1. **8 Bookkeeping Tips To Simplify Small Business Finances - YouTube**

**URL**

<https://www.youtube.com/watch?v=rrSOKWI9k7Q>

**Views and time:**

**21,000 views / 36 months = 583 views per month**

**Keywords:**

No keywords

**Transcript:**

small business bookkeeping is a necessary task but if it's not your favorite activity you're not alone admiring your profits is always fun but going over ledgers and calculators maybe not as much if you want to crunch the numbers a bit faster so you can get back to the more exciting parts of your business we have a few bookkeeping tips to help you simplify and speed up the process make bookkeeping part of your routine diy bookkeeping is simplest when you break it into manageable chunks don't try to do it all at once as much

fun as last minute panic fueled bookkeeping cram sessions can be right before tax time you can do your future self a favor by taking care of your routine bookkeeping tasks every week start by learning the basics of bookkeeping get in the know with your how-to guide to bookkeeping basics for small business owners we've linked it in the description below then block out an hour on your calendar every week for bookkeeping during the hour you can work through a checklist of routine tasks these tasks include the following check

on invoices and record payments review and pay expenses and invoices balance the business checking account categorize expenses and incoming payments record and file all receipts and documents and compile and review your financial statements when you finish your checklist you should be up to date with your current records a bit of work every week will ensure you to have clean books all year best of all it doesn't feel like you're working when it's part of your small business bookkeeping routine separate personal and business finances

keep your finances separated when your business income mixes with your personal accounts it doesn't make more money it just makes more of a mess muddled accounts require extra time and energy to sort through so skip the confusion and keep it simple by maintaining separate bank accounts one for your personal expenses and the other for your business if you've never set up a business account before getting started is easy first find a bank that offers the best fit for your business's needs even if you already have a relationship

with the bank it doesn't hurt to consider other options your priorities may vary but consider looking for an account that offers no or minimal bank fees once you've chosen your bank you can set up a new account quickly and easily your business bank account will allow you to set up a debit card for any online payments or purchases most importantly all of your business transactions whether online through debit cards or via checks will be reflected in the same account which will simplify the reconciliation

process separating your accounts does not mean that your business doesn't pay you of course you can withdraw a regular salary from your business or if you're the sole proprietor pay yourself using the draw method these withdrawals also known as an owner's draw are easy to track and document in your bookkeeping whether you pay yourself officially by draw or salary those transfers should be recorded in your business account statements when you've separated your accounts bookkeeping is as simple as linking your

business account to your accounting software when you check your single account during your weekly bookkeeping session it should be a breeze to categorize the purchases and record the payments no parsing or fine-tooth combing required document everything let's just get this out of the way the irs can audit you for up to six years that means clean records are critical storing those records for at least six years is also important but ultimately maintaining a reliable accounting for debits and credits is what lets you sleep peacefully every

night form a habit of documenting everything save receipts jot down notes about purchases and expenses and throw them into that file document every single cash purchase issue your own receipts for all purchases develop a storage system and naming protocol for invoices for seats and records it might even be time to invest in a receipt scanner app if you're wondering which expenses to keep track of remember document and store information on every transaction involving money time or goods record and categorize your

documents every week during your weekly bookkeeping session quick regular audits of your documentation and transactions will ensure that you'll never have a stressful night's sleep well at least as far as your books are concerned monitor accounts receivable monitoring your accounts receivable is the easiest most enjoyable of small business bookkeeping tips counting your money is always fun make a point of monitoring your accounts to be sure that all of your invoices are being paid especially if your work comes before the

client's payment it's easy to get distracted and to forget invoices from previous clients when you're busy starting the next project your weekly accounts receivable tasks should include sending invoices clearing paid invoices recording and tracking payments noting cash payments to ensure a clear document trail following up on any unpaid invoices keep track of cash payments cash may be king but it needs a bit of extra attention when it comes to do-it-yourself bookkeeping you don't ever want to lose

track of your cash and unlike checks or online payments cash doesn't come with handy documentation that means there's no paper trail until you create one thankfully once you have a simple system in place documenting your cash flow is easy there are two ways to handle cash payments with the first you'll create a receipt with every cash payment you receive use a receipt book that makes immediate duplicate records so you can write a quick receipt for a customer and keep the record for yourself if you don't carry a receipt

book with you everywhere you go you can easily rely on technology keep track of your cash using cloud software that links through multiple devices like your phone or laptop this way your cash tracking document or app is always readily accessible you can use your streamlined online system to know how much cash is exchanged and why when you make a cash payment ask for your receipt to support your record keeping when you update your transactions later routinely cross check receipts and cash flow during your weekly bookkeeping session to keep your

cash systems polished and up-to-date consistently review financial reports when you're updating your numbers every week you can pull reliable financial documents at any time straightforward accounting software allows you to view your income statement and balance sheet at the click of a button want to know how you're doing this year this quarter today find out immediately when accurate financial reports are so readily available it only makes sense to check them routinely in order to take the temperature of your business

consider adding this to the final tasks on your weekly bookkeeping check-in after you've entered your transactions and double check your documentation run a quick report share with others who like to see how much money you're making and then get back to work few things are quite as motivating as weekly income statements get automated nothing simplifies your life like automation unless you're dying to break out adding machines and slide rules feel free to take advantage of the many bookkeeping apps and softwares on the

market with the right combination of banking and accounting apps you can skip most of the straight data entry required for bookkeeping once you find the right software for your needs your bookkeeping tasks shrink substantially instead of entering every transaction you're simply double checking them if you're interested in learning more check out the bench guide on how to automate your small business linked in the description below let someone else handle it you know what's even better than using software to automate your bookkeeping

letting a professional bookkeeper handle it your business requires your full attention and sometimes your best choice is the easiest one outsource the tasks that you don't have time for so you can focus on the work that really matters to you a professional bookkeeper won't be overwhelmed by the nuts and bolts of diy bookkeeping and their help allows you to focus on making money and not documenting it if you're not sure if you need to bring in an expert's help yet check out the bench blog for a sign you need to hire a

professional bookkeeper we've linked it in the description below when you sign up with bench you'll get an easy to use platform and direct access to your in-house small business bookkeeping team the return on investment with a dedicated bookkeeper may surprise you plus when it's time to file your taxes you can take comfort in knowing that your finances and documents are 100 correct and ready to be handed off to your accountant simplify automate and ultimately delegate your bookkeeping you'll get the time and energy back for

your tasks that only you can handle after all isn't this why you started your business be sure to check out the bench blog for more small business resources and bookkeeping tips have a helpful tip we missed let us know in the comments below best of luck on your business and happy bookkeeping and hey if you like this video subscribe for more

1. Bookkeeping Basics for Small Business Owners - YouTube

**URL**

<https://www.youtube.com/watch?v=W-ajzzE_upM>

**Views and time:**

**1,400,000 views / 72 months = 19,444 views per month**

**Keywords:**

bookkeeping, business, finance, taxes, small business, entrepreneur, accounting, bookkeeping 101, small business finances, bookkeeping basics, how to manage your small business finances, plan small business finances, the business, business advice, bench accounting, accounting 101, accounting basics, financial accounting, how i run my small business, how to start a business, accounting basics for beginners, accounting basics tutorial, accounting for beginners, finance major,

**Transcript:**

if you're a small business owner and you want to do your own bookkeeping but don't know how this video is for you consider this your bookkeeping 101 crash course here at bench we've done the books for thousands of small businesses bookkeeping may not be the most exciting thing ever but we've got it down to the science in this video we'll teach you what bookkeeping is why bookkeeping really matters and the seven steps to doing your own bookkeeping bookkeeping is defined as the process of tracking all

of your company's financial transactions so you can see exactly where your business is spending money where your revenue is coming from and which tax deductions you'll be able to claim that's a lot of words but why does bookkeeping matter for your small business number one bookkeeping matters because it helps you catch more tax deductions when you record and categorize every transaction in your business you'll be able to see which expenses are tax deductible so that nothing falls through the cracks without

year-round bookkeeping you'll forget about one-off deductions like lunch with a client eight months ago that you could have deducted even with the best of intentions deductions will always all through the cracks at tax time unless you have bookkeeping in place number two bookkeeping matters because it can help you get a business loan if you're applying for a small business loan banks are going to need to see financial statements and I don't just mean the type that you can download from your online banking you're going to need to

have something that shows your expenses and revenue otherwise known as an income statement this is something you're going to be able to get through bookkeeping number three bookkeeping matters because it can help you catch financial mistakes when your bookkeeping you're keeping a close eye on the transactions in your business which means you'll be able to catch things like Bank errors invoicing mistakes like paying somebody twice and sneaky subscription fees for services that you forgot to cancel number four bookkeeping matters because it gives you

a clear picture of where your money is going when you have bookkeeping in place you'll be able to keep track of your expenses so you can budget better you'll also be able to understand your cash flow so you can see what's an expense versus a payment to a loan or a credit card you'll also be able to track how your businesses grow and improving over time and what months are busy and slow this will help you plan for the future don't worry about taking notes everything we're about to say is in our guide bookkeeping basics

for entrepreneurs you'll find the link in the description below now the first step to doing your own bookkeeping is separating your business and personal expenses you'll want to make sure that your business and personal transactions are not intertwined so it's clear to the IRS what your business is earning spending and then what your bottom line net profit is this is especially important for C corporations to have separate bank accounts for business and personal finances see Corpse open themselves up to legal problems when

their finances aren't separate from personal transactions the second step is to choose between single entry or double entry accounting double entry is a system of accounting that tracks where your money comes from and where it's going to essentially you record every transaction twice taking assets from somewhere called a credit and putting it somewhere else called a debit your debits and credits should always equal each other that's how you know that your books are balanced for example say you buy a new laptop for your business and

it costs $1000 you'd subtract $1000 in cash from your credit account and add $1,000 in assets to your debit account you may have lost $1,000 in cash but you gained $1000 in the form of a new asset double entry accounting is kind of like double checking your homework and helps you create financial statements which you'll need to make smart financial decisions so what is a single entry method it's essentially just recording your transactions once as they happen it's less robust but if your business is a simple sole proprietorship with no

inventory and no employees you can probably use the single entry method if your business is any more complex than that your accountant will probably recommend the double entry method the third step is choosing between the cash versus accrual method of accounting on a cash basis you only recognize revenue when you receive it for example when you deposit the check into your account on an accrual basis you recognize revenue when it's earned for example once you complete a project and write the invoice if you're a small business or just

getting started you can probably use the cash method it's easy to switch from cash to accrual if you need to if your business is more complex for example if your business more than five million per year in revenue or if you manage large assets or investments you'll probably need to use the accrual method either way you should talk to your accountant to figure out which method will be best for your business step four is to choose a bookkeeping system your options are to do it manually using something like Excel or just paper or use an accounting

software if you do it in Excel you can use something like our free income statement template for a simple bookkeeping setup all you have to do is enter each transaction as it happens if your bookkeeping means are straightforward this is the easiest cheapest way to go you can download this excel template by clicking the link in the description below if you choose to use accounting software there are a few options for small businesses such as QuickBooks Xero or wait you'll pay a monthly fee for the software which you can use to produce simple financial reports keep in

mind though you may need to have an accountants help to learn how to properly use the software step 5 is to categorize your transactions categories are essentially classifications for your transactions to understand what you're spending on these types of categories can help you understand what your tax deductions are not all transactions are equally tax deductible so you'll want to know what you're spending on office supplies versus what you're spending on meals for example if you buy a box and pens for the office you'll categorize it

as office supplies at the end of the year you'll be able to see the total amount you spent on office supplies and you'll be able to deduct that cost on your taxes step 6 is to organize and store your documents you need to keep records for your bookkeeping but there's a bit more to it than just storing all of your receipts in a shoebox there are two important rules for your record-keeping rule one if the expense is over $75 you should keep a record to prove the expense rule two you should keep every receipt and financial record

for three years as for actually keeping the records we recommend storing them digitally the IRS is totally fine with that and it's an easy away for you you won't need the receipts to actually file your taxes but you will need them if you get audited some tools you can use to keep your records digitally include receipt banks Evernote and shoebox finally the last step is to make it a habit what keeping isn't the most exciting thing but if you do it consistently you'll have smart financial

insight into your business every month of the year and you'll save yourself a lot of time and headaches come tax season at minimum we recommend entering in all your transactions at least once a month block out a recurring time in your calendar and do it somewhere fun like a coffee shop or do something relaxing like putting on netflix while you do the work the more automatic your bookkeeping habit the easier your tax season will be nobody likes a stressful bookkeeping binge now should you do your own

bookkeeping or hire someone else to do it for you doing your own books is free that's the biggest draw but it can be complicated time-consuming and can take you away from running your business if you're interested in doing your own bookkeeping click the link in the description for a free income statement template created by our expert in-house bookkeepers here at bench if you decide to hire someone to do your bookkeeping it helps save you time gives you confidence your books are being done properly and makes tax time a

whole lot easier if you aren't sure who to hire check out bench or the largest bookkeeping service in north america and we'd love to do your books for you and that's it from us here at bench good luck on your entrepreneurial journey and happy bookkeeping

1. Accounting Basics For Small Business Owners - YouTube

**URL**

<https://www.youtube.com/watch?v=pqkdCM47hpg>

**Views and time:**

158,000 views / 36 months = 4,389 views per month

**Keywords:**

bookkeeping, finepoints bookkeeping, bookkeeping basics, bookkeeping business, accounting, accounting basics, accounting 101, financial accounting, accounting basic, accounting basics for beginners, small business, how i run my small business, accounting basics for small business, basic accounting for small business, basic accounting small business, accounting for business owners, understanding small business accounting, online bookkeeping, online bookkeeping service, bookkeeper,

