Business and Accounting Basics

Nate Sponenburgh, CPA

Sponenburgh & Company, Inc.

Business Idea

- Find a Need, Fill a Need.
- Know what you do well, do it, and get help with the rest.
- Understand and Calculate Risk.
 - Not always financial
 - Market vs. Marketing

Entity Selection

- Sole Proprietor Flow Though
 - Schedule C / Form 1040 Non-Rental Businesses
 - Schedule E / Form 1040 Rental Properties
- LLC Flow Through
 - Single Member Schedule C, E / Form 1040 or Taxed As an S-Corp Form 1120S (Election Must Be Made)
 - Multi-member Form 1065 Partnership or Taxed As an S-Corp Form 1120S (Election Must Be Made)
- Corporation
 - S-Corporation (Election Must Be Made) Flow Through
 - Form 1120S
 - C-Corporation Stand Alone
 - Form 1120

Understanding Accounting

Balance Sheet

- Summarizes Assets, Liabilities, and Capital at a Particular Point in Time.
- Profit and Loss
 - Summarizes Revenue and Costs over a Specified Period of Time
- Cash Flow Statement
 - Summarizes the use of Cash over a Specified Period of Time

Accounting Systems

- QuickBooks
 - Online vs. Desktop
- Sage Products
- NetSuites
- Intaact
- Peachtree
- Zoho

Employee vs. Independent Contractor

- Three IRS Tests
 - Behavior Control
 - Control over the Worker's Time, Work-Life, and Tools
 - Financial Control
 - Compensation Structure. Salary, Wage, Commission; or Paid based on the Project
 - Type of Relationship
 - Who dictates the when and how the work gets done.

Employee vs. Independent Contractor Taxes

Employee

- FICA / Medicare
 - Employer Half
 - Employee Half
- W-2 Issued

Independent Contractor

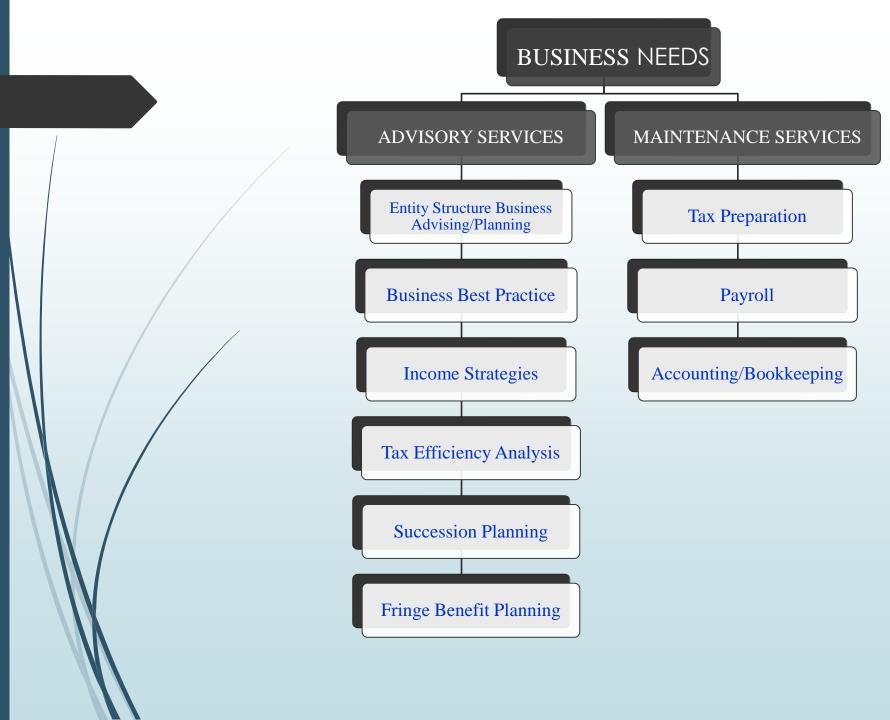
- FICA / Medicare
 - 100% By Contractor (SE Tax)
- Form 1099 Issued

Payroll Compliance

- Quarterly Form 941
- Quarterly WY Worker's Compensation / Unemployment
- Annual Form 940
- Annual Form W3 / W2 Filings
- Annual Form 1096 / 1099

Who We Serve

We work with proactive people who want to take control of their financial ambitions by partnering with our staff



Review / Questions