

## Credit Control Session for Small Business

March 12, 2009

Co-hosted by Jane Honeck  
See page 2 for details

HONECK • O'TOOLE  
...where people count

renews

Ideas to help small businesses and individuals  
maximize income while minimizing taxes.

1st Quarter 2009

## Take Control of Your Credit

A sound strategy can get you through the credit crisis climate.

With the recent credit crisis, it's important to consider how a sound strategy can help you navigate through turbulent times. We've collected the following tips from the AICPA (American Institute of Certified Public Accountants), to help you assess your current financial condition and start rethinking your business plan for the road ahead.

See page 2 for details on the *Credit Control Session for Small Business* co-hosted by Jane Honeck.

1. **Don't panic. Try to step back and take a calm approach.** To get a better sense of where you stand, begin by reviewing your cash position and anticipated cash needs. Are they in line with your business's short-term needs, goals and risk tolerance?
2. **Take a fresh look at your monthly income and expenses.** Have you been meeting your budgeted projections? How much of a drop in revenues can your business withstand and for how long? What are your cash-flow needs for the next 90 to 120 days? Or 120 to 180 days? Do you have sufficient cash reserves for the next 30 to 60 days?
3. **Check with your lenders on the status of your credit lines.** Are you in compliance with their terms? Will your bank renew their commitments at similar amounts, rates and terms?
4. **Eliminate your reliance on credit** by disciplining your spending.
5. **Focus on your balance sheet** and how much credit you are extending to your customers. What are the terms of that credit?
6. **Address matters immediately if your credit lines are frozen or at their maximum limits.** Consider meeting with vendors and working out a schedule of partial payments that would allow continued delivery of critical materials and supplies.
7. **Look into alternative types of financing.** Consider loans on life insurance policies, loans from key customers that rely on your business for their materials and supplies, or loans from labor unions, local development agencies or the U.S. Small Business Administration.

Take Control - Continued on Page 2

## Honeck•O'Toole Needs Your 2008 Tax Information by March 19, 2009

Remember—it can take up to four weeks to complete your tax return. Therefore, **we need your tax information by March 19** to guarantee that you'll have your Federal and state returns by the April 15 deadline.

**Please send us your information right away, even if you don't have every detail.**

If you're unable to meet this deadline, we'll be happy to file for an extension. You'll need to send a tax payment with the extension form if you expect a balance due. (Please remember that an extension of time to file is not an extension of your time to pay the balance due.)

### 5 Easy Ways to Meet Your Tax Return Deadline

1. Complete the Tax Questionnaire and Tax Organizer we mailed to you. Please make sure your name and address are correct.
2. Alternative option: If you use QuickBooks® or Quicken® to maintain your records, send us a backup and password along with our Tax Questionnaire. And, you can skip those pages in the organizer! We'll take the numbers directly from the backup file.
3. Collect your information, including tax forms you received (W-2, etc.), interest statements, year-end stock/mutual fund statements, etc. You DO NOT need to list these items in your Tax Organizer if you're providing statements to us.
4. Mail or deliver your completed forms and attachments to our office at 50 Portland Pier in Portland. We'll call you with any questions.
5. Be sure to get us your information by **March 19, 2009!** This will guarantee that you'll have your return by April 15, 2009.

### NEW THIS YEAR:

**1. All Returns are E-Filed unless you indicate otherwise.**

Honeck•O'Toole is electronically transmitting both your Federal and Maine tax returns for you...unless you specifically tell us not to. If you're expecting a refund, electronic filing speeds up the process so you get your refund check approximately two weeks sooner than if