**Transcript:**

[Music] hey there aiden from bench accounting here today we're going to talk about the basics of small business accounting by the end of the video you'll have a big picture overview of how to manage your business finances properly and how to outsource the things you're not good at let's jump in first what is accounting accounting is how your business records organizes and understands its financial information you can think of accounting as a big machine that you put your raw financial information into

things like your business transactions taxes projections etc that then spits out an easy to understand story about the financial state of your business accounting tells you whether or not you're making a profit what your cash flow is what the current value of your company's assets and liabilities is and which parts of your business are actually making money basically accounting matters because it's how you tell whether your business is winning or losing it's how you make good business decisions

and without solid accounting in place you won't be able to file your taxes or get a business loan what does accounting involve exactly you could probably slice this a dozen different ways but we've boiled small business accounting down to five main areas managing your money things like managing your bank accounts credit cards loans etc bookkeeping recording and categorizing your financial transactions financial statements turning your bookkeeping into financial reports making business decisions reading your financial reports and

making changes to your business prepping for tax season we'll go over each of these in detail first managing your money this doesn't have to be complicated there's one main rule you need to keep in mind always keep your business and personal finances separate when your business and personal finances are all mixed together this makes bookkeeping and taxes very difficult when you're reviewing the month or the year trying to figure out whether that chipotle lunch was with a client or just with your friend

your jumbled credit card statements won't help you even more importantly mixing business with personal could hurt your business legally if you're a corporation corporations have legal protection that protects the owner's personal assets but when financial lines get blurred that protection gets harder to defend in court so how do you keep your finances separate three main things one open up a separate business checking account and only use it for business transactions two never use your personal credit for

business transactions instead apply for a business credit card three try not to use cash to pay for business things and if you do take the money out of your business checking account get a receipt and keep track of the purchase the second aspect of accounting is bookkeeping we covered this in depth in a previous video so we'll keep this short basically what you need to do with bookkeeping is record every financial transaction and categorize it let's go back to our chipotle example let's say you have lunch at chipotle

with a client where you talk about the project you're working on for them after lunch you grab the receipt at the end of the week you'd record the lunch in your bookkeeping solution of choice you could do this in an accounting software or even an excel file we have a good excel accounting template you can download in the description below here's what you need to record with every transaction what the purchase was where you purchased it from the amount the date and the category for example revenue soap or expense business meals

if you can record and categorize every financial transaction you're 80 there this is where the concept of double entry accounting and debits and credits come in you might have heard of these because they come up all the time in accounting conversations here's a super quick summary double entry accounting is the act of recording every financial transaction twice once as a debit and ones as a credit basically when one category goes up another category goes down it can be confusing remembering what to debit

and what to credit one accountant summarizes it like this debit all that comes in and credit all that goes out the third aspect of accounting is preparing financial statements there are three main financial statements the balance sheet the income statement and the cash flow statement financial statements tell you the state of your business they are super important if you want to get a loan or sell your business you'll need financial statements but even more importantly they tell you how your business is doing

so you can make decisions here's a super quick summary of financial statements the balance sheet summarizes your assets liabilities and equity basically how much you own how much you owe others and how much is left for the owners the income statement summarizes your revenue expenses and profit or loss basically how much money you made in a particular time period the cash flow statement shows you how much cash you have on hand in a particular time knowing how much money you made is important but you really need to know

how much cash you have today to pay your bills if you've done your bookkeeping properly since the beginning of your business and you know your way around accounting software you can make these financial statements yourself however most business owners don't have this level of financial savvy that's okay you can get a bookkeeper to do it for you for example here at bench we do the books for small business owners and send them key financial statements each month actually we just upload it into the bench app so you can log in and view

them anytime the fourth aspect of accounting is making business decisions once you have financial statements in your hands you can start making real business decisions based on the financial information you're seeing let's start with the balance sheet let's say you're the ceo of disney and you're reading the 2018 balance sheet for disneyland here's what you'd see there's a lot we could say about this balance sheet but to give you an idea of the kind of thing we can learn from reading a

balance sheet let's look at current assets and current liabilities disneyland has roughly 6 billion in current assets current assets are cash and things that can be turned into cash quickly to pay bills however they have almost 18 billion in current liabilities meaning money they owe to others in the short term that means they don't have enough current assets to cover their current liabilities this is super valuable information to have and it can help you make decisions quickly your revenue might be great you might

even be profitable however if you don't have enough assets on hand to cover your liabilities you're going to be in trouble if you encounter a situation like this you're going to want to ask a cpa for help they can help you restructure your debt and maybe renegotiate with clients and lenders so that some of this short-term debt becomes long-term debt while you get some more capital to cover your obligations to learn more about how to read a balance sheet check out our balance sheet video next the income statement what can we

learn from it here's apple's income statement for 2019 bottom line they earned 55 billion dollars in 2019 but their revenue was so much higher than that at 260 billion dollars so the question is are they spending too much money are they leaving profit on the table we can see they spent 161 billion producing and distributing their products 16 billion on research and development and 18 billion on other overhead costs like paying support employees office leases etc does anything stand out here as being odd or potential for improvement one thing

that comes to mind is the high research and development cost right now they're spending six percent of their revenue on r d it would be smart for apple to audit exactly where that money was spent the different initiatives that resulted from those r d projects and whether that money is efficiently being turned into real products that make money in summary the income statement is the best place to see where you're spending too much money and whether your business is profitable or not the last financial statement is the cash

flow statement to see what we can learn from it we'll pull up a fictional version of the toronto raptors nba team cash flow statement from october remember the cash flow statement shows the reality of the business one thing we can see here is that the raptors spent 10 million on player salaries in october alone and they made six million in ticket sales in october keep in mind player salaries only tend to go up each year and that players generally get paid all year round even in the off season so what if next

year the raptors aren't as good and they sell less tickets even if their player salaries don't increase they will have less revenue to cover those bi-weekly paychecks they will want to get creative with finding new ways to make money those are just three quick examples of real business decisions you can make from the balance sheet income statement and cash flow statement if you're feeling stuck on how to translate financial statements into useful information ask a local cpa they'll help you dig

into what each line means and how you can optimize your business accordingly which leads me to my last point prepping for tax season you will generally not want to file your own business taxes there's too much that can go wrong we highly recommend working with a cpa to file your taxes that being said we generally don't recommend hiring a cpa to do your bookkeeping and get you prepped for tax season they will usually charge way too much money and you can do most of the tax prep yourself if you stay organized so what do you

need to do to get prepped for tax season most of it involves the steps we've already covered to have a successful tax season you will need to dig up last year's tax return it's the starting place for this year's tax pilot have a trial balance for the year which is your balance sheet and income statement for the tax year get your w3 which shows how much payroll taxes your business has paid in the last year get a summary of all income tax estimated payments you've made in the last year if you can hand your accountant all this

information they will love you and they'll be able to file your taxes without too much of a hassle which means it will take them less time and cost you less money one question we often get around tax prep time is what tax deductions can i claim the answer is you can usually claim ordinary expenses that are necessary for running your business in the description below we've linked to our resource called the big list of small business tax deductions where we explain the main tax deductions in detail that's it while you may not know as much

as an accountant after watching this video you at least know all the major accounting basics related to running your own business if the bookkeeping and financial statement stuff sounds like too much you can always hand it off to a company like bench we'll do your books each month get you caught up if you're behind send you monthly financial statements and we'll even get your taxes filed for you if you don't have your own cpa we've done the accounting for thousands of small businesses and we'd

love to help you out too that's it from us here at bench best of luck on your entrepreneurial journey and happy bookkeeping

1. How To Read And Understand Financial Statements As A Small Business - YouTube

**URL**

<https://www.youtube.com/watch?v=DLRF-eeFj1g>

**Views and time:**

**179,000 views / 36 months = 4,972 views per month**

**Keywords:**

bookkeeping, bookkeeping business, bookkeeping basics, bench accounting, bench accounting bookkeeping, small business, online bookkeeping, accounting, accounting basics, accounting 101, financial accounting, financial statements, income statement, how to read financial statements, business financials, financials, finance, personal finance, how to read financial reports, financial reports, financial reporting, what is financial reporting, what is financial statements, statements,

**Transcript:**

hey there aidan here from bench accounting today we're going to talk about financial statements what they are how to read them and how to actually get value from them for making real business decisions let's start with the definition financial statements are reports that summarize important financial information about your business there are three main types of financial statements the balance sheet income statement and cash flow statement we'll look at what each of these three statements do and how they work together

to give you a full picture of your company's financial health if you need a template for the balance sheet income statement and cash flow statement you can find links to those in the description below let's start with the balance sheet [Music] a balance sheet is a snapshot of your business finances as it currently stands it tells you about the assets you own and liabilities aka debts that you owe at a particular point in time balance sheets are broken up into three general categories assets liabilities and equity here's what it

looks like this one happens to be the balance sheet for disneyland assets are anything valuable that your business owns including cash office furniture inventory patents etc sometimes they're broken up into current assets and fixed assets like you see here current just means it's cash or cash equivalent something you can sell quickly next we have liabilities liabilities are debts you owe to other people these can be things like credit card debt mortgages and accrued expenses such as utilities taxes or wages owed to employees

like assets they're normally split into current liabilities that you owe within the next 12 months and long-term debt beyond 12 months the last category is equity equity is the remaining value of the company after subtracting liabilities from assets equity can come in the form of common stocks like when you buy stock in a company like apple or in the form of retained earnings which is the amount of net income left over for your business after you've paid out any dividends to shareholders now here's where the whole balance part

of the balance sheet comes in the value of the asset section will always balance with the liabilities and equity section that's the balance sheet equation assets equal liabilities plus equity so you can see on the disneyland balance sheet the value of the assets is the exact same as the liabilities plus equity that's how you know they prepared the balance sheet right that's a quick overview of the balance sheet big businesses like banks prepare a balance sheet every day small businesses like a brand new etsy

shop might only prepare a balance sheet every three months it all depends on how many assets are moving in and out of your business now what can you really learn from a balance sheet tons of things for one you can measure the liquidity of your business with the current ratio which is current assets divided by current liabilities this tells you if you'll be able to pay off your debts in the next 12 months and there's lots of other useful ratios you can calculate using just your balance sheet next let's

talk about the income statement the income statement tells you how much money your business has spent and how much it has earned in a specific period that lets you calculate your net profit otherwise known as your bottom line the reason it's called the bottom line is because net profit is at the bottom of your income statement here's what an income statement looks like this one is from apple it has six main sections revenue cost of revenue gross profit which is revenue minus cost of revenue operating expenses operating income or

loss taxes and other non-operating expenses and net income let's go through what each section means we'll make it quick revenue is how much money you want pretty basic cost of revenue or cost of goods sold is how much money it costs to make and distribute your product or service this doesn't include things like the cost of your bookkeeper or the cost of rent those are operating costs gross profit is your revenue minus cost of revenue essentially how profitable your products and services are operating expenses are all the other

costs of running a business utilities rent support staff who aren't making or distributing your products etc you can see for apple they also include research and development here since the r d team isn't exactly making products they're just doing research that may or may not lead to a new product operating expenses are also known as overhead operating income or loss is your gross profit minus operating expenses this shows you how profitable your whole business is how efficient your business is at making money you might have a nice

gross profit but you spend way too much on rent and office snacks so overall you're losing money after you calculate your operating income or loss you need to take into account things that are somewhat out of your control mainly taxes after you've subtracted taxes from your operating income or loss you get the bottom line your net income that's how much money you walk away with after you've subtracted everything else the value of the income statement is a little more obvious to most people compared

to say the value of the balance sheet it shows you if you're making money if your business is profitable or not that is super useful more than that it shows you if you're spending too much money producing your products or if you're spending too much money on overhead the cost of running your business more generally you'll want to consult your income statement regularly if you want an income statement of your own you can click the link in the description where you'll find a simple income statement template

of your own created by our expert bookkeepers here at bench if you don't want to do your own bookkeeping and make your own income statements you can check out bench we'll do your bookkeeping for you and send you an income statement every month anyway on to the last financial statement your cash flow statement the cash flow statement tells you how much cash entered and left your business over a particular time period you might ask isn't that the same as the income statement no the income statement shows you how

much you spend and how much you made the cash flow statements show you what the cash reality of your business is this is most relevant for businesses that use the accrual basis of accounting let's say your income statement says that you made ten thousand dollars in march but your cash flow statement says that you only made five thousand dollars in cash what's going on well it could be that you sent out two invoices to clients for five thousand dollars each if you're using the accrual system of accounting you would record that ten

thousand dollars as revenue in march even though you haven't gotten paid yet then one client pays you but the other client is late your income statement would say ten thousand dollars but your cash flow statement would say five thousand dollars it's super important to know what the cash situation of your business is if you don't have cash you can't pay bills even if you have accounts receivable money on the way to you this is what a cash flow statement looks like this is one from the toronto raptors

the cash flow statement has three parts the first is cash from operating activity this is all the core business activity buying stuff and selling stuff below that you see adjustments things like accounts payable and luxury tax taxes aren't from operating activity but they still come out of our cash so we subtract it accounts payable technically isn't a cash transaction at all however on the income statement it's marked as an expense even though it's money that hasn't been paid out yet so we add it back into the cash flow

statement so we get an accurate picture of how much cash we actually have today next is cash flow from investments in your business so not the regular buying and selling of your core business but things like equipment work vehicles etc in the case of the toronto raptors here they bought an ice bath tub and a hyperbaric chamber for athletes to recover after games and they also sold a hyperbaric chamber the last category is cash from financing activities this includes money the owner invested in the business as well as taking out and repaying loans

on the rapture statement we see there was an owner's draw which means the owners withdrew 225 000 from the business this basically means they paid themselves if you add all three categories together you get the total change in cash if you add the beginning cash to the total change in cash you get the ending cash and for good measure you check your ending cash against what your bank account actually says to make sure you added everything up correctly if you want to create your own cash flow statement you can download our template in the

description below just plug in your numbers and you have a basic statement you can use to analyze your cash situation today that's the end of our financial statements crash course if you're an accounting pro using accounting software you can create these statements yourself if you're less comfortable with accounting you're probably going to want to hire a bookkeeper to do it for you if you don't have a bookkeeper today check out bench we'll do your bookkeeping for you and send you financial statements every

month so you can make smart business decisions and stay on top of your finances that's it from us here at bench good luck on your entrepreneurial journey and happy bookkeeping

