



Final Quarterly Accounting Reminder And Year-End Accounting Information

December 22, 2010

Small Business Clients,

Subject: **4th Quarter Accounting & Payroll Taxes**

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As you know, the *4th Quarter of the year ends on December 31, 2010. Quarterly Payroll Tax Returns are due by January 31, 2011.* This memo serves as a reminder to you that we need to receive all of your accounting information as soon as possible after the end of the year, and no later than **January 15, 2011**, in order to meet the deadlines. The end of the 4th quarter is the time to make any last minute changes affecting payroll taxes, retirement plan contributions, and to make sure that you have all the information necessary to produce Form 1099's to independent contractors, and W-2 Forms for employees. The financial statements produced in January are the results that will be reported on your income tax returns. Time is of the essence.

Following are some guidelines to help you pull together everything needed to complete the 4th Quarter.

Other Key Deadlines:

Business Personal Property Tax Returns: Due on 03/01/11 in some counties (i.e. Gwinnett, Dekalb), and on 04/01/11 in others (i.e. Fulton). Be sure check your mail for the forms and to fax or mail us copies upon receipt.

Business License Renewals: Due on 01/31/11 some counties/cities (i.e. City of Decatur), on 02/01/11 in some counties (i.e. Dekalb), on 02/15/11 in some counties (i.e. Fulton, Gwinnett, City of Atlanta), and on 03/15/11 in others. Be sure to check your mail for the forms and to fax or mail us copies upon receipt.

Secretary of State Annual Registration: The annual fee in Georgia has increased to \$50 and is due by 04/01/11. You should receive a post card that contains your renewal information and you may renew this online. Be sure to make any changes to company officers, and any address changes when you renew.



Georgia Department of Labor Rate Change Notices: You should be receiving a 'Notice of Rate Change' from the Georgia Department of Labor in December or early January. Please fax, scan, or mail a copy as this will be needed to correctly report payroll taxes in 2011.

Business Income Tax Deadlines:

- **March 15th** – Corporation and S-Corporation Forms 1120 and 1120-S, or extensions until September 15th.
- **April 15th** – Partnership and Estate and Trust Forms 1065 and 1041, or extensions until September 15th.
- **May 16th** – Calendar year Non-Profit Forms 990, or extensions until August 15th.

1099 Forms: Forms 1099-Misc generally must be filed by January 31st. All payments to Law Firms, are subject to receiving 1099's. Beginning in 2011 owners of rental properties will be required to file 1099's to all contractors performing repairs, maintenance and other services, who are paid more than \$600 per year. Then, starting in 2012 all businesses will be required to file 1099's to other Corporations for rents, asset purchases, supplies, and services (unless this portion of the Health Care law is repealed). If I have sent you a memo requesting information on contractors you have already paid, and you haven't addressed it, please be sure to do so as soon as possible. For now, you need to file 1099's on the following:

- Independent Contractors earning \$600 or more.
- Attorneys fees of \$600 or more paid to individuals or corporations.
- Director's fees of \$600 or more.
- Rents paid to individuals of \$600 or more.

Online Banking Access

If you have already provided us with *online access* to your bank and credit card accounts, please review this information anyway, and provide those items which cannot be gleaned from your bank and credit card statements.

Our contact information is as follows:

For US Mail:

4-Serenity, Inc.
PO Box 390428
Snellville, GA 30039

For Overnight Mail:

4-Serenity, Inc.
2775 Trotters Walk Trail
Snellville, GA 30078

Phone Number: (770) 978-9565

Fax Numbers: (770) 978-9594 or (404) 795-0467

Assistant: Denise Meanor [<mailto:denise@4-serenity.com>]

Larry's E-mail: lwalker@4-serenity.com

Quarterly Accounting Information

The following information should be sent upon the arrival of your last monthly bank statement which is generally between the 5th and the 12th of the month following quarter-end.

- Quarter-end Dates: March 31, June 30, Sept. 30, Dec. 31
 - Payroll Tax Due Dates: April 30, July 31, Nov. 2, Feb. 1
1. Bank Statements and Cancelled Checks (or a check register). [Note: Checks written on or before December 31st count even if not cleared until January.]
 2. Latest online Bank Statement including any December transactions which may not have cleared.
 3. **Credit Card Statements** with closing dates during the current quarter. (For example: If the closing date is 1/06/11 then this is your January statement, but it contains December's transactions). Also this is catch-up time for statements not provided earlier in the year. Be sure to notate the business purpose of each transaction when it is not obvious, or normal.
 4. Receipts or statements for cash purchases, real estate purchases or refinancing, equipment purchases, and vehicle purchases.
 5. Notes on extraordinary events such as new leases, contracts, and equipment purchases.
 6. Written memo on checks, bank statements, and credit card statements noting the business purpose of each expense that is not clear simply from the name. Especially on ATM, ACH or EFT Transactions.
 7. Notation next to any *deposits to the bank* which are not income, including loans and contributions from yourself, loans from third parties, repayment of loans by you, credit card advances, and cash rebates.
 8. A regular (not the accountant's version) or portable back-up copy of your QuickBooks file. If you need to use your file while we are updating your version, then be sure to keep a record of what you entered because you will need to re-enter it after we return your reviewed copy.

Year-End Accounting Information

1. **Loan statements** showing the balances on business owned auto's as of December 31st (and annual interest paid on the loan if available).
2. Total **mileage** placed on each business owned vehicle, and the number of those miles that were exclusively for business use.
3. **Loan balance** and **annual interest** statement for all Real Estate owned for business, rental, and investment purposes.
4. Loan statements on other business related debts reflecting the interest and principal payments made during the year, and the ending balance.
5. Retailers, including any business that sells products and pays sales taxes, need to provide **the Ending Inventory** as of December 31st (the value of all products and supplies on hand which are for resale).
6. A **Form W-9 (used to prepare 1099's)** should be obtained from all independent contractors who were paid more than \$600 during the year. [Note: Next year it will be mandatory to issue 1099's to other businesses, including Corporations, as well so you will need to start gathering W-9's from them.] You may download W-9 Forms at www.irs.gov or we can provide them for you.
7. Business bank statements for all company owned accounts are required for the year including copies of canceled checks or a detailed and legible check register. If you have gotten behind then please address this right now.
8. Cash or Outside Purchases: You must provide receipts for any business items purchased with cash, or from personal funds.
9. **HUD-1 Statements:** Provide a copy of the first two pages of the HUD-1 closing (settlement) statements for any properties that were purchased, sold, or refinanced during the year.
10. **Home Office Expenses:** Are not needed until it's time to prepare your personal taxes (i.e. utilities, internet, home telephone etc...).

Note: Providing online access to your bank and credit card accounts will save time, and improve efficiency.

Larry Walker, Jr., EA, CFS
Enrolled Agent, Certified Fund Specialist