Tax Information - Continued on Page 2

## ◀ TAKE CONTROL ...continued from page 1

8. **Keep an eye on your accounts receivable.** Watch for new patterns of slow payments and follow up immediately. Review your largest and riskiest accounts to determine whether credit constraint or economic slowdown will affect their ability to pay you. Keep the receivables aging current.
9. **Manage accounts payable more closely.** Consider forfeiting early-pay discounts to preserve cash that may be needed for critical items. Keep payables aging current at all times to manage your cash balance.
10. **Analyze your expenses and determine which ones can be controlled.** Can you reduce spending to put less of a burden on your cash-flow needs? Ask your staff/team members to tighten spending wherever possible.
  - If you're a manufacturer, review inventory management practices for opportunities to reduce your on-hand inventory.
  - If you're a service company, make sure you're capturing all billable hours and invoice your clients promptly. Have you billed all your contractual items? How about all your pass-through expenses, such as billable third-party services and travel expenses?
11. **Consider ways to pass your increased costs on to your customers.** These may include fuel expenses, shipping costs, printing costs and other expenses you can't control.
12. **Check the safety of any cash deposits you have.** On October 3, 2008 the FDIC deposit insurance was temporarily raised from \$100,000 to \$250,000 per depositor through December 31, 2009. If you have more than \$250,000 in any one bank, move the excess to another FDIC insured bank. Consider investments such as CDARs (Certificates of Deposit Account Registry) to spread the risk of short- to medium-term cash you may have invested in CDs.
13. **Don't engage in panic selling of your investments.** Make sure your portfolio is diversified and in accordance with your risk tolerance.
14. **Come up with a plan NOW to respond to future declines in revenues,** before they occur. Re-think your business strategies and update projections. Review your product/service lines to identify the most profitable items and determine how to leverage for future profit growth.
15. **Contact your good customers.** Even casual discussions can lead to new business opportunities.
16. **Review all your insurance coverage,** particularly any from companies with weak balance sheets. Be careful not to surrender a policy, as securing new coverage might require underwriting that can affect your coverage. Consider increasing deductibles to reduce premiums.
17. **Calm your employees' fears** about how this crisis will affect the company, their jobs and their retirement or other benefit plans to avoid speculation and gossip.

For help in understanding issues facing small business, turn to the CPA profession's free Financial Literacy Web site for consumers at [www.360financialliteracy.org](http://www.360financialliteracy.org). You'll find tools and tips to help you make important decisions for your business and your own personal financial planning needs.

Keep in mind that you DO have advantages:

- Small businesses have greater flexibility and can more easily adjust to changes in the economy than their larger counterparts.
- Small business owners can use the recent crisis as an opportunity to buckle down, refocus, assess and make their company more financially sound, disciplined and less reliant on credit. ■

### Credit-Control Session for Small Business March 12, 2009, 8-10 a.m. Location TBD Ready to take control of your credit?

Join Jane Honeck, CPA, PFS, and Susan Baracco, Business Advisor, AdvCoach, as they provide step-by-step guidance. Seating is limited – please call 774-0882 by March 9 for details and to register. Cost: \$35  
(Honeck•O'Toole clients – save \$5 if you mention this article)

## ◀ TAX INFORMATION ...continued from page 1

you mail your return. Some special forms cannot be filed electronically. If we are completing these forms for you, we'll let you know.

### 2. Written permission is required before we can release copies of your tax return.

Under a new U.S. Treasury regulation effective 1/1/09, we'll need your signed written permission before we can send a copy of your return or information to a third party. Call us about requesting an extra client copy if you think you may need one.

### Please call the front desk if you need help: 207-774-0882

If you're calling on the status of your return or to set up an appointment with an accountant, the front desk can respond more quickly than if you leave a voicemail message with your accountant. Rest assured that our front desk team will take good care of you. ■



## CENT\$IBLE LIVING PERSONAL MONEY COACHING

### Finally...a Path to Making Your Financial Dreams Come True

#### Introducing *Cent\$ible Living Personal Money Coaching for Individuals and Couples*

For over 30 years, CPA and Personal Financial Specialist Jane Honeck has helped many individuals and small businesses make financial decisions – including you perhaps!

**Now, Jane's unique *Cent\$ible Living* approach can help you make effective and long-lasting changes.** As a Certified Empowerment Trainer with the Empowerment Institute, she can help you investigate and change the thinking that brought you to your current financial life.

Jane explained, "It's more than just money! I focus on helping you look at limiting beliefs that prevent you from moving to financial change. I work with your beliefs to help you develop and implement a concrete plan to make your financial visions come true."

#### Here's how it works

During a six-session program, Jane leads you through questions and exercises that help you investigate,

address and closely examine the underlying financial beliefs and values that may be sabotaging your money situation. She'll help you change your relationship with debt, savings and spending to give you a strong foundation from which to grow your finances!

**With this clear picture of how and why you got to where you are, you can finally create realistic, attainable action steps – including detailed spending and savings plans – that will lead you to your dream financial life.**



This program is especially useful for couples who find themselves with conflicting financial beliefs, values and methods. Plus, coaching can be done in person or over the phone.