1. How To Read And Understand Income Statements As A Small Business - YouTube

**URL**

<https://www.youtube.com/watch?v=LGGNgAq5wSg>

**Views and time:**

44,000 views / 36 months = 1,222 views per month

**Keywords:**

bookkeeping, bookkeeping basics, bookkeeping business, online bookkeeping, accounting, accounting basics, accounting 101, financial accounting, what is financial accounting, small business, bench accounting, income statements, income statement, what is income statements, income, financial, small business accounting, small business accounting software, small business accounting tips and tricks, online accounting, quickbooks, financial statements, understanding income statements,

**Transcript:**

[Music] hey there aiden from bench accounting here today we're going to talk about income statements also known as profit and loss statements in this video we'll go over what an income statement is why it's valuable how to read one and we'll also look at some real-life examples of what you can learn from analyzing an income statement an income statement is a financial statement that shows you how profitable your business was over a given reporting period like in the last month or the last year it shows your revenue

minus your expenses the income statement will show you if your business is spending too much money or not earning enough revenue to be profitable it's one of the three main financial statements and it's super valuable for understanding your business plus if you want to get a business loan or bring on investors they'll want to see your income statements to verify your business is profitable unfortunately they won't just take your word for it here's what an income statement looks like we'll go over

each line so you know how to read one for yourself first sales revenue this is the amount of revenue coffee roaster enterprises made from selling coffee and pastries in 2019 if you really want you can break this down by product so you can see exactly which products give you how much revenue next cost of goods sold or cogs this is how much it directly costs to produce and distribute all the goods or services you sold to your customers for coffee roasters this includes cost of raw coffee beans employee wages and packaging

indirect expenses like utilities bank fees and rent aren't included in cogs next gross profit this is what you get when you subtract total cogs from revenue gross profit tells you how profitable your business is after taking into account direct costs but before taking into account overhead costs it's a rough measure of how efficient your business is next general expenses also sometimes referred to as operating expenses these include rent bank and atm fee expenses equipment expenses marketing and advertising expenses

merchant fees and any other expenses you need to help keep your business going basically it's all the cost of your business that aren't cost of goods sold operating earnings this is how profitable your business is after taking into account all internal costs which you have more control over but before taking into account external costs like loan interest payments and taxes which you have less control over accountants will sometimes call this operating profit or operating income interest expense if your business owes someone money it

probably has to make monthly interest payments your interest expenses are the total interest payments your business made to its creditors for the period covered by the income statement earnings before income tax this is your business's profitability before it pays taxes income tax expense this is how much you paid to the irs in income taxes net profit ever wonder where we get the expression bottom line from this is it this is the final total profit for your business now what can we actually learn about a business from reading an income

statement lots you can see how much money they're making how much they're spending how profitable and efficient they are and you can see overspending let's analyze coffee roaster enterprises to see what we come up with as a specific example the first thing that stands out is that they only made seven thousand dollars of profit all year which means the business owner isn't really making any money that's a problem we can see that they only sold 57 000 worth of products if the owners are going to make a living

they'll probably need to double their revenue and we can see that they only spent 500 in marketing if they want to increase revenue and attract some more customers they might have to invest their profit into marketing maybe facebook ads or local flyers they also paid a lot of money in interest this usually means they have a business loan they're trying to pay off or maybe credit card debt and they're getting dinged on interest fees besides rent and taxes it's their biggest expense they may want

to do some debt consolidation to get that paid off as fast as possible so they don't have to pay so much interest that could mean getting another cheaper loan to pay off the credit card debt or just putting their profit into paying off the credit card and holding off on the marketing investment for now now that you know how to read an income statement how do you actually create your own you can't produce an income statement without bookkeeping bookkeeping is the act of recording and categorizing all your financial transactions when you

add up and summarize all the transactions on your books you get an income statement if you're currently not keeping up with your bookkeeping check out our bookkeeping basics video for a simple walkthrough of how to do your own bookkeeping if you are keeping up with bookkeeping you have two main options for how to get income statements first you can use a simple income statement excel template like this one built by our expert bookkeepers here at bench you can download it by clicking the link in the description below

it's a pretty simple template that lets you enter your transactions and category and it will automatically produce an income statement for you second if you're comfortable using accounting software most of them will allow you to produce income statements if you don't want to do bookkeeping yourself you can hire someone like bench that's us to do it for you we'll do your bookkeeping every month and send you a custom income statement for the month and an annual income statement at tax time we'll even file your taxes for you if

you don't already have a cpa you're happy with we've done books for thousands of small business owners and we'd love to take bookkeeping off of your plate so you can focus on running your business that's it from us here at bench good luck on your entrepreneurial journey and happy bookkeeping

1. Small Business Accounting: Cash Flow Statements - YouTube

**URL**

<https://www.youtube.com/watch?v=wROrC2sHd8k>

**Views and time:**

111,000 views / 60 months = 1,850 views per month

**Keywords:**

Cash flow, cash flow statement, accounting, bookkeeping, small business finances, small business, entrepreneur, financial statements, finance, business, cash, statement of cash flows, what is a cash flow statement, cash flow statement explained, income statement, financial statement, statement of cash flows tutorial, indirect method cash flow statement, direct method cash flow statement, how to read cash flow statement, cash flow for beginners, how to create a cash flow statement,

**Transcript:**

hey Aidan from bench accounting here today we're going to talk about patch flow statements cash flow is the lifeblood of every business even fancy venture-backed startups live or die by their cash flow and if you're asking how do you measure cash flow the answer is with a cash flow statement in this video we'll walk you through everything you need to know about cash flow will share a few handy tips on how you can better manage your cash flow how to create a statement and how to use your cash flow

statement to make smart decisions with your money so what is it cash flow is a measurement of how much money comes in and out of your business and where it comes from and goes to when you have positive cash flow you have more cash coming in to your business then you have leaving it so you can pay your bills and cover some other expenses when you have negative cash flow you're spending more than you're making so you will run out of money to make those payments okay so why does it matter well if your cash

flow isn't healthy you could go out of business even if you're making more money than you're spending overall how does that work let's say you run a small web design agency you have three full-time employees they each get paid twenty five hundred dollars every two weeks you just signed a huge contract to redesign the website for global mega core pink which means this year your revenue is going to double compared to last year the only problem is you're gonna run out of cash in four months and your first payday

from global mega Corp isn't for another six months which means you won't be able to pay your employees for two months which means they're going to quit and your agency will have to shut down unless you can scrounge a loan theoretically your revenue is going to double and your expenses are gonna stay the same that's great the problem is that revenue is going to come later than you need it that is a cash flow problem and a cash flow statement can help keep you out of trouble but what is a cash flow

statement exactly it summary of how cash moved in and out of your business during a specific period let's see what that looks like a cash flow statement is made up of three sections cash flow from operations cash flow from investing and cash flow from financing at the bottom you get the total summary of cash flows for that time period each section shows how much cash entered and left your business so you can see at a glance how healthy your cash flow was if you're looking for a cash flow statement to use or look at

we've got that covered download our template in the description below alright let's take a look at how our cash flow template works and how you can go about filling window here's what the template looks like the first section we'll focus on is cash from operating activity this section is what people normally refer to as profit and loss it shows how much money you made after interest was paid to the bank and taxes to the government you would only fill out a mature ization and depreciation here if you already have

those categories on your income statement this section is basically correcting your income statement to reflect where cash was actually spent rather than how the IRS views it for tax purposes for example you might depreciate a work vehicle over five years smoothing out the cost on your taxes but on your cash flow statement you would show the cash reality you paid for the whole vehicle upfront so you would make that correction on the cash statement to only show the cash that you've spent the second section is cash

from investing activities any money you spend investing in your business is reflected here so if you bought an expensive piece of equipment to double your t-shirt printing capacity the cost of that investment would go here or if you sold a piece of equipment that positive cash flow would also be noted here the third section is cash from financing activities this is where you'll see things like cash received from bank loans or cash spent on loan repaid and at the bottom we have a summary this shows where your cash was before this

period where it is now and the difference between the two now what can you actually learn in the real world from analyzing a cash flow statement let's take a look at a fictional cash flow statement from the Toronto Raptors keyword fictional I made this up we'll see what we can learn about their fictional business just from looking at a cash flow statement this cash flow statement is only for the month of October 2019 and again this is not their actual financials just a fictionalized version I literally made this up first

let's take a big-picture look to see what we can learn about their business at a glance if we skip down to the summary we can see the actual change in cash what was it in September 1.5 million dollars not bad now let's see the major line items affecting that first where did most of that money come from as we can see here overwhelmingly from ticket sales and their TV contract that all looks good but keep in mind they won't get any ticket sales during the offseason and revenue will be affected during months where there are

fewer games so we want to keep an eye on that in the future next we want to see where they're spending money obviously player salaries are the biggest expense costing 10.5 million each month keep in mind NBA players get paid on different schedules many get paid every two weeks even in the offseason but some people prefer to get paid a few times a year like Kobe Bryant who only got paid twice a year so the Raptors will want to carefully plan when their stars get paid if their biggest stars want just a few

checks a year and one of those pay periods falls during the offseason when they don't have ticket sales revenue they could have a cash flow crunch on their hands so the net profit the amount of cash left after making their money and spending their money is 1.6 million but we have these two adjustments to make first accounts payable in their accounting they've set aside bonuses to pay their players in case they win the NBA championship this year they have to treat that money as if the players are going to get it but they

haven't actually spent that money yet so even though it might be reported on their income statement as an expense reducing their profit we'll add it back to the cash flow statement since that money is still sitting in their bank account remember the cash flow statement accurately reflects the cash reality of the business rather than the theoretical accounting reality of your business next we subtract the cost of the NBA luxury tax if you spend too much on player salaries you have to pay a hefty tax since this tax isn't a normal part of

earning and spending we add it in as an adjustment on your cash flow statement this is where you would add things like payroll taxes and sales tax so our total cash from operating activities is 1.7 million for the month of October next is our cash from investing activities there wasn't much activity here we can see the team purchase some ice bathtubs for players to jump into after the games they purchased one hyperbaric chamber for recovery and they sold one older hyperbaric chamber the net result is they spent $7,000 on investments in

October finally we have cash from financing activities here we have only one item drawing and distribution this means that the owners of the team withdrew a total of 225,000 for themselves out of the business sports teams might be fun to own but they're still a business that exists for making money so if we add up all three summaries from operating activities investing activities and financing activities we get the total change in cash if we add that to the cash we had at the beginning of October we get our

ending cash and finally we double check our bank account to make sure that our ending cash balance matches what our bank account is saying if it doesn't match we've made a mistake somewhere along the way all right so what did we learn about the Raptors as a business from looking at their cash flow statement we learned one the Raptors are heavily dependent on ticket sales for their revenue in October they sold out almost all of their games but what happens when the team isn't as good and sales are down they would have a cash

flow problem to their big player salary expenses could potentially hurt them in the offseason unless they're diligent to save their profit during the season they could have a cashflow crunch if star players demand big checks in the summer months so what should the Raptors do with this information they should try to diversify their revenue sources they may want to consider giving the rights to a film crew to make a TV show about their season renegotiate their Jersey sponsorships and see if there are any new sponsorships that can give them

revenue all year round they should create a plan for which players will get paid in which months if they know at the beginning of the season that some players would like to be paid in the offseason they can start planning for that today now what if you're not trying to learn from the past but you're trying to plan cash flow for the future unfortunately a cash flow statement can't help with that what you would need is a cash flow forecast something like this does the trick all you do is plot out how much money you think you'll earn

and spend during each month of the year this can be a really useful document to keep updated for example if you have invoices or bills to pay and you know you're going to pay some of them this month and others next month you can plot out each expense in the month you plan to pay them you can do the same with your accounts receivable money you are expecting to receive if you have one check coming your way this month and three next month you can plan your expenses accordingly so you're not spending money until you actually have

money in your bank account as each month passes you can go back and correct the previous month's forecast with your real spending that will make your future forecasts more accurate you can download a copy of this cash flow forecast by clicking the link in the description below now that you know how to measure your cash flow how do you improve your cash flow there are three main ways to boost your cash flow one you can increase revenue easy to say harder to do you can increase your revenue by getting more customers

through advertising or promotions increasing the size of your average sale through upselling bundling or product recommendations increasing how often customers buy from you through loyalty programs or email reminders or you can try raising prices second you can improve your cash flow by reducing overhead how you cut costs will depend a lot on your specific business but for starters you can negotiate lower contracts with vendors or find new cheaper vendors you can buy less expensive materials or you can work with

contractors instead of employees for more ideas on cutting costs check out our checklist for cost cutting linked in the description and third you can incentivize customers to pay you faster by giving them a small discount if they pay you within a week sometimes you don't even need to offer a discount just communicate upfront that your payment terms are 14 days instead of 30 days the faster you get paid the sooner you have cash to pay for your expenses here's the thing to manage your cash flow properly

and create cash flow statements you need accurate and up-to-date bookkeeping to base your financial statements on if you don't want to do your own bookkeeping check out bench will do your bookkeeping for you and send you accurate financial statements each month we'll even create a cash flow statement for you upon request if you prefer to keep an eye on your cash flow daily you can always check out pulse in your bench account pulse is updated every few hours and shows you an aggregate cash balance across all your credit cards and bank

accounts in one simple dashboard if you're interested in checking out bench go to bench CEO and start your free trial today that's it from us here at been good luck on your entrepreneurial journey and happy bookkeeping [Music]

