

BUSINESS LINE

To Your Success

IT'S TIME TO GET YOUR OFFICE ORGANIZED!

by Faith Manierre, Busy Bees Professional Organizing, LLC

We're hearing a lot these days about getting organized--there are magazine articles, books and even two television shows that focus on making our lives more orderly. You might ask, "Why should I get organized?" Because being organized impacts every area of your life in a positive way. Once you're more organized, you'll increase your productivity, save time and money, and reduce your stress and frustration. If your office is a "chaos zone," imagine what it would be like to work in a calm peaceful environment. With some effort and time, your office can be the productive and comfortable place you'd like it to be, and a place where you can actually get some work done!

We were promised a paperless society in the 90's, but that has never materialized--paper comes in and goes out of our offices at an alarming rate. In fact, most offices are buried under paper. If you're surrounded by piles of paperwork, it's almost impossible to quickly locate an important document. Frequently "piles" indicate that you have difficulty making decisions about what to do with paperwork when it first hits your desk. So, let's consider how to deal with each piece of paper as you first encounter it. It's easy! Just select from among these options:

- **Dump:** Keep a wastebasket handy to discard any unneeded papers as they come in.
- **Delegate:** If something needs to be delegated, pass it on immediately. Don't let it clutter your desktop!
- **Do:** Some paperwork requires immediate action. Once you've taken care of the action, the papers should move off your desk--into a file, a recycling bin, or onto someone else's desk!
- **Defer:** Sometimes paperwork requires action at a later date, such as an invitation to an upcoming conference. You may want to wait until the deadline to decide whether

you'll attend. If so, place the invitation--and any paperwork of this type--into your tickler file.

Now, let's look at desktop management. Our goal here is to keep as few items as possible on top of the desk. Look at each item on your desk and ask yourself, "How often do I use this?" If you use a stapler only once a week, perhaps it would be better to stow it in a drawer, freeing up some valuable desktop space. You may want to keep a small supply of paper clips, pens, tape, scissors, stationery and envelopes in a compartmentalized drawer organizer in your desk. Consider the file drawers in your desk as prime real estate! Keep only the most frequently used files in this drawer. Never keep your old tax files here! Closed files and historical records should be placed in banker's boxes, labeled, indexed and stored in a closet away from current work.

Is your desk littered with business cards that you've collected at networking events? Consider entering the data on these cards into your contact management system--Outlook, for example--so they'll be easily and quickly accessible. That way, the cards are off your desk and the information is categorized in an effective system. (So effective, in fact, that you can still find a person's entry even if you only remember their first name!) If you need contact information accessible to you at all times, you may want to look into working with a hand-held computer or PDA.



IN THIS ISSUE:

Valuable information for your business including:

- *Getting Your Office Organized*
- *Setting Up Organized Tax Information Files*
- *Eight Words You Should Never Use With The Press*
- *Legal Advice on Collections*
- *Organizing Your Accounting Software*

The contributors to this newsletter are independent professionals providing general information. Business owners should consult an experienced professional for assistance suited to their particular needs.

(continued on page two)

IMPROVING ON THE SHOEBOX METHOD

by Yvonne Bruno, CPA, Fulco, DiTommaso, McMahon & Co., PC

January is the time for New Year's resolutions. These promises encompass everything from losing weight to "I'm going to be more organized this year." Usually, by February most of us have lapsed into our old habits. This process is especially true when it comes to gathering information to give to your accountant. Clients often tell me stories of endless weekend hours spent to gather information, prepare schedules, organize data, and sift through infinite piles of receipts. What if it could be different? January is the perfect time to begin to organize your business data. With a little planning, steps can be taken so that the information gathering process is relatively painless.

In order to prepare a business tax return, all accountants require certain basic pieces of information. The purpose of this reporting is to present the annual activity of the company to the IRS in a logical manner to determine what, if any, tax is owed. If we forget the agonizing thought of paying taxes for a minute, why is this a good thing? To put it simply, looking at the company results give a business owner knowledge that is useful for future planning. If this task is viewed as a learning process rather than a chore, it is less likely that information gathering will be put off until the last minute.

What are these basic pieces of information? Most fall into four categories. These are:

- Data that verifies something already reported to a tax authority, such as payroll and sales tax returns. Since taxing authorities already have this information, it is important that the annual reporting agrees to what was previously received.
- Information regarding any changes in the company during the year. What major asset purchases were made? Did I borrow any money, or payoff any debt? Did I take on a partner, or did I move the office? These items may require reporting on special sections of a tax return,

therefore the accountant needs to know the details of these events.