*"The work I did with Jane shifted my focus, and my finances now reflect my more balanced relationship with money. During this past year, I was able to get out of credit card debt and launch my own life coaching business. I give much of the credit for these successes to Jane's coaching."* Creighton Taylor, Thrive! Life Design Coaching

Call Jane today at 207-774-0882 to see if this program is right for you. ■

HONECK · O'TOOLE



## QUICKBOOKS® 2009

### QuickBooks® 2009 Makes Bookkeeping Easier Than Ever!

The latest release of QuickBooks offers a number of new functions for maximum efficiency, including:

- Easily download transactions from your bank account or credit card directly into QuickBooks.
- Connect with the online Intuit Small Business Community to get your questions answered.
- Use QuickFilter to save time from scrolling through long lists of customer, vendor and item information.
- New! When processing credit cards, get real-time bank deposits and fees.

**Best of all, your records can be shared securely with us -- simultaneously -- to save time and money!**

Joyce Broadwater at Honeck-O'Toole assists clients with QuickBooks recordkeeping and is thrilled with QuickBooks 2009. "Now, there are two layers of pass-

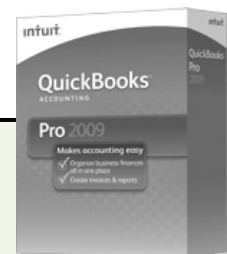
word protection to keep your financial data secure online," said Joyce. "And for the first time, my clients and I can work on records simultaneously. I can post journal entries, clean up files, create a cheat sheet of items to be reconciled, and import my changes at any time, even while the client is in their QuickBooks file. Working simultaneously saves time, increases efficiency and reduces fees."

Joyce noted that 95% of Honeck-O'Toole clients use QuickBooks. Among QuickBooks users, 75% of them share files online with Honeck-O'Toole staff because of the ease of use, time savings and money savings.

Honeck O'Toole is a QuickBooks Affiliate, which means we can order your QuickBooks 2009 software at a discount, with free shipping.

- 15% off QuickBooks Single-User Products
- 20% off QuickBooks 5-User Pack

Call us immediately at 207-774-0882 for details. ■



Congratulations to the following Honeck•O'Toole clients for their impressive efforts and recognition!

**Will Power**

Actor, rapper, playwright and educator

United States Artists (USA) is a grant-making, artist-advocacy organization dedicated to supporting artists working across diverse disciplines. The USA Fellows program awards unrestricted \$50,000 grants to fifty artists each year. According to the USA Web site, Will Power was named a USA Fellow for 2008 in recognition of "his explorations of the fusion of the hip-hop musical aesthetic with contemporary theater practice, which helped to define the genre known as hip-hop theater." Will established the fusion of original music, rhymed language, and dynamic choreography in 1999 with his breakout solo performance piece The Gathering. He has been called an "electrifying" (Newsday) and "dynamic performer" (Variety), and has won numerous awards. To learn more about Will's work, visit [www.willpower.tv](http://www.willpower.tv).



**Richard Berman**

Real estate developer

On November 20, 2008, the Downtown Portland Corporation (DPC) presented its thirteenth annual business awards to local businesses that have played a major role in developing Portland's downtown. Richard Berman received the 2008 Economic Development Achievement Award for his Portland developments, including the Chestnut Street Lofts – a mixed use building with thirty-seven units and two ground-floor commercial units. A DPC press release explained, "The location was formerly a brownfield site, and Richard rehabilitated it by working with the DPC's revolving loan program to fund the clean up of pollution from a long-defunct gas station. This development, together with Unity Village, added to the City's Bayside Vision – a city initiative to revitalize and spur economic development in the Bayside neighborhood."

**Meet Mike Lawsure, CPA, MST**

Our newest staff member

Michael Lawsure, CPA, MST received a B.A. in Business Administration-Accounting from the University of Southern Maine in 1982 and an M.S. in Taxation from Thomas College in 2005. After many productive and satisfying years in private accounting, Mike changed course in 1998 and entered the public accounting field and became a CPA. Since then he has helped a variety of clients with a broad array of tax needs.

"I'm excited about being part of the professional team at Honeck•O'Toole," said Mike. "I look forward to talking with clients and helping them with their tax planning and other financial concerns." Mike grew up in the Portland area, graduated from the Cape Elizabeth school system and now lives in North Deering with his wife and two sons. You can reach Mike at [mlawsure@honeckotoole.com](mailto:mlawsure@honeckotoole.com) or 207-774-0882.



**REMINDER**

**YOUR TAX INFORMATION IS DUE MARCH 19, 2009**



**INSIDE CONTROL YOUR CREDIT TAX TIME**