1. How to Read a Balance Sheet (and Make Your Own) - YouTube

**URL**

<https://www.youtube.com/watch?v=Yv1W683IaVc>

**Views and time:**

61K views 4 years = 1270VPM

**Keywords:**

balance sheet accounting, balance sheet explained, accounting, statement of financial position, balance sheet tutorial, accounting tutorial, how to make a balance sheet, financial statements, accounting 101, accounting basics, statement of financial position explained, statement of financial position tutorial, assets, liabilities, equity, accounting equation, accounting for beginners, what is balance sheet, bookkeeping, small business, taxes, bookkeeping 101, income statement,

**Transcript:**

hey there aiden here from bench accounting today we're going to talk about balance sheets balance sheets help you see the big picture things like the value of your business how much you owe others and how much is left over for you the business owner a balance sheet is a must-have if you ever want to speak with investors secure a loan or sell your business in short you definitely need to know your way around a balance sheet in this video we'll walk you through exactly what a balance sheet is what it looks like and how to create

your own we'll even give you a template for your own so you can start plugging your numbers in so let's get started a balance sheet is a financial statement it's one of the big three financial statements along with the income statement and cash flow statement a balance sheet gives a snapshot of your financials at a particular moment summarizing every transaction and journal entry since your company launched a balance sheet is divided into three sections assets what your business owns liabilities what it owes others and owner's equity

which is the owner's claim to the business because it summarizes so much financial information the balance sheet is sometimes called the statement of financial position companies usually prepare one at the end of a reporting period such as the month quarter or year there are three main reasons you'd want to create a balance sheet for your business number one investors and lenders require them people who give your business money want to know exactly what they're getting into the balance sheet is the best way for

them to see the big financial picture so if you want to raise any capital you'll need a balance sheet number two it shows you the layer underneath income and expenses how much money you earn and spend isn't all there is to your business do you have any loans have you ever bought any equipment do you have a patent do you have a bunch of unpaid invoices you may be making way more than you spend each month and that's a great way to start having a healthy business but without understanding all the assets

and liabilities that lie underneath that monthly revenue you won't really know how much your business is worth number three it shows you just how valuable your business is maybe your business isn't bringing in as much net income as you hoped it would and you're discouraged at your financial prospects sometimes that doesn't tell the whole picture the balance sheet can remind you of all the assets you've invested in in the past and how much those are worth to you maybe you're struggling with revenue but

you have no debt and some solid long-term assets you can sell off so you can start a new business on a better foot the balance sheet gives you that big picture awareness of how valuable your business really is it's called a balance sheet because the asset section will always balance with the liabilities and owner's equity sections that's the balance sheet formula assets equals liabilities plus equity if your assets do not equal liabilities plus equity then you've done something wrong let's take a look at an example to see how

that works this is disney's balance sheet for the year 2018. well a very simplified version of it a lot of things have been left out there are three main sections we've got assets and liabilities and equity you can see here that the total liabilities plus equity is the same as the assets in other words they balance now what can you actually learn from a balance sheet let's pretend we're the ceo of disney reviewing our balance sheet at the end of the year our accountant hands us our balance sheet and this is what we see

the first thing we see is that disney has too much current liabilities how do we know that because their current liabilities are much higher than current assets current liabilities are any debt you're going to have to pay back within the next 12 months and current assets are cash and assets you plan to turn into cash in the next 12 months as it stands right now disney has a problem they don't have enough current assets to cover their current liabilities accountants call this idea the quick ratio it means ideally you want to have

one-to-one ratio of current assets to current liabilities now i'm sure disney is going to be just fine they can probably restructure this debt and they're probably going to earn more than enough revenue to cover this debt in the form of movie sales music sales disneyland ticket sales etc their cash flow statement would provide more detail on the cash flow side of things the second thing we can learn at a glance from this balance sheet is that disney has 38 trillion dollars in goodwill and tangible assets which is the single

most valuable thing on the balance sheet goodwill and intangible assets are essentially the value of the disney brand the only problem with that is the disney brand doesn't pay the bills if you want to sell the disney brand who would have enough money to buy it and how long would it take the disney brand can be converted into tangible value but it takes some work for example since disney is a hit with young families they can start a mickey mouse diaper product line and cash in on that intangible value by selling diapers to people who already

trust the disney brand now for the fun part how do you create your own balance sheet you can download our free balance sheet template created by our expert in-house bookkeepers here at bench by clicking on the link in the video description below you'll be able to follow along with what we're doing here to make your own balance sheet this is a simple version of a balance sheet you can use to plug in your own numbers let's say you're creating a balance sheet for the month of january and we start with cash at the top of the

balance sheet and work our way down on january 31st we would total all our cash accounts like our checking account paypal account and any others to see how much cash we have total on january 31st then we'd put that amount in the cash box next we want to see how much money we are owed by others do we have an outstanding invoice let's say a client owes us four thousand four hundred dollars for a big event our cafe catered for them last week they're supposed to pay us in the next two weeks so we put that as an

asset under accounts receivable next inventory our cafe has a total of six thousand one hundred and fifty dollars in unsold inventory which means we paid 6150 for everything our cafe hasn't sold yet including the stuff and storage that you're planning on selling in the next few months next fixed assets we have a cash register and a macbook things we're not planning on selling anytime soon but are still valuable we now have a total for our assets so we plug that in moving on to liabilities three thousand

four hundred dollars on our business credit card money we have to pay back in the next few weeks for short-term loans we have nine thousand four hundred twenty-two dollars and seventy-seven cents we need to pay back to the bank within the next 12 months sometimes you'll have long-term debt here but our cafe doesn't have that finally accounts payable we'll enter the amount that we still owe our vendors the last section is equity member drawing is how much money the owners pulled out of the business for their own

personal use member contribution is how much money the owners put into the business retained earnings is the total income retained by the business that can be reinvested back into the business or distributed to shareholders now we put it all together if we've done the balance sheet correctly the assets should equal the liabilities plus equity looks like it balances right so our balance sheet is done again you can download this balance sheet template by clicking the link in the description below if you followed along with everything so

far you're well on your way to mastering the balance sheet and if you'd rather have someone else prepare your balance sheets for you check out bench we're america's largest bookkeeping service and we would love to do your books and balance sheets for you we'll do your bookkeeping each month and prepare a monthly balance sheet and income statement for you go to bench.

co to learn more and start your free trial today that's it from us here at bench good luck on your entrepreneurial journey and happy bookkeeping

1. **What is a 1099? - YouTube**

**URL**

<https://www.youtube.com/watch?v=80IOIRSOcxk>

**Views and time:**

27K views /6 years = 375VPM

**Keywords:**

1099, tax, taxes, forms, irs, usa, business, finance.

**Transcript:**

No script (Music)

1. **Cash Basis Accounting vs. Accrual Accounting - YouTube**

**URL**

<https://www.youtube.com/watch?v=T_TSsCYPRgA>

**Views and time:**

122,710 views / 5 years 7 months = 1,831VPM

**Keywords:**

accounting basics, accounting basics tutorial, accounting for beginners, accounting basics for beginners, accounting 101, accounting, financial accounting, what is financial accounting, introduction to financial accounting, bench accounting, Cash Basis Accounting vs. Accrual Accounting, cash basis accounting, cash basis, accrual basis, what is cash basis accounting, accrual accounting, accrual, cash basis vs accrual basis, cash basis vs accrual basis accounting,

**Transcript:**

No script (Music)

1. **How to Deduct Personal Appearance Expenses - YouTube**

**URL**

<https://www.youtube.com/watch?v=CE0VGqait7A>

**Views and time:**

6.6K views / 5 years 9 months = 95VPM

**Keywords:**

tax, taxes, tax deductions, small business finance, finance,

**Transcript:**

No script (Music)

1. **What Is IRS Form 1040, and How Do You File It? - YouTube**

**URL**

<https://www.youtube.com/watch?v=wXBzy5z40U8>

**Views and time:**

11K views / 6 years ago =153VPM

**Keywords:**

form 1040, taxes, tax, 2020 form 1040, how to fill out form 1040, how to prepare form 1040, taxes explained, taxes on stocks, what are taxes, bench accounting, taxes on stocks explained, what are taxes and why do we pay them, what are taxes and why should we pay them?, tax season, tax season 2021, irs, irs.gov, irsvideos, tax tips, small business tax tips, small business, my tax refund, tax deadlines, tax deadlines 2021, federal tax, federal taxes, federal tax forms,

**Transcript:**

No script (Music)

1. Bench: Bookkeeping done for you - YouTube

**URL**

<https://www.youtube.com/watch?v=guoTHOqPS9k>

**Views and time:**

316K views / 5 years = 5,267VPM

**Keywords:**

Bench, Bookkeeping, Bench Accounting, AutomatedBookkeeping, Bookkeeping app, Bookkeeping service, Bookkeeping services, Virtual Bookkeeping, bookkeeping basics, bookkeeping 101, accounting, accounting basics, accounting 101, bookkeeping service, bookkeeping services, bookkeeping, finance, small business, small business accounting, small business accounting tips and tricks, small business accounting software, small business finance, small business finances, business finance,

**Transcript:**

**No transcript (Music)**

1. How to Reduce Your Tax Bill With Itemized Deductions - YouTube

**URL**

<https://www.youtube.com/watch?v=eo2lR2ysdsQ>

**Views and time:**

10K views / 4 years = 208VPM

**Keywords:**

tax season, tax, tax bill, deduction, tax deduction, taxes, tax deductions explained, tax declaration, tax deductions for self employed, tax season 2021, taxation, income tax, bench accounting, bench accounting bookkeeping, small business, tax reform, deductionist, income tax calculation, how to calculate income tax, income tax calculator, us tax reform, trump tax reform, tax season 2020, taxes 2020, taxes 2021, federal income taxes 2021, income tax 2021, income tax new rules,

**Transcript:**

hey what's up everybody it's brennan from bench back here as you can see i've got my sweater on it's getting colder out that means we're approaching the end of the year and unfortunately at the end of the year also means tax season and of course the question that's on everybody's mind going into tax season is how do you pay the smallest amount possible in taxes well here's something you can do this tax season that you don't have to be a tax with to take advantage of this is

going to apply to sole proprietors contractors or freelancers basically anybody who's going to file their taxes using form 1040. every year you make a choice when filing your taxes about what deduction you're going to take now it's time to actually understand this decision and how it can save you money on your tax bill if at any point in this video you're looking for more information or additional reading i'm gonna have links to bench blog posts down in the description below to talk about both the standard

deduction and the itemized deduction they'll provide you with a bit of a deeper dive into this subject so now it's covered let's get into it i just want to quickly talk about taxable income and how it affects your tax bill your taxable income is going to be this adjusted gross income number that you calculate on your form 1040 minus the tax deduction and this is ultimately where you're going to have the choice you're going gonna choose between taking the standard deduction and the itemized deduction to bring some

clarity to this decision let's take a look at the itemized deduction first because that's gonna require tracking certain costs that you have throughout the year these costs include your medical and dental expenses state and local taxes paid the interest you paid on your mortgage gifts to charity and any losses from casualty or theft at your end you count up all of these expenses and then calculate your total tax deduction amount i'm gonna go more into detail about what falls into these buckets later on and how to

calculate it but for now let's compare that to what the standard deduction is in comparison the standard deduction is an amount that's set every year depending on your filing status it was introduced in 1944 with one goal in mind which is to make tax paying easier today it's so common to take the standard deduction that about 70 percent of taxpayers end up taking this option but that doesn't necessarily mean it's the right choice for you with the standard deduction being a set amount there's no crazy calculations or tax

law know-how that you need to do to try and find out whether to take the standard deduction or the itemized deduction you basically just need to look for whichever of those two numbers is bigger for example this year the standard deduction is set at twelve thousand five hundred and fifty dollars for single taxpayers eighteen thousand eight hundred if you're a head of household and twenty five thousand one hundred dollars for married individuals who are filing together so with those numbers in mind now you know what you need your itemized

deduction to add up to what you can compare it to and decide which one of those two choices is right for you now to calculate your itemized deduction the best place to start is with schedule a it's the part of form 1040 that's dedicated to calculating your itemized deduction now i'm actually going to have a link to this down below in the description so you can download it and follow along with this video presentation it's going to be broken out into multiple sections and the sections correspond with the

different expense types so there's going to be five total sections the first section is your medical and dental expenses then you have your state and local taxes paid the interest you've paid on a mortgage your donations to charity and then finally any losses due to theft or casualty and of course since it's taxes it can't be as simple as combing through your bank account and adding up these numbers there are going to be some catches so let's go through these one by one and make sure you're doing the calculation

right now this is where i highly recommend following along with that schedule a once again the link is down below in the description so you can download a copy of this form online and you can follow along starting with the medical and dental expenses you're going to start on line one of your schedule a which is adding up all your eligible medical and dental expenses over the course the year it's going to include your health and dental insurance premiums any medical examinations or medical testing if you have something where you're not

quite sure if it's eligible the irs offers a pretty comprehensive guide on what can be included here so if you've got anything unsure about that's a great place to check the catch with medical expenses is that you can only claim the expenses that are over 7.5 percent of your adjusted gross income and if you're worried about doing this calculation on your own don't worry about it it's all taken care of on the form lines two to four of the schedule a are going to be the calculation of that

seven five point five percent of your adjusted gross income you will take your adjusted gross income number from line 7 of your form 1040 multiply it by 0.075 and subtract that number from line one the number that you're left with is your total medical and dental expenses minus that 7.

