

Four Basic Rules for Small-Business Accounting

These four tips will help small business owners keep their books up-to-date:

1. Keep track of what you spend. Keep and sort receipts using a system that works for you – date and function are two options. Separate receipts into accounts to track income and expenses for particular customers or projects, and keep a running total of expenses.

2. Keep track of what you're owed. Bill customers promptly. Keep track of who owes you money and remind them to pay regularly. Promptly record payments – on paper, computers, or both.



3. Compare earnings to expenses. Tally earnings and expenses regularly – daily, weekly, monthly, or quarterly – and compare the two. Having accounts to track specific activities or expenses can be helpful in identifying products or activities that are profitable, as well as changes that could improve profits.

4. Monitor cash flow. When your flow of payments into your business happens on a different schedule than the flow of money out of your business in the form of expenses, you can end up owing more than you have on hand. Monitor cash flow so you can work with a lender or tap into other resources to cover shortfalls.

Loan Scams Lure 'Fees' From Unwary Business Owners

Hard-working business owners often are short of funds for expanding their businesses and short of time to explore their options.

That combination can make business owners vulnerable to fraudulent loan offers. Scammers target business owners via Web sites, e-mail, U.S. mail, telephone, or even an advertisement in the local newspaper.

Scam loan offers typically promise quick access to hard-to-find funding for business operations or expansions.

Making contact

Many loan scams ask business owners to pay an "advance fee" or hire the services of a "credit arranger."

The scammer typically makes contact by telephone or e-mail and pretends to be a loan officer responding to an application. The scammer usually says the applicant is a borrower in good standing, but says an advance fee is required to process the loan.

After the fee is paid by wire transfer, the scammer may attempt to coax more fees out of the applicant by pretending that the fee amount has changed or that additional costs must be paid in advance.

Eventually, the scammer disappears with the applicant's money after failing to provide the loan. Because loan scams often originate in Canada or other countries, the applicant's money rarely is recovered.

Avoiding scams

To avoid scams, the National Consumers League offers five rules for business owners:

- Do business with companies you know and trust.
- Understand the offer. Get details and promises in writing.
- Check bills and invoices carefully.
- Guard financial and account information.
- Educate employees about avoiding scams.

Finally, always trust your intuition. If your instincts tell you something is too good to be true, you're probably right.

Contact TFCU today for help in acquiring a small-business loan. We can take a look at your business plan and find a loan that fits your needs.

Business Accounts & Services, call: Thomas Perri:
631-698-7000, ext. 6029.

Business Loans & Lines of Credit, call: Jordan Herzlich:
631-698-7000, ext. 3016.

Home-Based Business Tips

If you intend to deduct the costs of using your home for business purposes, keep careful records that show the area of your home used for business, and how that space met the requirements for regular and exclusive use. Record any depreciation claimed, and file cancelled checks, receipts, and invoices to verify your expenses.

You also may benefit from a wide range of other deductions for expenses, fees, and services:

- **Start-up expenses:** renovating facilities.
- **Operations expenses:** paying for office supplies, equipment repairs, postage, utilities, subscriptions and similar expenses.
- **Equipment costs:** purchasing computers, furniture in qualifying office and specialized items.
- **Legal and professional fees:** paying fees to attorneys, accountants and consultants.
- **Purchased services:** hiring family members or service firms to help complete special projects. Payments to family members are deductible as long as you document services rendered and cost.
- **Automobile costs:** keeping a mileage log and claiming the standard IRS deduction, set at 50¢ a mile in 2010. Or, you can deduct the business share of actual expenses. If you purchase a vehicle for business use, you may be able to deduct the full cost or depreciate it over several years, depending on the type of vehicle purchased and cost.



Get the Purchasing Power Your Business Needs with a TFCU Business Credit Card

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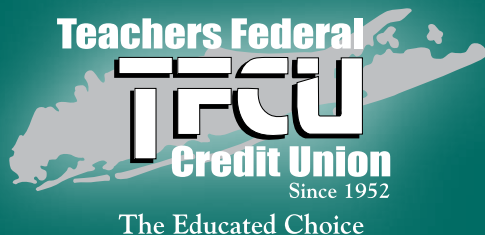
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