

MERCHANT PROCESSING NEWS

... EDUCATING AND ASSISTING BUSINESS OWNERS ON THE SUBJECT OF
"PAYMENT SOLUTIONS TECHNOLOGY"



PURPOSE OF THIS NEWSLETTER

This month's topics will cover the foundation of your business. Without a solid foundation any business can fall on hard times.



LEGAL STATUS

For the sake of this newsletter, the term "Legal Status" refers to how you file your business taxes with the IRS. Many new businesses start out at a sole proprietorship or partnership. I never considered incorporating my business because I was under the impression that this was somehow determined by or a function of employee numbers or gross sale figures. Wherever I attained my reasoning, it was strong enough to cause me to ignore the advice of my Certified Public Account (CPA), who had been telling me for years that I should change the legal status of my business. At some point he sat me down and showed me how much unnecessary money I was paying in taxes every year. I immediately made the determination to incorporate.

There are many reasons to incorporate your business. My advice is to seek out a business attorney or a CPA to help you understand why and what type of status you should go forward with.

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What's Inside:

- Purpose of this newsletter
- Legal status
- CPA
- Accounting methods



CPA

The biggest firm or the most expensive hourly rate does not heighten qualification or the best fit for your business. You will find that you will have many choices for a potential CPA - - so make them earn your business. In selecting a CPA I considered several factors as I conducted an interview with them:

1. Is their certification current?
2. How long have they been practicing?
3. Are they certified to represent you if your business is audited?
4. Are you comfortable when talking with them?



ACCOUNTING METHODS

My suggestion is to work with the CPA you chose to work out the best accounting methods for your business. The key point is to set aside a period of time at least once a month to keep your accounting straight.

Please feel free to contact our friends over at [JG Consulting Group, Inc.](#) with any questions.

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