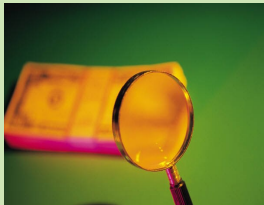


LINDSEY & WALDO

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."



SPECIAL POINTS OF INTEREST:

- Buster's latest
- Referrals
- Quotes
- Call-in times
- Business planning
- And, much more

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Taxing Times

Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

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Commonly Missed Business Deductions

Many business taxpayers overlook legitimate business deductions, resulting in an overstatement of their tax liability. Some of the more commonly missed deductions include business expenses paid out of personal funds, expenses related to a home office, and the use of personal telecommunication devices for business purposes.

General Business Expenses

Generally, a deduction is allowed for all ordinary and necessary expenses paid or incurred during the tax year in carrying on any trade or business. Business owners who use their personal funds for business expenses, such as office supplies, often fail to deduct this as a qualifying expense.

A trade or business expense is deductible as such only if it is "ordinary and necessary." An "ordinary" expense is generally one that is normal, customary, or usual for a business under the facts and circumstances of the situation. A "necessary" expense is one that is appropriate and helpful for the trade or business. A final requirement is that this expense must be reasonable.

One of the more commonly overlooked general business expenses is the business use of personal telephones, cellular telephones, and Internet connections. If you carefully document how much

these devices are used for personal and business use, the business portion may be deductible.

Home Office Deductions

If you use part of your home as a home office, you may be entitled to deduct expenses related to your home office based on the square footage the home-office occupies. Related expenses include mortgage interest, property taxes, utilities, insurance, and repairs.

To qualify for the deduction, the portion of the home that is used for the home office must be used regularly and exclusively as your principal place of business. To be your principal place of business your home office should be the place where, in the normal course of business, you meet with patients, clients, or customers.

Meals and Entertainment Expenses

Business owners will frequently use their personal funds to pay for meals and entertainment expenses. These expenses qualify as a business deduction, subject to certain limitations. To be deductible as business expenses, entertainment expenses must have a proximate relation to your trade or business and be reasonably expected to benefit the trade or business.

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How to Build a Network for Success

It's been said that most people know between two and three hundred people. Isn't that plenty for a network? A major key to building a powerful business network is diversity. Yet, it's natural for us to be attracted to people much like ourselves. We tend to hang out with others in our age group, our income, our social status. People with our interests. The problem is that when you surround yourself with similar contacts, you may find it hard to connect with new people or companies you want to do business with. The more diverse your business network, the more different groups you might have connections into. Linchpins that link people together in ways you never would have thought about. When it comes to business networking, you never know who people know.

In "*The 29% Solution*" Dr. Ivan Misner, often referred to as the father of modern networking, talks about one of the most profitable referrals

Continued on page 3 ➡



Commonly Missed—*continued from page 1*

Deductions for business meal expenses are subject to the same business connection requirements as entertainment expenses. However, the deduction will be denied if the meals are lavish or extravagant or if you or an employee are not present when the food or beverage is served. The deduction is allowable when the customer's spouse, your spouse or both are present at the meals, provided the general conditions for deductibility are otherwise present. The cost of entertaining business associates and customers at home is also deductible. However, in the case of business meal entertaining at home, you must be able to clearly show that the expenditure was commercially rather than socially motivated.

Substantiation

Regardless of the type of cost you are trying to deduct as a business expense, you must be able to substantiate each expense and how it relates to your trade or business. The importance of keeping accurate and appropriate records cannot be over emphasized. *

LOOKING FOR SOMEONE YOU CAN RELY ON?

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.

Below, you'll find a list of areas in which we know very credible, ethical and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these services.

Caterer
Carpet Cleaner
Port Facility
Identity Theft Protection
Custom Embroidery and Monogramming
Auto and Home Insurance
Civil Engineer
Diving Bell Fabricator
Banker
Auto Body Shop
Realtor
Web Developer
Electrician
Barber
Marketing Coach
Insulation Contractor
Financial Advisor
Arborist

A U S T R A L I A N C O R N E R

It's that time of year... tax season is over and Richard has already started traveling. He's already been on a couple of trips to who knows where. All I know is he's gone for days at a time and someone else stays at the house with Missy (my Dachs-hund sister) and I. From what I gather, families everywhere are making plans for their summer vacations.

But does Buster get to go on vacation? Does Buster get to go to the beach? Does Buster get to go anywhere?

Wait, let me guess... no way!

Buster doesn't even get to go to a dog park where I could run like the wind, chase birds and smell other dogs. I've heard of dog parks. I've even seen one. I have been up to Cottage Hill Park but Richard keeps me on the leash and we don't go into the dog park. How much fun is that?

What I really want to do is go to the beach. I love the beach! Run in the sand, smell the crab holes, roll in the dead fish. A dog couldn't ask for a better day.

But they don't let dogs on the beach do they? It's forbidden. I mean, what's up with that? "They" want to single out dogs and cats to keep off the beach, like they're afraid we might do something to spoil their beautiful, pristine beaches. But any bird can land anywhere they want on that beach... the water is full of creatures that wash up all the time... and who could forget those little tar balls a few years back?

No, we're not allowed on the beach... we might pee or even worse. Never mind that a lot of those people on the beach are putting out their cigarettes in the sand or drinking beer all afternoon and peeing right there in those low slung chairs... why do you think they were invented anyway? To keep a human from troubling themselves to get up and walk the fifteen feet to the water in order to relieve themselves.

But don't let them catch you walking ME on the beach. Noooooo.....

