

Small Business Group

CONTACT



7/6

- Office is Closed for Independence Day



7/15

- Payroll information/QB files due at SBG
- Payroll tax deposit due if liability is over \$2,500

7/20

- Sales Tax Report is due

7/31

- Payroll Reports filing deadline



2ND QUARTER PAYROLL DUE

Second quarter "payroll worksheets" will be emailed to you from Small Business Group (mailed for those who do not use email) by the first week of July. QuickBooks users will receive our quarterly payroll letter requesting your updated files. For your convenience, simply upload your file to the SBG Portal. **Contact Kewanna or Carla if you need assistance using the SBG Portal.** If you prefer, you can bring or mail us your USB stick. Don't forget to send us your preprinted RT-6 when you send in your payroll, if possible.

Remember: Payrolls are processed on a first-in, first-out basis. Payrolls received after July 24th may not be completed by the payroll filing deadline of July 31st. Payrolls with missing information will not be processed until all information is received.

When sending us your QuickBooks file, please send us a backup or a portable company file reconciled through 6/30/15. Please do not use the Accountant's Transfer Copy. If you have any trouble or have additional questions, contact Kewanna or Carla at 731-2221 or by email at kgroman@smallbg.comcastbiz.net.

OFFICE HOURS

Monday - Thursday
8 am to 5 pm

CLOSED FRIDAYS
(until January)

Semi-Weekly 941 Deposit Due Dates

Payroll Check Date:	Deposit is Due on:
Jul 1-3	Jul 8
Jul 4-7	Jul 10
Jul 8-10	Jul 15
Jul 11-14	Jul 17
Jul 15-17	Jul 22
Jul 18-21	Jul 24
Jul 22-24	Jul 29
Jul 25-28	Jul 31
Jul 29-31	Aug 5

Welcome!



Carla Agee

We would like to welcome our newest employee, Carla Agee, who is our new Administrative Assistant/Front Office Coordinator. Carla has many years of experience and we look forward to having her as part of our team!

Carla is replacing Kewanna, who has been promoted to our Tax Department. Kewanna will remain our Office Manager, but will also be handling our 1040 tax returns and the bookkeeping for our sole prop clients. We are excited for these changes as we continue to offer our clients the best service possible.

HONOR OUR TROOPS

As you gather with your families on July 4th, let's not forget to take time to be grateful for the freedoms being defended by our troops around the world. Thank you to those in the military and their families who are making sacrifices so that we have a stable business climate to develop our dreams. Let's never take that for granted!

Donating property? Keep good records

This point can't be emphasized enough: You must keep the detailed records required by the tax law to back up claims for charitable donations of property.

Alert: A taxpayer in a new Tax Court case failed to properly substantiate charitable gifts. (*Kunkel, TC Memo 2015-71, 4/8/15*) As a result, a claimed deduction of more than \$37,000 was reduced to an allowable deduction of zero! To make matters worse, the Tax Court imposed a 20% penalty on the taxpayer for intentionally disregarding the rules.

Here's the whole story: The tax law imposes strict substantiation requirements on charitable gifts of property, even relatively modest ones. Generally, the exact record-keeping required depends on the claimed value. In any event, no deduction is allowed if the property isn't in good condition.

For donations of gifts valued at less than \$250, you must obtain a receipt from the organization, unless it's impractical to do so, like when you drop off items in a bin at an unattended site. Nevertheless, you still have to keep reliable records of the donations, including the name of the organization, the date and location of the contribution, a description of the property and the method used to determine fair market value (FMV).

If you give gifts valued at \$250 or more, you also must obtain a contemporaneous written acknowledgment from the charity with a description of the donated property, a statement whether any goods or services were received in exchange and a good-faith estimate of the value of the gift. Each contribution is treated separately. For example, if you give XYZ charity goods valued at \$200 on July 1 and make another donation of \$200 to XYZ on Dec. 1, a written acknowledgment isn't required. Even greater record-keeping is required for gifts above \$500, including the date of the acquisition, a reasonably detailed description, the basis of the property, its FMV and the method used in determining the FMV. Similar items are aggregated for this threshold. Finally, for property valued at more than \$5,000, you must obtain a written independent appraisal, in addition to the other requirements.

Facts of the new case: In 2011, Mr. and Mrs. Kunkel claimed to make substantial gifts of property to four charities. For the annual flea market run by the Upper Dublin Lutheran Church, the Kunkels said that they gave books, house-

hold goods, clothing, toys, telescopes, jewelry and household furniture during the year.

These contributions totaled \$13,115. The couple also claimed that they gave clothing, furniture, toys and other household items to Goodwill Industries, the Military Order of the Purple Heart Service Foundation and the Vietnam Veterans of America, totaling \$24,200. These donations were made by drop-offs at unattended sites or through scheduled truck pickups at their home. Overall value of claimed donations: \$37,315. The Kunkels said they didn't believe they had to obtain receipts for these donations because they were under \$250. But the Tax Court wasn't buying it. It figured out that the couple would have had to donate to the church's flea market on 97 separate occasions to avoid the rule for donations of \$250 or more. Based on its analysis, the Court grouped the gifts into the following seven categories:

1. Clothing — \$21,920
2. Books — \$8,000
3. Household furniture — \$3,090
4. Household items — \$1,653
5. Toys — \$1,072
6. Telescopes — \$800
7. Jewelry — \$780

Therefore, extra record-keeping was required for all seven categories, and appraisals were needed for the two categories of clothing and books. In summary, the Tax Court said that the Kunkels didn't keep reliable records and failed to provide evidence that the donated items were in good condition. Accordingly, it disallowed the entire deduction. What's more, to add insult to injury, the Court added a 20% accuracy-related penalty for a flagrant disregard of the rules.

Tip: Don't make the same mistakes as this couple. Protect charitable deductions with detailed records.

Small Business Tax Strategies—June 2015

GROW our Business

Do you KNOW an Entrepreneur?

Refer them to Small Business Group & they will receive a one-on-one consultation... FREE!

If they sign up with SBG, YOU could receive a credit on next year's client engagement.

Contact SBG at 731-2221

HELPUS