- Reports that detail income and expenses for the year. This is the information that most clients know they need for the accountant. If this data is on a computer, a backup disk of the activity is usually sufficient. If the system is being done manually, then the accountant needs a summary of the activity for the year by income and expense category.

- Verification of the cash balance in the business account.

The best place to start is to create an accountant's drawer. Set up separate files for payroll tax returns, sales tax returns, loan documents, assets and bank statements.

As the year progresses, get into the habit of filing these documents in the accountant's drawer in the appropriate file. Include a copy of the monthly bank reconciliation with each statement. This will eliminate having to look for the information later. After purchasing a new computer, file a copy of the invoice in the assets file. If your business entails frequent travel or entertaining, setup separate files for these expenses and store the receipts in these folders.

In addition to the above, many clients also have an accountant's "in basket" or "to do" folder. If information is received that may require discussion with the accountant, it is put in this folder. This eliminates the need to look for this data later.

Organizing information in this manner can save many hours at year-end. Our office has checklists for both businesses and individuals to assist in gathering the necessary data, which can be supplied upon request.



GET YOUR OFFICE ORGANIZED

(continued from page one)

Adapt your office workspace to make yourself comfortable. Be sure that your chair, computer and monitor are all in a comfortable alignment. Pay attention to your phone usage patterns. Do you always hold the phone to your right ear? Then position the phone on the right side of your desk, if possible. You'll be amazed at how a small change like this can make a big impact—both from an ergonomic and an organizational point of view.

Getting organized isn't really all that difficult, but you have to commit to following a system. One of

the best benefits of getting your office organized? You'll have more time and energy for your personal life!

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THE EIGHT WORDS YOU CAN'T SAY IN A PRESS RELEASE

by Andrea Obston, Andrea Obston Marketing Communications, LLC

Years ago, George Carlin had a hysterical monologue called "The Seven Words You Can't Say on the Radio." Think of this column as the public relations alternative (that's a little more serious).

Every time you send a press release to reporters you have the ability to make or break your credibility with them. You want them to see you as a believable source of information. So, when we asked reporters for their pet peeves, you can be sure we paid attention to what they said.

The three biggest press "sins" they mentioned were: puffery, superlatives ("The greatest flower shop in the world is now open in Granby") and hackneyed phrases. Releases like this will find their way into a reporter's "Deleted" box faster than you can say, "Have I got a deal for you!"

There are also words that get reporters' hackles up and should be avoided in any release (or for that matter any of your marketing materials). These include:

Unique – This word has "Been done, Dahling" as they say in advertising. Everyone thinks their product is unique, and, you know what? It probably isn't.

Breakthrough – Long the favorite of cereal companies and electronic manufacturers, this word means absolutely nothing and brings about that much to the party.

Revolutionary – This word should only be applied to politics and the 1960s (okay, I'm biased), but really what's "revolutionary" about most new products?

Cutting Edge – I think the edge has been cut far too many times and I know reporters roll their eyes when they see this one.

World Class – And what, exactly does this mean? It's usually used to describe something that's been such a lost cause for so long that bringing it into this century is considered a victory.

State-of-the-Art – I think we can all agree that this phrase was beaten to death by the computer industry. And we all know how high their credibility is.

Enhancing Shareholder Value – This is often translated to mean, "We're doing something that is so unethical that we can't talk about it, but at least it's good for business." Please find another way to say "We'll do anything for money."

Cyber-anything – This terminology was listed as the most hated by the reporters we talked to. It's a phrase that makes reporters' skins crawl. I strongly suggest you take your cyber-leave of it.

Gaining credibility for your business is hard enough in today's sea of information. Don't defeat yourself with a bunch of words that say nothing and do nothing to gain the trust of your readers.



A LEGAL CHECK-UP FOR YOUR COLLECTIONS SYSTEMS

by Attorney Judy Gedge

We all know how important preventative maintenance is for our health. But what about our businesses? A dose of preventative maintenance can also go a long way to keep our businesses in good health. Here's an example.

