

Preparing Your Office for 2016 Tax Filing

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Why are they so important?

- ▶ Creates the financial organization of your business
- ▶ Long-term success of the business depends on it
- ▶ Allows for proper budget and forecasting
- ▶ Manages cash flow
- ▶ Eliminates mistakes that are costly in terms of money and time

9 Crucial Year-end Closing Procedures...

Year-end Closing Procedures

1. Confirm that all revenue and expenses are recorded in the proper time period under General Accepted Accounting Principals (GAAP).
2. Reconcile all bank accounts, credit cards and money accounts. Make sure balances are equal to year-end statements.
3. Make any journal entry adjustments as necessary, such as depreciation expenses or new fixed assets.



Year-end Closing Procedures

4. Confirm year-end payroll expenses match up with your monthly payroll taxes before you file your annual IRS and State forms.
5. Run a year-end report of your taxable sales and confirm that you have paid all your sales tax required of your company, if applicable.
6. Prepare a independent contractor 1099 report and verify that all W9 information is up to date.



Year-end Closing Procedures

7. Reconcile estimated Federal income taxes paid and State taxes paid, if applicable.
8. Review annual renewals, contracts and outstanding receivables and payables are up to date.
9. Call your tax professional and pension administrator to discuss what they need from for tax filing and year-end reporting.



Business Tax Changes

2017 Major Changes

The Protecting Americans from Tax Hikes (PATH) Act of 2015, was signed by President Obama in an effort to combat fraud. The act revised the filing deadline for Form W-2 and Form 1099.

▶ **Until now**

- ▶ Jan 31 - was the due date to employees or independent contractors
- ▶ Feb 28 - was government paper filing due date
- ▶ March 31 - was government electronic due date

▶ **2017 Change**

- ▶ Jan 31 - all government form paper or electronic are due



2017 Major Changes

The Assembly Bill 2883 changes to Worker's Comp Insurance

Effective January 1, 2017, AB 2883 requires that all business workers' compensation insurance policies will now cover certain officers and directors of private corporations, as well as working members of partnerships and limited liability companies that may have been excluded in the past.



The Assembly Bill 2883 changes to Worker's Comp Insurance

- ▶ Prior to the passing of AB 2883, officers, directors, and working partners were not required to be covered under the business's policy, if they owned 1% or more.
- ▶ Moving forward this will no longer be an option for anyone with less than 15% ownership.



Years End - Important Deadlines

▶ Internal Revenue Service (IRS)

- ▶ Jan. 31st
 - ▶ Furnish W-2 to employees
 - ▶ Furnish 1099-MISC copy b to recipient (vendor)
 - ▶ Payroll returns – 941 and 940 forms
 - ▶ BOE returns - Sales tax
- ▶ Jan. 31st
 - ▶ Send Copy A of form(s) W-2 and W-3 to the SSA
 - ▶ Send Copy A of form 1099-MISC with IRS
- ▶ Mar 15th
 - ▶ Corporate Tax Return Filing deadline (Sept. 15th with extension)
 - ▶ Retirement contribution deadline (Sept. 15th with extension)



Questions?

Thank you...

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