Your Canine Friend,



Buster



How to Build a Network for Success—*continued from page 1*

Business Networking International (BNI) has ever seen. It was passed by—are you ready for this—a Mary Kay consultant! It seems the Mary Kay consultant was giving a facial at a woman's home in West Los Angeles. As the consultant worked, the customer's husband walked by several times with a sheet of paper, grumbling and cursing under his breath. Finally his wife asked, "What's wrong honey?"

The husband said, "I gotta fire this graphic design outfit. They're doing a horrible job. The problem is, I need someone to take over the project quickly."

Hearing this, the Mary Kay consultant turned to the woman's husband and said, "Gee, I know a great graphic designer. I think I have his card right here." She opened her business card file, "I'm going to see him tomorrow morning. Would you like me to give him your card and have him call you?"

"Absolutely!," replied the husband.

The Mary Kay consultant made the connection and the graphic designer got the job. Here's the kicker: the husband was a movie producer. The graphic design work was for a new movie. The referral turned into a six-figure contract, and the designer did such a great job that he got the producer's next movie project as well.

The moral here, is that you never know who "they" know.

If you wish to build a powerful business network, you'll need to build one that includes people who don't look like you, sound like you, speak like you, or share your background, education or history. The only thing they should have in common with you is that they should be really good at what they do. Create a network like that, and you'll have a network that can help you succeed at anything. *

IT WAS UNFORGETTABLE

The day began with a trip to Hanger 37, Ford Island. There, we came upon the iconic 158 foot control tower still proudly standing adjacent to the hanger, signs of the surprise attack still visible to this day. Hanger 37 allows you to stroll among authentic World War II-era planes, including an actual Japanese Zero and a Stearman once piloted by President George H. W. Bush. I couldn't help but marvel at the courage it must have taken to fly and fight in some of those planes. Based on what we have today, those prop drive planes seem as fast as a moped and carry the armament of a derringer.

This was the Pacific Aviation Museum, Pearl Harbor and it was our prelude to the awe-inspiring USS *Missouri* (BB-63) on whose deck the Japanese surrendered, bringing an end to the Second World War. The "Mighty-Mo" is a behemoth of a battleship; nearly one-



third larger than our own USS *Alabama* (BB60). The fire-power here, with its massive 16 inch guns, still seems incredible, but, I suspect, pales in comparison to today's modern warships.

After a compelling 23 minute film on the history of the politics, the people and the attack on Pearl Harbor and the Island of Oahu, we boarded a navy vessel for the short ride to the USS *Arizona* Memorial. From the time you board the boat until you return, everyone speaks in hushed, reverent tones. The Memorial sits above the sunken battleship USS *Arizona*, the final resting place for more than half of the brave sailors and Marines who sacrificed their lives on that infamous day in December.

Visiting Pearl Harbor was the most memorable experience I've had in ages. It was however, a look at the past. What can we learn from it? *





LINDSEY & WALDO, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1050 Hillcrest Road, Suite A
Mobile, AL 36695
(251) 633-4070—phone
(251) 633-4071—fax
www.CPAMobileAL.com

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*Happy National Ice Cream Day,
July 19th.*

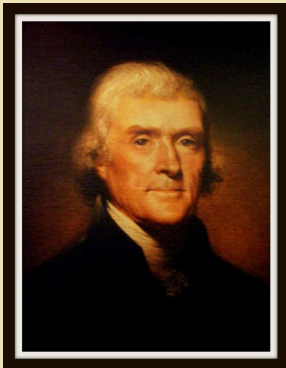
“Was the government to prescribe to us our medicine and diet, our bodies would be in such keeping as our souls are now.”

“Were we directed from Washington when to sow and when to reap, we should soon want bread.”

“The legitimate powers of government extend to such acts only as are injurious to others. But it does me no injury for my neighbor to say there are twenty gods, or no God. It neither picks my pocket nor breaks my leg.”

“He who knows nothing is closer to the truth than he whose mind is filled with falsehoods and errors.”

~ Thomas Jefferson ~



This month's special Member-Only call-in times for Lindsey's Insider's Circle will be 7/27/15 from 2:00 to 4:00 pm. To schedule your appointment, contact Kristen at (251) 633-4070. Not a member yet? Find out how to become one today!

Ask the Taxpert

Q. Are demand drafts safe?

A. A demand draft is a remotely created check, tele-check, check by phone or fax, or an e-check. It is created by a merchant with a buyer's account number on it, but without the buyer's original signature.

Check drafting is creating a valid legal copy of the customer's check, on the customer's behalf. Because it is created by a merchant, no signature is required. Instead a signature disclaimer or facsimile is entered in the signature blank. Know these important points:

- A check draft is typically for deposit only,
- Demand drafts are frequently used to purchase items over the phone from telemarketers,
- The checks also allow consumers to pay monthly bills by having them debited automatically out of their accounts rather than having to write a check each month,
- Demand drafts entail a large potential for fraud. Banks report that demand draft fraud is becoming more common,
- Under current guidelines, a consumer has 90 days from the time the check is deposited to dispute the transaction.

Bank draft scams have been around for decades. Because it is possible to remotely create a check that doesn't require your signature, scam artists have figured out a way to exploit the system. The best way to determine whether you have been a victim of a bank draft scam is to balance your checkbook regularly, looking for any unauthorized withdrawals from your account.

Do you have a question for the Taxpert that you'd like to see answered in a future Taxing Times? Or perhaps just an issue you'd like the Taxpert to address? Send the Taxpert a note to Taxing Times, 1050 Hillcrest Rd., Ste A, Mobile, AL 36695 or an email to taxpert@CPAMobileAl.com.