5 percent of your adjusted gross income and that's what's going to count towards your itemized deduction next up are going to be those local and state taxes you've paid line 5a will let you choose between whether you want to include your state income tax number or your general sales tax you can't use both so how do you make this decision well for nine states without income tax on your earnings that's a pretty easy choice so if you live in alaska florida nevada south dakota texas washington or wyoming you have no ink state income tax if you

live in new hampshire or tennessee you don't have income tax on your wage earnings you only have tax on investment income so that's a really easy decision to make for those nine states otherwise you'll have to stay on top of your state income tax number and general sales tax paid throughout the year to determine which number is best for you but fortunately as with all things tax there's always a paper trail and documents that they're asking you to keep so these numbers should be pretty accessible line 5b will be where you

include any personal property taxes so do not count any property that was used for business purposes line 5c is where you get to include any other personal property taxes that aren't real estate that includes any taxes paid on things like cars or motor homes so long as that tax is levied annually and is based on the value of the property now lines 580 to 5d are going to be capped at 10 000 total you can only put ten thousand dollars towards your itemized deduction so for line five e you will either put your total from lines five

a to five d or ten thousand dollars it's going to be the lesser of those two numbers then finally line six will be for any other taxes and it really only includes two types of taxes which is your income taxes paid to a foreign country as well as any generational skipping tax or gst that was paid on income distributions for mortgage interest it's actually going to be for mortgages or loans that were taken out for the purchase or improvement of property that will be eligible to record in this section this

will also be recorded on form 1098 which will have to be filled out anyway if you paid more than 600 in interest on your mortgage throughout the year your deduction will be limited based on your mortgage amount if you took out your loan on or after december 15 2017 you can only claim interest on the first one million dollars of that mortgage if you took out your loan before that date you can only claim the interest on the first 750 000 of your mortgage and that's because it's a change that was implemented

with the tax cuts and jobs act of 2017. so if your mortgage amount is less than 750 000 you don't really have to worry about this and you can just use your mortgage interest that you paid throughout the year but if it isn't uh you'll have to do some checking to see how much interest you can actually record here that's going to fill out lines 888c and line 9 will be used to record any investment interest and that's only going to be applicable if you're filling out form 4952 next we're going to move on to

donations to charity which you're probably already familiar with because the super common way for both people and businesses alike to curb their tax bill you'll use the donations to charity to fill out lines 11 and 12 on your schedule a line 11 is going to be your monetary donations which is going to be anything paid through cash or a check while line 12 is going to be the value of any other donations which is going to include clothing household items or even services that you've provided generally speaking you can only deduct

these donations up to 60 of your adjusted gross income so if you've got a hundred thousand dollars is your adjusted gross income on your form 1040 you can only deduct donations up to 60 thousand dollars now the final section is a little more niche it's lost due to theft or casualty and if you're filling out form 4684 this tax year you will take this number from line 18 of that form otherwise this does not apply to you and that pretty much covers how to fill out your form schedule a but before you start digging

through your receipts and transaction history i want to provide you with some quick rules of thumb for checking whether the itemized deduction is right for you so you don't sync all this time into doing the calculations if it's not going to net you anything in the end now there are three main groups of people that are going to benefit from the itemized deduction the first group is for people who have large mortgages if you're going to have a large mortgage you're likely going to have a large mortgage interest number on your

schedule a when deciding whether to take the itemized deduction this is the best place to start because it can easily bump your itemized deduction over the standard deduction the second group is going to be for those that paid a large amount of property taxes or sales taxes and don't just look at the property taxes you pay on your real estate but anything else that's eligible as well also look at how much sales tax you paid through your business as much as it can pay you to pay out that sales tax throughout the year

here's the opportunity where it's really going to benefit you by reducing that tax bill but simply put the more you own and the more that you sell through your business the more the itemized deduction can potentially benefit you just a reminder that that tax section is capped at ten thousand dollars though the last group is going to be individuals who had high medical and dental expenses throughout the course of the year that's going to make the itemized deduction a great fit this is especially true if you have a

low adjusted gross income remember that you can only deduct what's over that 7.5 of your adjusted gross income so for that rule of thumb more of your income that's going towards medical and dental expenses the more that the itemized deduction is going to benefit you so as of right now as of today what can you do for this upcoming tax season to make sure that you're making the right choice but what deduction to take well just take a moment to reflect back on your year most taxpayers are going to take the standard deduction and the

system is designed that way it's structured so that the majority of people will have a higher standard deduction than itemized deduction that way they don't have to do the calculations and tax paying is made easy but let's say you had high medical and dental expenses or maybe this is your first year with a mortgage in that case it's probably time to revisit which deduction you're going to take this tax season and you can make this decision easier now consider tracking this information throughout the year

in excel or google spreadsheet anytime you make an eligible payment just record that number in the spreadsheet then keep a digital copy of that document online in a dropbox or a google drive for easy reference by keeping a tab of this number you'll prepare yourself for this decision you'll already have an estimate of what that itemized deduction might be and then you'll have all the documents to refer back to when it comes time to fill out the form and there you have it the deduction you choose is one simple decision that

affects your tax bill for most you'll take that standard deduction but for others the decision is going to save you money on your tax bill so you can just keep reinvesting it into yourself and your business and that's going to do it for me thank you so much for joining me and hopefully this is going to help you reduce your tax bill this season as i mentioned before we've got blog posts down in the description that goes into this information a little bit of a deeper dive if you want to do some further

reading on your own time we also have a tax tip section on our blog that's dedicated to breaking down these forms and credits and deductions to make sure that you're equipped with the right information going to tax season also you can follow us on twitter we're just at bench and if you subscribe to us here you'll be informed anytime we've got a new video out with more information that can benefit you thank you so much for joining me

1. What Happens If You Don't File Taxes With The IRS - YouTube

**URL**

<https://www.youtube.com/watch?v=j2YnA1eDS_g>

**Views and time:**

3.1K views 3 years = 86VPM

**Keywords:**

No keywords

**Transcript:**

hey there i'm oscar and i'm jillian from bench at bench we believe that staying on top of small business finances should be simple and straightforward that's why we're here to help with everything from bookkeeping to tax prep and advisory today we're going to talk about what happens when you get behind on your business taxes staying up to date with your taxes is important since falling behind could lead to unexpected bill from the irs before you panic though take a deep breath life happens and it's easy to get

off track you're not alone either more than 7 million americans miss their tax filing deadline every year the irs takes owed taxes pretty seriously which is why back taxes are a problem you can't afford to ignore unfortunately if you do nothing things can snowball pretty quickly if you're behind on your business taxes we'll tell you what to expect and how you can move forward though business owners can and do fall behind on their employment and sales taxes today we're going to talk about the most common issue

income taxes now when we talk about falling behind on business taxes that can mean a number of things and each situation is unique but for this video we're keeping it simple and talking about not filing your taxes or not paying your taxes or most often both if you fall into one or both of these categories first you'll get hit with penalties both for failing to file and failing to pay the size of these penalties will depend on how much you owe and how long you take to file or pay if you don't pay your owed tax on time

the standard penalty is half percent of the unpaid tax for each month it remains unpaid if you don't file your tax return by the deadline provided you haven't filed for an extension the penalty is much bigger five percent of the unpaid tax for each month that that return is late both these penalties max out at 25 of the tax amount owed which means that the larger failure to file penalty maxes out after five months now if both penalties apply in the same month the maximum penalty applied will be five percent

you'll pay the half percent failure to pay penalty and a four and a half percent failure to file penalty when those five months have passed and the failure to file penalty is maxed out the failure to pay penalty will continue at half percent per month until you either pay or it also maxes out at 25 45 months later here's a top tip as you probably noticed the penalty for not filing your taxes is much larger than the penalty for not paying your tax so even if you think you can't afford to pay it's a good idea to file your return and

pay whatever you can to avoid the most painful penalties some of these penalties can be waived provided you satisfy certain conditions don't worry we'll cover that in a later video in this series now on top of penalties the irs charges interest as well the actual rate varies depending on the federal interest rates but it's currently around 3 percent interest is applied every day you're late and it's applied to the total of your owed tax plus any accrued penalties all this is getting pretty complicated

so let's take a look at a rough example to give you an idea of how it all works so imagine you owe 10 000 in taxes and it's ten months after the deadline and you haven't filed your return or paid the tax for the first five months you'd pay a four point five percent failure to file penalty of four hundred fifty dollars and a half percent failure to pay penalty of fifty dollars over the next five months you'd pay the half percent failure to pay penalty of 50 bucks each month and this means your

total penalties after 10 months would be 2 750 dollars and your total amount owed including penalties would be twelve thousand seven hundred fifty bucks now interest would then be applied to the total of the tax debt plus the penalties the calculations the irs uses for working out interest are complex and they vary depending on particular circumstances but that said in this example you would be likely paying at least another three hundred bucks in interest taking the total uo to over thirteen thousand dollars a thirty

percent increase on the original amount if you're thinking okay i don't owe any money on my taxes but i haven't filed for the last couple of years we have good news and bad news for you the good news is that you'll dodge the failure to file penalties the bad news is you're in danger of losing refunds owed to you if you still haven't filed your return after three years the irs withholds your refund which means you're no longer eligible to receive it we know the irs applies penalties and

interest to any taxes you owe when you fall behind but how do they calculate your debt if you haven't filed your taxes when the irs is trying to figure out how much money you owe they file something called a substitute for return they look through all the public information they have on you including bank records records of wages and any contractor payments made to you by other people and come up with a number of what you should owe the problem with this is that the irs only uses your recorded revenues to

calculate the taxes owed this makes the number that they come up with way more than what you would owe if they included your tax deductions and credits that's because tax deductions and credits lower your taxes what's worse the penalties and interest charges are then applied to the inflated owing amount essentially compounding this inflated amount that you owe if you find yourself in a situation where you owe more tax than you can afford to pay we know can seem pretty scary there are several options for

moving forward we'll cover them in detail in the third video in the series however the best place to start is to file any missing tax returns by doing so you can accomplish three things one show the irs that you actually owe much less in tax than they may have calculated in the substitute for return two stop the failure to file penalties from building up and three put yourself in a better position to negotiate with the irs about your situation if you need to get your years of tax returns sorted out bookkeeping is the

first place to start that helps you create the necessary records of your income and expenses for those missing years making it much easier to file your taxes bench retro bookkeeping service completes years of historical bookkeeping fast our dedicated team is here to help out folks in situations just like these if you're interested in receiving help from a specialized team of experts to get you caught up and ready to file your back taxes you can book a call with a member of our team using the link below what happens when even after being

warned about penalties and interest and being told how much the irs thinks you owe them you still don't pay one way or another the irs will come after you for the money you owe them check with the following video in the series for a detailed look at how the irs collections work and what you might expect to see when you owe them money

1. Filing 1099 Forms: What You Need To Know - YouTube

**URL**

<https://www.youtube.com/watch?v=tTsQuFGv3cw>

**Views and time:**

15K views / 3 years = 417VPM

**Keywords:**

No keywords

**Transcript:**

[Music] hey everyone taryn from bench here today we're going to dive into 1099 forms and how to file them first up what is a 1099 form a 1099 is used to report non-salary income to the irs for federal tax purposes there are two types of forms you need to consider first the 1099 nec is for reporting payments to independent contractors gig workers or non-salaried individuals and finally the 1099 misc is used to report miscellaneous payments like rent or royalties so how do you know if you need to file a 1099 form

basically if your business paid an independent contractor or self-employed person 600 or more throughout the year you're responsible for issuing them at 10.99 you'll also have to file before the irs deadline there are three you need to watch out for 1099 nac january 31st 10.

99 misc february 28th if you're paper filing and 10.99 misc march 31st if you're electronically filing filing 1099 forms can be tricky but bench is here to help support you and your business we can't assist with the filing process directly but we can help with reporting your bookkeeper can track your 1099 eligible payments throughout the year and total them in a report so you have everything you need to file here's how it works and what we need from you before we can complete your 1099 report you'll need to confirm the following info checking account statements for the

tax year the total amount you paid contractors during the tax year the total amount of rent you paid during the tax year the contractor's legal needs your bookkeeper will need you to confirm this info by january 14th this gives us enough time to complete your report and gives you enough time to file comfortably ahead of the january 31st deadline your 1099 report will include contractor names totals paid in a year nec and misc identification so when you're ready to file you can take this report directly to your cpa or use it to

file on your own with an online filing service that's it if you have any more questions about what 1099s are how to file them or key deadlines reach out to your bookkeeper we're here to help and for more bookkeeping and tax resources check out the bench blog you

1. How to avoid IRS Audits as a Small Business Owner | Bench Accounting - YouTube

**URL**

<https://www.youtube.com/watch?v=V9TnzwGtaLk>

**Views and time:**

74K views/1 year = 6,167VPM

**Keywords:**

No keywords

**Transcript:**

foreign taxes as a small business owner can be extremely stressful and recently the IRS just received 80 billion dollars in funding to strengthen enforcements and increase audit rates now I don't want you to be stressed out because in today's video I have the perfect solution to help you get your bookkeeping and accounting in check so you can avoid an IRS audit let's get into it what I want to do real quick is just jump into this article that just shows that the IRS received 80 billion dollars in funding to strengthen

enforcement and increase audits what does this mean for you well you have a chance of being audited and if you are not prepared if you don't have things in check if you don't do things right the first time the chances of getting an audit is going to increase and then if you do get an audit and if you don't have things organized it's going to be a complete nightmare I have the perfect solution to take the Stress and Anxiety that taxes and bookkeeping brings to your business bench they specialize in

it so for me I can focus on my business while they focus on my finances and my Bookkeeping on things that I am not an expert in so let's come over here and like I talked about this is a huge Pro of why I go with bench says America's largest professional bookkeeping service for small businesses they specialize in small businesses they're the largest professional bookkeeping service for small businesses they understand how small businesses work biggest question that I get is hey Trevin how do I do my

taxes simplest response is get a good bookkeeper get a bookkeeper that can do your books and accounting for you so that at the end of the year you have all the financial statements everything and you just literally need to give it to a CPA you can have bench do it for you to submit your tax returns and it's done they have a proprietary software that you can actually log into your account and you have your income statement you have your balance sheet you have your documents you have literally everything right at the tip of your fingers so

what's cool is you don't have any extra software fees it's month monthly payment that includes the software and it includes a bookkeeper [Music] foreign