Let's take a look at Jack's business, he's a human resources consultant with a staff of five workers and a solid roster of business clients. But Jack regularly faces challenges making his weekly payroll. Sound familiar? Jack's problem is that he's carrying \$100,000 in accounts receivable, over half of which are more than 90 days overdue. And you can't write checks off your unpaid receivables!

Why is Jack having such problems with his receivables? There are generally two reasons why our clients/customers don't pay us on time. Either they're not happy with the product or service they've received or they've got their own financial problems. Recognizing this, we can take steps to minimize our own collection problems.

The Unhappy Client or Customer. A satisfied customer is likely to pay you quicker. So one way of improving your collections is to make sure that your customers are satisfied. Here are some ways to do this:

- **Written Contracts.** Use a written contract with your clients. By clearly spelling out what services you're providing and the payment terms, you'll help to avoid misunderstandings. This translates into happier clients.
- **Communication.** Keep your clients/customers well informed. If there's a delay or some other problem, let them know how you plan to deal with it.
- **Make it Right.** If a problem does arise, remember 'the customer is always right'. In other words, you can't win by arguing with an unhappy customer. Find a way to turn him or her into a happy customer and you're much more likely to get paid.

(continued on page four)

ARE YOU ORGANIZING YOUR ACCOUNTING SOFTWARE TO ACCESS THE INFORMATION YOU NEED?

By Annabel Pedomonti, Accounting Software Services

Today's small accounting packages, such as QuickBooks Pro, are a powerful tool for the business owner. To use them purely as a means of entering receipts and expenses is to deprive yourself of the information you need to manage your business effectively.

Recently I came across a classic case of a business owner, a general contractor, who was using QuickBooks Pro but was not getting the information he needed.

The most important reports for him were:

- Detailed cost breakdown by phases of the job for each project on an ongoing basis
- Profit on each house after its sale
- A list of whose downpayments /deposits he was holding
- How much land was being built on as opposed to land in 'inventory'

His accountant wanted all the work in progress to be in an asset account and to be separated from the completed sales.

He was spending many hours manually producing these reports instead of using the accounting program to do it for him.

To solve this problem we created 'items' for each phase of the job, which were set up to automatically go to the Asset (not Expense) account for Work in Progress. Every disbursement was

posted to the appropriate item and also to the job. Advance payments from customers were posted to a liability account for Customers Deposits on hand as well as to the job, and land was transferred out of Land Inventory into Land/Work in Progress and to the job.

Having done this we created and saved reports that gave both the builder and his accountant what they needed.

When you look at how your company file is organized you need to ask yourself three questions:

Is my accounting set up in compliance with my accountant's recommendations?

What information about my business is most important to me?

Is my accounting set up to give me that information?

Having decided what you want, look at how you can use all the program features (items, classes, customer & vendor types etc.) to generate the information you need. Finally, create and save reports so that you can access them quickly and easily.

It is worth taking a little extra time and thought when setting up your company file so that it automatically gives you what you need to know to run your business in the most productive way.

LEGAL CHECK-UP

(continued from page three)

The Financially-Challenged Customer. What about the client or customer that's not paying you because of financial problems? Once you're in this situation it's usually too late to take any meaningful action. But here are some ways to help avoid this problem:

• **Retainer.** There's no substitute for getting money up front. For instance, as a consulting firm, Jack should be requesting a 50% retainer up-front before beginning work on a project. A client that provides a retainer is committed to the project. It also shows that your client has the financial ability to pay your bill.

• **Credit Check.** Be careful who you lend to. What, you say, you're not a bank making loans. Well, if you're supplying goods or services on credit then you are acting just like a bank to your customers. Have your credit customers complete a credit application and review it carefully. Check those credit references and find out if their payment history is good.

• **Guaranty.** If your client/customer is a small business that's incorporated, you'll want to have the owner personally guarantee the obligation. Otherwise, you'll be limited to the assets of the business entity while the owner's personal assets are secure. Also, if your customer has cash flow problems and has to choose which supplier to pay, wouldn't you want your invoice to go to the top of the pile? It's more likely to do so if the business owner's personal assets are also on the line.

• **Contract.** Make sure your contract protects you. If you do end up suing to recover what you're owed, you'll want to be able to collect interest, attorneys' fees and other collection costs. But unless your contract provides for it, you're not legally entitled to recover these so you'll be out of pocket.

Taking time to do a legal check-up of your accounts receivable systems can improve the health of your business and save you some major headaches.

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