a gnarly shred off the halfpipe. ■



We take your data security seriously

Protecting your personal data from today's breed of cybercriminal is a main focus in our firm. We continue to implement best-of-breed technologies and enhance our internal processes to keep your sensitive data safe and secure.

***Thank you for making us
your trusted advisor***