1. "We're better designers than bookkeepers." — GFDA & Bench - YouTube

**URL**

<https://www.youtube.com/watch?v=DVyj5vtgGB4>

**Views and time:**

53K views/7 years ago = 631VPM

**Keywords:**

accounting, bookkeeping, designers,

**Transcript:**

[Music] we did understand very early on that making sure we were organized financially was going to be a key part of keeping G FDA afloat and we've tried a number of different routes a number of different people but only until recently have we found bench as a product that really speaks to our needs and helps us to organize our finances and project it back to us in a way that we really understand and can use that as a strategic piece of our business it's also really great because previously jason was a snarling beast whenever

finances came up and now it's like working with a creampuff yeah what kind of like a cream Club I will say that bench of the product gives us the tools we need to strategize and figure out what we're doing financially and as a lot of smaller to midsize businesses know they are at a time when they really need to focus on building their product and not so much fooling around with things they're not totally certain about maybe that's financed here that's production things that are all kind of their wheelhouse right right and

I will I think I can speak for Brian here we make better designers than we do bankers or bookkeepers and what bench allows us to do is sleep easy at night knowing that that part is taken care of by someone who equally values the organization and finance the same way we do just by the way bench is not paying for this video Justin Booker LLC yeah time to go to week six Gopa int

1. Bench: Affordable Online Bookkeepers - YouTube

**URL**

<https://www.youtube.com/watch?v=TyDl1yEVQ_I>

**Views and time:**

39K views/9 years =361

**Keywords:**

No keywords

**Transcript:**

entrepreneurs they say we're the only people who work 80 hours a week just to avoid working 40 and making my own path hasn't been easy there are challenges there are definitely risks and every day I need to ask myself if I'm doing the right thing I'm not going to lie running my own business I get overwhelmed sometimes but doing things on my own terms gives me Freedom Independence it gives me a chance to do what I love and no matter how hard it gets I wouldn't change a thing thankfully I don't have to do it all on

my own

1. Bench: Affordable Online Bookkeepers - YouTube

**URL**

<https://www.youtube.com/watch?v=u-Dke43CP8g>

**Views and time:**

No keywords

**Keywords:**

234K views/9 years = 2,167VPM

**Transcript:**

when working with new businesses they're really focused on growing the business and not necessarily the bookkeeping so that's where I come in I take care of their books and they can continue doing what they do best and that's building their business hey I'm Graydon and I'm a bookkeeper here at bench what's the best part of bookkeeping and it's getting to know the clients it's not the financial statements and numbers it's just about getting to know people helping them grow

taking that burden of financial statements and tax preparation out of their hands and it's it's like you know we got this I got this don't worry about it and and it's that great feeling of that connection it's a mutual thing the bookkeeping is weighing on your mind give us a call we'll help you out

1. Bench: Affordable Online Bookkeepers - YouTube

**URL**

<https://www.youtube.com/watch?v=UgHOd1vBQ44>

**Views and time:**

180K views/9 years =1667VPM

**Keywords:**

Accountancy (Field Of Study), Entrepreneurship (Field Of Study), Entrepreneur (Profession), Entrepreneur (Magazine), Bookkeeping (Field Of Study),

**Transcript:**

[Music] when running a business it's easy to fall behind on your bookkeeping this is where bench can help with bench you get a professional bookkeeper to do your books for you someone to get you caught up and to make sure that you never fall behind again your bookkeeper is available by phone email or through our bench app which is where you can also see your completed financial statements whether you have years of bookkeeping to get caught up on or you simply want to get this task off your plate we've got

you covered so if you're behind on your books give us a call we'll get you up to date in no time [Music]

1. Bench: Affordable Online Bookkeepers - YouTube

**URL**

<https://www.youtube.com/watch?v=taBVvSsr52I>

**Views and time:**

230K views 10 years =1917VPM

**Keywords:**

Bookkeeping (Field Of Study), Accountancy (Field Of Study), Accountant (Profession), Accounting Software (Software Genre), Entrepreneurship (Field Of Study), Small Business (Industry), Entrepreneur (Profession),

**Transcript:**

every entrepreneur has such a different story but they all need to deal with bookkeeping bench is an online bookkeeping service created for entrepreneurs we combine software with a professional bookkeeper to prepare your book surreal I would say one of the biggest hurdles that I have when I talk to someone is they're so used to accounting being hard and we're here to make it easy if bookkeeping is getting in your way give us a call helping you grow your business and doing what you love is why we're here

1. Bench: Affordable Online Bookkeepers - YouTube

**URL**

**<https://www.youtube.com/watch?v=TIZT96L5j18>**

**Views and time:**

1.7K views/9 years = 16VPM

**Keywords:**

No keywords

**Transcript:**

No transcript

1. **Ditch do-it-yourself bookkeeping for good | Bench Accounting - YouTube**

**URL**

<https://www.youtube.com/watch?v=qQWxNCbcxIE>

**Views and time:**

16K views/1 year =1333VPM

**Keywords:**

No Keywords

**Transcript:**

(00:06) [Music] uh what is going on over there i'm trying to finish bookkeeping for this year so i can file my business taxes this is fine everything is fine you still do your own bookkeeping how do you even have time for that how do you have time for that oh my goodness was done ages ago bench does it for me bench bookkeeping for you say more words with badge you get tax-free financials monthly bookkeeping support none of whatever's going on over there oh and you can try it for free [Music] bench bookkeeping done for you

1. Webinar: Critical Year-End Tax Strategies for Small Business - YouTube

**URL**

<https://www.youtube.com/watch?v=0bYoLNAXyx0>

**Views and time:**

305 views/2 months = 153VPM

**Keywords:**

No keywords

**Transcript:**

e hi everyone thanks for joining bench and fresh books today my name is Mary and I help lead Partnerships here at bench accounting really passionate about the space because I get to do my part in helping small business owners entrepreneurs are the backbone of our society you all drive the economy and what I hear all the time from

business owners like yall is that you didn't start your business because you're passionate about back office task you also don't know what you don't know rarely do I speak to business owner that actually studied Accounting in or outside of school and this impacts how you prepare and use your financials we're here today to hopefully shed some light on what you should be thinking about these two final months of the year that lead up to tax season this will be essential to get you organized and save

money on your tax bill let's also take a moment to appreciate the fact that you are here today A lot of this content can make people go a we cross side um but you're taking this critical step to show up for yourself and your business all now as you review the agenda a few housekeeping notes for today we're going to be sharing the recording with everyone later so keep an eye out for your inbox and for the recording link to rewatch relearn or maybe even reshare with a fellow business owner I just want to triple check here

is everyone able to hear me okay awesome okay great love the thumbs up we'll continue great so after the recording link we'll also get that sent out and then very very exciting we do have our senior Tax Advisor Kamya she's gonna be joining us for the live Q&A so as you have questions please submit them in the Q&A function so we can save those for the second half of our time here awesome awesome so in case you're not familiar with bench we're a bookkeeping and tax spelling service we're focused

specifically on supporting small business entrepreneurs by taking care of their back office Financial tasks we believe that no business owner should spend their evenings and weekends pouring over bank statements payroll documents Merchant reports and countless receipts at their dining room table just to comile their financials so we you with a real human team of bookkeepers with simple really userfriendly intuitive software to do the bookkeeping for you and that's in addition to helping you prepare for and file your

taxes now passing off to my friend Kaitlin from freshbooks thanks Mary and thanks to all of you for taking the time out of your day to be here my name is Caitlyn and I'm a senior partner manager at freshbooks before joining my team here two years ago I used to work at bench for about six years and I actually helped manage the fresh books relationship there so very full circle uh all this experience paired with being raised by entrepreneur parents has made me really passionate about the small business space so I'm really really

excited to be here today at freshbooks we want to help by making the hard part easy our software allows you to seamlessly create invoices get paid by our clients and now you could even pay yourself and people who work for you with fresh books payroll with freshbooks and bench together we're going to allow you to focus on your business instead of spending your precious time scrambling to prepare your financials for tax season so think of it as freshbooks handling your client facing capabilities your billable hours your expenses your

invoices and collecting payments for each of your clients then let bench take care of your back office tasks their experts are going to take all of the information from your client work and do your monthly books and your endof year income tax prep as your business grows and you add more clients expenses and revenue streams and freshbooks it's increasingly helpful to pair freshbooks and bench to make sure that your books are done every month correctly and that you've maximized your deductions come tax season

all right I'm GNA pass it back to Mary to talk a little bit about why this time of year is the best time to get started on your tax prep Mary I think you might be muted sorry my apologies everyone that happens way more often than it should just wanted to say thanks Caitlyn um and thanks for setting the stage with an acknowledgement um that you know we see you business owners taxes are complicated and a very very stressful topic um and it's because no one learns this in school unless they're an accountant and you don't have

time to become an expert on the tax code and every single rule which is always changing but as you all know unfortunately there's something that you are obligated to do if you don't do it correctly the IRS is sitting there waiting to charge you fines and penalties and interest it's also a lot of work to do the bookkeeping and capture every single deduction you're entitled to so business owners often leave out some transactions which means again you're paying more to the IRS than you need to so how do we make sure we get

this all right we start preping in advance tax season it doesn't need to be a Sprint it's something that ideally you're preparing for by doing the work year round and if you are doing it yourself you're going to need to make sure you understand at a minimum what is expected of you what forms to fill what to pay when then you have to make sure you don't pay more in taxes than you have to make sure you're capturing every transaction um and yes that does include your Amazon purchase that you made on

your personal credit card if that does sound like a lot you need to know that once again you are not alone most business owners try using a DIY software when they start the business even if they don't know the first thing about bookkeeping and that can be really hard now think for a second about the problem that your company solves whether you sell products or deliver a service now think about what you say when people are doing this themselves would you recommend DIY in your industry probably not DIY is not

something that you would recommend for what you specialize in offering for your customers nor something that's as technical as you know being compliant with the IRS so regardless of what your plan is getting started early is the right step so let's s in to see what you can start doing today to get you prepared and knowledgeable on how to save on your tax bill great let's start with tax deductions and credits so first we want to clarify how tax deductions actually work this term tax wrov is often thrown around and

there are so many misconceptions about what a tax deduction actually is and how to capture it and we're we're going to start here with a Quick Clip to show you what I mean a new L yeah I'm thinking of bringing Hare um into the store so that's a write off that's a write off yeah do you even know what a write off is uh yeah it's when you buy something for your business and the government pays you back for it oh and who pays for it nobody you write it off who writes it off I don't know the

Govern the write off people what why are we having this conversation so if I need booze to get through my day I can just write that off that's a stretch but the skincare products you got this morning those are right off what skincare products you purchase skin care products okay I am the face of the company if I have acne what does that say about the legitimacy of the store that's not a write off that's not a write off they not a write off oh well the betting is non-refundable so David a write off is a

business expense used to reduce your taxable income okay well then why isn't it called a tax write off it is it is so as we saw here with David there's a lot of misconception about what a tax deduction or a tax write off actually is so if it's something that is unclear to you you're not alone a tax deduction is an expense you have that reduces the amount of your income before tax is calculated so tax deductions are important because they lower your taxable income or the amount that the IRS is going to come looking to charge

you tax on this could help you shave hundreds maybe even thousands of dollars off your tax bill so after the webinar we're going to share a resource on the types of deductions you should look out for and we do usually run a webinar in January that dives into this topic a bit deeper um we're going to talk about the ones that are commonly missed so you should definitely join us for that in the New Year awesome now while tax deductions reduce your income before tax a tax credit reduces the actual tax you owe dollar

for dooll and if you do not owe tax certain refundable credits may give you a refund so let's walk through a super simplified example say your gross income for the year was $100 and you have $10 of expenses that you can submit as tax deductions those are subtracted from that gross income to get your now reduced taxable income of $90 then the IRS comes to collect taxes on that $90 let's say again simplifying this you fall under a 24% tax bracket 24% of $90 is $21.

60 that's now what you owe to the IRS but if you are eligible for any tax credits you can then take the amount of those credits and subtract them from your tax bill to get your final taxes out but like anything with the IRS it's not always the straightforward you know there's rules nuances for different expenses to be aware of for example business meals expense you can generally deduct 50% of qualifying food and beverage costs but you can deduct 100% of the cost of providing meals to employees such as buying pizza for dinner when your team is working late or

having a party working with a professional is the best way to make sure you are taking advantage of every single deduction available to you and complying with the IRS passing back to you Caitlyn thanks Mary so now that we're all on the same page about the IRS and how tax savings are accumulated let's talk about some ways for you to optimize your tax situation that need to be handled before the end of the year so first I'm just going to drop this here there's no need to panic as you can see there is still time but as

we all know the holiday season gets busy especially for you business owners and every year it seems to creep up on us before we know it January is here taking the time to join us here today is a great first step to getting ahead for next year so now we're going to walk through the list of business moves that you can make to ensure a smoother tax season first things first consider delaying your income until January to reduce this year's taxes if you're a cash-based business postponing invoices or receivables can

be key so how does this help you well when you for the receipt of income you're also deferring the payment of tax on that income into 2026 this can also be helpful for cash flow if your business experiences a post holiday season slowdown next if you've got them tackle your bad debts if you use the acral bookkeeping method and someone owes you money that you can't collect you may have what's known as bad debt so the IRS allows you to deduct the cost of of bad debt from your tax return but you need

to be able to prove that you took reasonable steps to collect on that debt this year use these final weeks of the year to attempt to collect all of your outstanding payments and be sure to keep a detailed record of that debt collection efforts anything that feels like a loss cause can actually result in a tax savings so there are two methods to claim bad debt either using the specific charge off method or the nonacral experience method so this might be something you want to talk to your accountant about so they can make sure

that the debt is deducted properly since this can com can get a little bit complex if office repairs or improvements have been on your to-do list this year let's think about how you can get them done now so the IRS categorizes the cost of property maintenance as either repairs or improvements so you can generally deduct the cost of a repair within a single year so for 2024 on the other hand the cost of improvements generally needs to be deprecated over a period of up to 27 and a half years so changes to property are

classified as improvements when they include betterment adaption or restoration but be careful if you're improving a home office area even in light of the pandemic there are strict rules for what qualifies as a home office the space should be used solely for business purpose so if you have a garage that you use to collect in collect and hold inventory that's a home office but if you also park your car in there not a home office so you won't be able to qualify for any repair Improvement deductions before you submit any

expenditure on these repairs it's a really good idea to have your CPA or Tax Advisor determine whether it can be deducted as a repair or Improvement and this is something that the tax team at bench can also help you out with next if you started your businesses here you might be eligible for significant startup cost deductions is anyone here with us today a new business owner let us know if you are in the chat and congratulations that's a really big first step in order to qualify for this startup cost deduction your Venture must

have launched before December 31st and must be an ongoing business as long as your startup expenses did not exceed 50,000 in 2024 you can generally deduct $55,000 in business startup costs if you're a new business owner we recommend you consult with your CPA or again the folks at bench can help you out there is a lot you're going to need to know so this is just one small item I'm also seeing so many new business owners in the chat and that makes me so happy so again congratulations lastly you might want to re-evaluate

your business entity type it could make a really big difference come tax time so most small businesses start as Sole proprietorships and this is because they don't really require any paperwork or Declaration to the IRS so make sure you check What entity you are as the forms needed are pretty different sole proprietorships aren't taxed as a separate entity instead they're considered pass through entities meaning that they business income and expenses are passed on to the business owner and recorded on a schedule C as

part of form 1040 which is the individual income tax return as a result your business pays the same tax rate that you do depending on whatever income bracket you fall into so we could do a whole presentation on this but each business structure has its own tax benefits and drawbacks so whether you're a C corporation S corporation or a limited liability company making a switch to a new entity type can greatly impact how your business is taxed so talking through your options with a tax professional can help you identify which

entity type will best suit your needs fun fact bookkeeping and accounting software are actually tax deductible expenses so if you plan to buy or sorry to buy an online service like bench or freshbooks or pay a bookkeeper to help you uh catch up on a large backlog of bookkeeping from 2024 Beyond if you arrange for this and pay before December 31st this year you can claim that expense as a tax deduction so if you've been thinking about it now really is the best time thanks so much Kaitlyn that's really really great news to hear

about bookkeeping and invoicing to be tax writeoffs there are going to actually be professional service expenses on your income statements and we cannot wait to show you what that looks like awesome so now that we walk through some moves you can consider making the next two months let's think even further into the future for when it's time to file and talk about what you can start doing today to help prepare for the payment and paperwork that's coming your way you know you're going to need to pay

your tax bill so getting financially prepared for that can help make it less stressful as a general rule it is suggested that you set aside up to 30% of your net profit for taxes the amount set aside will vary depending on your state and the kind of business you own and the 30% should be based on your net profit for the period versus your entire Revenue earn so to make it easier for you we do suggest setting up a separate bank account that holds only the amount save for tax purposes then move 15 to 30% of every

profit each week or month into that account and don't touch it some banks will help you create a rule that automatically moves that percentage into your savings account so if yours doesn't you can manually transfer those funds once a week once a month depending on when you review your business financials and that will help you make sure you can cover your tax bill without stressing or having to pull money from elsewhere the next piece is getting yourself organized to file Step One is writing some key dates on your calendar

it's really important to first know your business entity type because that will inform which forms you need to submit as well as the date you need to file by curious and you can use the chat here does everyone here know their entity type way to go Michael awesome Paul we got a couple NOS in there we can definitely review that later with our Tax Advisor sweet so it's really important to get your filing type right because they're going to be fines for not completing a form or paying the associated fee on time and for every

form that is not filed or filed incorrectly there are fines they can charge so to find this list you can definitely Google your entity type and tax forms there's a lot of resources um but bench we do have a really great tax guide that spells out all the forms needed per filing type and I believe we'll be sharing that in the recording email as well so some key dates to be aware of January 15 if your business pays taxes on a quarterly basis the final 2024 estimated quarterly tax payment is due this day that's January

15th generally you should expect to make estimated tax payments if you're profitable however depending on your tax situation you may have an estimated tax responsibility based on your personal tax situation so you can confirm that with your tax professional now next date here Janu January 31st the W2 form if you have employees you'll need to fill out two copies of form W2 for each one one W2 must be submitted to the IRS the other must be sent to your employee now there's also the 1099 NEC if you work with independent contractors

you must file form 1099 NEC by January 31st 2025 copy a must be filed with the IRS by the state copy B must be sent to the contractor on the state as well next we have March 17th this is the first filing deadline S corporation and partnership taxes will be due this state April 15th if your business pays taxes on a quarterly basis the first 2025 estimated quarterly tax payment is due this stay and also this will be the sole proprietorship and corporate tax return due date as well these are just a few of the dates to know again consult

that list of forms their due dates to make sure you are fully covered lastly get a head start on those deductions you know if you're not working with a professional who will be identifying deductions for you you have to start the work now if you haven't already identified the ones you can take advantage of it's really really important to lower that t spell better yet get in the habit of regularly reviewing your your expenses monthly to find them so that moving forward you don't have to spend time

trying to remember what a receipt from February was for because I sure wouldn't I have a bad memory awesome so we talked about a lot here today there's deductions credits moves to make before tax season um and some early prep you should start now we know that it's challenging to navigate all these forms and payments deadlines it's easy to give up and not hunt down every deduction that could lower your tax bill if you're doing it yourself you need to make sure that you are on top of it make a clear list calendar so you

don't miss something or fall behind or you know miss a deadline get hit with one of these findes but having someone to double check for you is in valuable and better yet having someone do all of it is a huge time and stress saver so if you're looking for personal Hands-On support to pay the least amount of taxes possible come talk to us this is literally what we do we have a professional team doing the books for you and they'll even file your taxes if you don't have an accountant that you're

married to we hunt down every single trend action and deduction possible so you aren't paying a dime more to the IRS than you have to and you have unlimited access so that's unlimited communication with your team so if you have questions on how to use these statements to make financial decisions whether to incorporate or where to file those incorporation papers we completely got you we do this for you every single month so you always have the financial information you need to make confident business decisions now whether you need 2024

completed cleaned up caught up possibly from years past our catchup bookkeeping experts will work with you to ensure that your previous months or years of books are swiftly completed and compliant with the IRS regulations now is the time to get 2024 caught up if you're behind this will make tax spelling next year a lot easier on yourself and if you wait until next year you're going to be scrambling before deadlines trying to plan for 2025 but caught up in the headache of what your financials were in 2024 thanks Mary so this video shows you

just how easy it is to get started with freshbooks so simply create an account and you'll be directed to your dashboard where you can get started creating your first invoice simply add your client details billables and send it off clients will get your invoice via email and they can pay you directly online providing you a seamless way to get paid you can also add expenses easily by connecting your accounts directly to freshbooks or adding them from your desktop or mobile when you're on the go this makes it really simple to get a

snapshot of the health of your business using the reports that will be populated in your account in addition to these features freshbooks gives you the ability to do things like time and mileage tracking providing proposals to your clients and we recently launched freshbooks payroll to help you pay both yourself and any employees that you might have and these are just a few of the features that we offer so as we get closer to tax season all of these tools and reports will help you get organized and if you decide to move forward with

both bench and fresh books this information will also become invaluable for your bench bookkeeper I encourage you to check us out and see how we can take the heavy lifting off of your plate if you're wanting help now really is the best time to get ahead of year end and through the bench and freshbooks partnership you can get a special discount of 20% for 6 months off of bench or if you're just interested in freshh books you can check out our website and get 50% off for 6 months of our own service so to claim the joint uh offer

that we have with bench we're going to drop a link in the chat for you and we will share this in the recording email as well so that you have it afterwards Mary throwing it back to you awesome great so that brings us to the end of our presentation portion thanks for tuning in I am now excited to kick off our Q&A and in a moment I will introduce our senior Tax Advisor who will handle most of them but remember if you have any questions please use the Q&A function to submit so we don't lose track of any in

the chat um and I will be keeping an eye on the chat as well scrolling up to make sure that we do answer all the questions for you Kya over to you thank you hello uh my name is kamama Franklin uh enrolled agent and Senior Tax Advisor for bench uh let me see we do have several questions so is it that you just want me to start at this at the top Mary and uh continue on yes so I think what I'll do here is I'll go to the Q&A function first um and then let me just read them out and then we can head into the chat

and see which ones we can find that we're kind of lost in there perfect so um we will start here with a question from Sean so if you have a home business and a dedicated home office and clients do visit your home can you write off any home repair expenses home upgrades to the front house Etc Great Well Sean uh yes okay so if you if your home office qualifies you to have a home uh office deduction on your um sole proprietorship business single member LLC Schedule C um yes you can take a portion of um any expenses that

you have that are considered indirect and then there's a second way for instance if you were to make upgrades to the actual space in which you have the home office those will be considered direct expenses so you'll be able to take 100% of that um but if you're in a home and you're just doing General um repairs for instance um landscaping or for instance just general repairs to make the the B the home um in general yes you can write that off uh the percentage of use for your home office awesome thanks K next one here um the

question is what about W8 independent contractors okay so I'm I'm assuming when you say W8 independent contractors you mean contractors that are hired internationally from other countries other than the United States if that's the case uh what happens is they file a W8 Ben form and so that um if they aren't United States citizens you aren't required to issue them a 1099c as you would someone who's a United States citizen but uh those individuals are required to file the form Wen and submit them to you uh which

certifies them as a foreign um person and it also allows them to determine what type of treaty benefits depending on what country they're in um if not you as the person the vendor that is uh using them would be responsible for withholding tax from their particular um monies that they're receiving from you so great question thank you so much K I am learning so much already awesome um from Daniel here uh two questions are the dates the same every year and how do you know if you owe quarterly payment okay so generally speaking yes

the due dates are generally the same every year so estimated tax payments are due generally uh quarterly on the 15th so you'll have it due uh April 15th so if this is a holiday if there's a holiday that falls on April 15th or if there's a leek year there's a chance it it can you know maybe go to the Monday or go to the next available business day um but in generally speaking it's going to be April 15th uh June 15 September 15th then it jumps to January 15th of that next year um this next year coming I believe it is

the 15th um um and you said the estimated tax payments yes what's the second question how do you know if you owe sorry how do you know if you owe quarterly payments okay so quarterly tax payments are determined um first of all the majority of uh people who have businesses will probably pay tax with their individual um as a individually um the only entity that would be required would be C corporation so if you're S corporation partnership uh or so proprietor business you're going to pay tax individually so

you if you as an individual owed $1,000 or more in the previous year then that's what sparks the IRS to uh expect to receive an estimated tax from you so if you don't have that so let's just say in 2023 when you filed your taxes either on October 15th or April 15th this year you got a refund okay you don't necessarily have an estimated tax responsibility meaning you have to pay something April June September or January um now that doesn't say that you won't owe anything you know when the due date comes but you

won't receive a penalty for not paying in advance those monies um if you owe less than $1,000 do you know the suggestion is to make the payment but you don't necessarily receive a penalty for not sending it but once you hit that ,000 Mark in a in a prior year so 2024 is the next year that we're going to be filing a tax return if you owe more than $1,000 as an individual for 2023 you have an estimated tax requirement uh to pay within those four quarters now um if let's just say by chance you file

late or you didn't file until October 15th because obviously two out of the four estimated tax um due dates have passed by maybe you didn't realize you needed to pay this this is common um there are other things we can do at the time of filing you know determining what type of estimated tax filer you are maybe you can be an annualized uh tax Filer and that can also mitigate you having a pay the penalty so it just depends on you know where you are personally but generally speaking that's how they goes awesome thanks Kya okay um there's

an easy question here for me just to give you a little bit of a break um does bench use offshore bookkeepers um and then do we have to disclose this to our clients um give you guys some piece of Mind here all of our bookkeepers are in housee um so we have two offices we have a Vancouver office and then we have a Toronto office um but everyone that works within bench either live in Canada or in the states so no one overseas no one offshore um they are going to be all employees of bench trained professionals perfect okay so um next question here

this one's a little bit more personal let me just take a look okay so if as a business owner I submit a 1099 for my contractors and then submit it to them but didn't submit it to the IRS what is the py what do I need to do um I've given it to my contractors yearly but I just learned from you that I need to also submit to the IRS oh yes well that's that's common and that's okay you know we're all here to learn um but yes uh when you have independent contractors that earn from you more than uh $600 in one year uh as

of 2023 you're supposed to issue them a 1099 and then send a 1099 to um the government um this is so that they can track you know and and make sure that they keep the tax Gap uh as small as possible so if you had not sent that to the government um there is a penalty um I did look this up and so if you pay after January I mean if you send those documents after January 31st and you're from one to 30 days late there's a $60 per form fee up to a maximum of $588,500 per year per small business if you're 31 days late to August 1 then it

goes up to $120 per form so it doubles um up to a maximum about 1.1 million and then after August 1 or not filed at all in that year it's three $310 per form up to a maximum of 3.5 million so it is important to get those documents in on time um and the IRS U expects you to do so so if you haven't you know this coming year just make sure you do it by January 31st that's what I would do amazing thanks Kia okay from Sean oh I think we already got that one my apologies um the next one here is can we talk a little bit about accelerated

depreciation or a tip for someone that has high net income and wants to bring it down with some deductions before end of year well sure okay so the the hottest topic regarding that you know due due to the uh tax cuts and job act and different things that arise because of covid um they allowed for more more bonus acceleration uh for depreciation opportuni so for instance if you purchasing a heavy vehicle uh there are certain vehicles that are considered heavy if they're over 6,000 pounds and since around 2021 we're in 23 right since 2021

we have been able to take the depreciation or the full expense of a heavy vehicle in one in that current year so uh since 21 you know there have been changes um and so for two the year 2024 I believe the maximum you can um take in one year or in the first year uh that you place it in service would be 60% but that can be done for vehicles heavy machinery things like that um and so I have seen where High net earners use that um I have heard you know individuals who are W2 based uh now short-term rentals are things that people are looking into you

know being someone who uh is called Airbnb you know having shortterm rooms where people come in and they uh rent your home or something that you own vacation property whatever over less than 14 days and then that allows you and qualifies it to be a short-term one I mean there are more requirements than this this is a generally speaking thing and if you would like to handle something like this I would definitely suggest that you speak to your CPA or a responsible person that can run numbers for you to see where you would be but generally

speaking those are the two hottest things that a high net earner could consider you know lowering the income okay perfect awesome um next one here is does bench support xat slash us business owners working from abroad with bookkeeping yes if they are us United States citizen um yes we can definitely assist with that now um if you have certain foreign um involvement um then you may run into an area where you may be a a disqualified person for bench tax that does not disqualify you for the bookkeeping portion but um in order for us to be able to

successfully complete your tax return if you have certain foreign things um and not just you uh living because we we know it a lot of people that decide to move or live abroad instead of living in United States but they have a a United States business or they have dealings in the United States which makes them still have to file a uh us tax return so um not that but if you run into some things where you might have a partner that's foreign or you might have some type of other business that we need to incorporate into your personal return or

your business returns something like that maybe disqualified but generally speaking yes we do support xats that are United States citizens and have United States businesses awesome yeah thanks Kya yeah just to make sure that's extremely clear for everyone bench bookkeeping we can definitely support you as long as you have that us you're registered in the US you're looking for cash bookkeeping and the only limitations are going to be around bench tax um that just we just want to make sure that you know we can

really support you in all the complexities and so that's something that will be really really great to speak on when you speak to one of our uh bench Financial experts great um there's also a question here from Margaret that's asking if it's 70% off for both products um so it's actually 50% off six months of fresh books and 20% off six months of bch great now Kia question for you here from Sarah do you have far compliance experts um generally speaking no we do not we we won't have those type of

experts here uh different things like that we lead to uh others who have have a more um personalized experience with that we just certain things we just don't handle and things uh of that sort we do not and Kya is that because it's a cruel is that correct yes it's just things you know the way that our business model is set up at this very moment is that we um you know help I don't want to say a simpler client because we do help a lot of those that are um have more complex uh situations but you know for the most

part we handle cash or modified cash based exactly businesses and that's why because it goes off to the left there we want to make sure that we can offer you the best as possible experience when handling your personal identifiable information and your personal finances you know you don't want to come up with something you know and we trying to do something that we don't have a business model for yes absolutely perfect great um and this one here can an outstanding invoice from two years ago still be

considered a bad debit deduction um uh for cash um for a cash based taxpayer I'm going to say no perfect awesome next one here is I would love to learn more about the limitations or things to be mindful of when it comes to expenses that are deducted able um you mentioned that food can only be submitted 50% can you say more about that what are other types of expenses we should be mindful of um for this one I'm going to actually refer that to the resource that we will be sending you over email it's going to

show you uh just an extensive level of information on the deductibles um and it's also going to show you just the percentage that you can be writing off and then the most commonly M deductions as well okay and I will just say one thing um anything that you would potentially like to deduct what need to be ordinary and necessary for your particular business so um if you take it that um take that first then that will help you um because it's supposed to be this is what you have spent throughout the year

supporting your business and it has to be ordinary meaning something that's not extravagant you know it's not something that you uh that you would naturally or normally see under the course of uh your business conducting business awesome and then from Vivian here um they asked if we are assisting with ride share drivers as well um and I have been with bench for a little over five years now I have definitely spoken to a lot of rare drivers um so feel free to book in that consultation we are more than happy to

help great now this next one here says they're too deep into freshbooks right now and what other accounting software does bench work with um so I'll clarify this here so fresh books um they really really specialize in AR so accounts receivable invoicing um and then they do offer bookkeeping SL accounting on their end um but on the bench side what we specialize in is accounting um so Kaitlyn do you mind just expanding really quick on what other accounting softwares that y'all might be working with um so I think what

this person is actually saying is that they're they're using another platform and they feel like they're they're kind of golden handcuffed to that to switch to FR God oh God um but just to throw it out there we do offer either like a manual switching service or we have a team that can help you trans for your information over so if that is a concern um you know please reach out and talk to us cuz I'm sure we can help out there if you really are looking to switch off of whatever you're currently using right

now perfect yeah thanks for clearing that um clearing that up for me Kaitlin um so yeah if you let's say you're looking to move over to bench for bookkeeping um justess as the same as fresh books it's a very like Hands-On um personal support you know there's a human on the other end that's if there's any other like thirdparty logins any like statements that you need to upload we can pull in that you know seamlessly through and then we can catch up your bookkeeping for you for as you know for as far back

as you need to go really great um now for Kya uh for an es Corp Can you hire your kids or family members using form 1099 uh you definitely can I mean that means that they're an independent contractor an independent contractor generally speaking um is considered self-employed so they are going to pay ordinary tax as well as self-employment tax which is around 15.

3% so generally speaking that person your children or your family member will tend to pay more tax um there is a thing especially in California and other that are highly regulated or pay attention to this where they are identifying or making people determine whether uh a person is a actual employee you know there's a test are you an employee or are you an independent contractor and it surrounds the work or the level of control you have um to that person so um you can do that but you want to be careful to make sure to determine if the person is actually doing independent

contract to work meaning they're working kind of on their own or determining the type of work or how they're going to do the work themselves or if they are truly a wage earner which mean that you would need to pay them as a w you know give them a W2 and and them a paycheck and take out the proper Medicare and Social Security tax um each time they they're paid so that's the big difference but you definitely can do that that's possible thanks Kya okay I'll take this one here um there are some questions

around how we communicate um or how a business owner would be communicating with bench um so it's not just cenly cenly is just to book in that live phone call or maybe a zoom um we have actually a message feed um where we aim to get back to you within one business day so outside of the phone or Zoom meetings you have your message feed unlimited access um there's no additional cost there great now Kya um if I purchased an existing business does any of the cost that does any of that cost count towards startup

costs uh well it definitely would depend it definitely can you know it it really depends on how that uh purchase is is uh set up but uh of course if you you know you you purchased a business you know know it may have assets it may have uh a Client List It may have a building you know it just depends now if you're having to and have not opened a business for instance if the business is closed and then you bought a business and then you're reopening it um there is a portion where you need to place the

business and service anything that you purchase in that window will be considered a startup expent so in that case that would be yes so I mean it just VAR it just varies but um yep I definitely something like that is a little bit more complex so I would suggest you lay out all the details to your CPA or your enroll agent and they will you know give you more guidance for what is deductible awesome okay so next one here from Kim how do we determine the benefits of switching from an LLC to an escort and does bench help me with

changing my tax identity bench definitely uh can assist with that okay generally speaking all right um NS Corporation is a election so it's not actual entity change so you would be determining um you know as a LLC you're either a one person or single member LL or a multi-member ll uh and that means that you registered your business with a state and um they're determining what you are based on the number of people that are registered for that business um so whether you're a multi-member LLC partnership or a single member LLC you

know so defaulted to so proprietorship Schedule C uh reporting on your personal return um you can decide well I want to take the S corporation now should you it depends on a lot of things what what you want to happen um do you have a need you know to do it um do you qualify meaning you're just fully domestic just the US you know you only have us people you don't have a need to take on investors um your profit might be to the point where you can stand to save money now um you know which is negligable it just

depends on where you are usually that starts around I say around $60,000 profit um so you definitely can do that I mean it's it's relatively easy um because it's just a one sheet form you won't need to change anything it's almost just like submitting the form and then waiting on the IRS to respond to it it's form 2553 um and there is there's wording that needs to go on there um but you don't actually have to switch um anything with your state you leave that alone and just make sure you have a tax

ID number in that particular um registration there if you don't have a registration with the state then you would need to go and register with a state as a LLC and then apply to Bea s coration awesome um question here again from Sean and um I know we're going to be sending out the resource but since we have you here Kamya are there any unusual writeoffs that people might not think of like clothes te thermatology um and then they said I know we can get an HSA account to help with healthc care right off which is

great um but they're curious I mean depending on who you are for instance if you're in entertainment and you wear new costume if if it's something that you can't wear on the street then yeah you can definitely claim that you know for the most part if you can prove that it's something that's required and ordinary and necessary for your business to operate then you can definitely deduct it um as far as health care is concerned um you know that can be written off as an adjustment uh if you're selfemployed you

know or either if you have a S Corporation your business can pay for it and then it has to go on your W2 and then you write it off as an adjustment but you can definitely do that H just say you know are good um uh Health reimbursement plans if you have a spouse you know that works for people who have that you're sole proprietor businesses you can hire your children under even if they're under the age of 18 um and you don't have to pay any Medicare or uh Social Security tax for them and so that's a good savings and not just

paying them a salary but you can pay them in other things such as like uh their own IRA and things like that so you put money up for them um so so those are some good items uh for that last one um you can only do that you know the best way uh as a sole proprietorship business awesome great um now from Aaliyah can I write off some work trips as mileage reimbursement and then claim gas to fill up my car when traveling for certain work trips so you definitely can uh reimburse or claim the mileage you want to keep a

proper log at all times uh and it just needs to identify uh where you you know why you needed to go how many miles it was and it can't be commuting miles it has to be from uh your work location to the location that's uh not uh your work location so you can't do it like from home to there uh but yeah you definitely can take it uh it just needs to be documented properly um even if you're traveling uh yeah you can do that if you're if you're on um on a work trip and you're driving for sure yeah just make sure it's

documented great perfect um this one here if you are a US citizen and you've been working as a 1099 contractor in the States but you move abroad um does that change what form you use uh no you must report your all your worldwide income so if you were working as a contractor in the United States but now you work as a contractor some kind of way in another uh country or if you uh working from home somewhere but you're in another country you're still responsible for filing the uh 1040 you form you know that's still the form you

would file um the other forms are for individuals who are't considered residents so yeah that you would if you're United States citizens you want to file the same form uh form 1040 and if you have any other income in that country you also should report that to uh on your 1040 and then determine you know because you might have a filing requirement in another country now determine you know what part may not be taxable in that in the United States or the other count so you know it becomes a little bit complex but that's

something that we can definitely assist with thanks Kel um and I'll take this question from Carl here so can a single bench subscription be used for multiple small businesses under an umbrella company um so essentially what this is um is we can definitely have businesses on boarded under a holding company but each company under that if you're looking for detailed books then those have to actually create a second third bench account um but we do have multi- buus discounts as we do have a lot lot of entrepreneurs that we work with um

that have a lot of different businesses um so feel free to book in that consultation and we can definitely talk about how we can support you okay um I'm just gonna jump here um we do have one question that was asked um by a few people and a few times so um I just want to ask this as the very last question and then we'll wrap up um so I have a lot of customers whose businesses I support uh is it tax deductible when I spend money with them um what do they mean businesses they support so they are the vendor they

are providing services to uh people um if you're providing a service and you're considered to be in business and you're getting paid on the $10.99 or they're paying you cash or check or something of that sort then yes any expenses that you incur may be tax deductible to you uh so it looks like the person who asked the question was saying that they're buying from the customer you're buying a product from your customer to be able to provide the services that you uh give the customer if you're using it in the course of

business I want I I would lean to say yes that's tax deduc if you you purchase make a purchase even though that person is a vendor of yours um and then you need to use it you know I'm I'm assuming for instance if you're a IT person or something like that but you're servicing a Best Buy or something I'm just off the top of my head and you bought some type of something that you needed to use then yes that would be deductible if it's like a piece of equipment or or something like that the supplies will be

deductible to you as an expense awesome cool thanks M we appreciate it no problem okay um so unfortunately I know there's a lot of questions um this is exactly why we have bench we have fresh books um we are at time we're actually three minutes over 11 sorry about that y'all um but what we're going do um is we're going to send a an email we're going to be you know re-sharing this recording link you can sh share it with your fellow business owners as well um and then also send a link to freshbooks

and then to bench so you can talk to our experts ask these questions they're very very knowledgeable um and then let's say you do on board um you know we have lovely tax advisors like Kia here um that are more than happy to help so guys thank you so so much for for joining bench and fresh books today um and you know we can't wait to join you y'all again very soon thanks so much everyone thanks everyone Bye by

1. Bench: Your Small Business Financial Solution - YouTube

**URL**

<https://www.youtube.com/watch?v=d-wWWqHlXYg>

**Views and time:**

19K views/3 years = 528VPM

**Keywords:**

No keywords

**Transcript**at bench we know tracking your finances while running your small business isn't easy we do your bookkeeping for you so you don't have to you'll have a whole team dedicated to helping you take control of your finances you get a bookkeeper tax advisor tax preparer and small business experts all at a price point that works for your business with bench there's zero learning curve our easy to use platform gives you quick access to powerful financial reporting so you can get a clear picture of what's

going on in your business you'll get an up-to-date view of your financials and at the end of the month your bookkeeper will do a final review to ensure all your books are tax ready with your busy schedule we go where you go when you want to reach out to your bench team it's easy to connect we can answer any questions about small business finances resources tax deductions even payroll requirements bench your small business financial solution

1. Get bookkeeping off the brain | Bench Accounting - YouTube

**URL**

<https://www.youtube.com/watch?v=cO0m4fwM8co>

**Views and time:**

60K views/1 year = 5,000VPM

**Keywords:**

No keywords

**Transcript:**

No transcript(Music)