

2024 SMALL BUSINESS FINANCIAL OPERATIONS

2024 OPERACIONES FINANCIERAS DE PEQUEÑOS NEGOCIOS



► Diane Ruiz, MBA

-Entity Selection/ Selección de Entidad

-Register with Illinois /Registra con Illinois

- ▶ Why select an Entity? Porque seleccionar un Entidad?
 - Shield personal liability/ Proteger la responsabilidad personal
- ▶ Sole Proprietor/ Propietario Unico - default/ (por defecto)
- ▶ Limited Liability Corporation LLC/Compania de Responsabilidad Limitada LLC
- ▶ Partnership/Negocio de Asociacion - *2 or more default/por defecto*
- ▶ Corporation/Corporacion
- ▶ S Corporation/Corporacion S

-Entity Selection/ Selección de Entidad

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- Most Common of those that Selected/ Mas Comun de los que seleccionaron
- ▶ Limited Liability Corporation LLC/Compania de Responsabilidad Limitada
LLC : unlimited shareholders/ilimitado no. De accionistas
: taxed at member level/ impuestos a los miembros
- ▶ Corporation/Corporacion - **double taxation /el impuesto double**
 - -unlimited shareholders/ ilimitado accionistas
- ▶ S Corporation/Corporacion S - taxed at shareholder level/impuestos a los accionistas.

1. Entity selected/ Entidad seleccionaron
2. Business license/Licencia de Negocios

Good record keeping is important!

- ▶ Separate bank account
- ▶ Separate email
- ▶ Separate Social Media accounts/names - Facebook, instagram, tik tok etc.
- ▶ Records of Revenue/Income
- ▶ Receipts of expenses
- ▶ Records of mileage of personal car for business

Bien mantenimiento de registros es muy importante!

- ▶ Cuenta de banco separado
- ▶ Cuenta de email separado
- ▶ Medios de comunicacion social separado
- ▶ Registros de Ingresos
- ▶ Recibos de gastos
- ▶ Datos de millas en carro personal

DAILY LOG/ REGISTRO DIARIO

▶ EXCEL TEMPLATE

- DAILY LOG OF ACTIVITY
 - Revenue/Sales
 - Supplies expense

▶ FORMATO de EXCEL

- REGISTRO DIARO
 - Ingresos/ Ventas
 - Gastos suministros



Operating Statement : Profit/Loss / Declaracion Operativa : Ganancia/Perdida

▶ EXCEL TEMPLATE

- Monthly Revenues
- Monthly Expenses

▶ FORMATO de EXCEL

- Ingresos Mensuales
- Gastos Mensuales



DAILY LOG TOTALS/ REGISTRO DIARIO TOTALES

Excel Template totals/ Formulato de Excel totales

ANNUAL TOTAL				\$ 80.00	\$ 1,810.00	\$ 190.08	\$ 1,699.92
MONTHLY TOTAL January 2023				\$ 40.00	\$ 905.00	\$ 95.04	\$ 849.96
MONTHLY TOTAL February 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL March 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL April 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL May 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL June 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL July 2023				\$ -	\$ -	\$ 95.04	\$ (95.04)
MONTHLY TOTAL August 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL September 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL October 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL Novemberr 2023				\$ -	\$ -	\$ -	\$ -
MONTHLY TOTAL December 2023				\$ -	\$ -	\$ -	\$ -
ANNUAL GRAND TOTAL 2023				\$ 40.00	\$ 905.00	\$ 190.08	\$ 754.92

Operating Statement : Profit/Loss / Declaracion Operativa : Ganancia/Perdida

PROFIT & LOSS													
GROSS REVENUE	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTALS
SALES CASH	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40.00
SALES retel & OTHER	\$ 905.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 905.00
													\$ -
													\$ -
TOTAL SALES	\$ 945.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 945.00
GROSS PROFIT/NET SALES	\$ 945.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 945.00
EXPENSES													
ACCOUNTING FIRM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BANK FEES	\$ 50.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50.00
BUSINESS INSURANCE	\$ 75.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75.00
INTERNET	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00
TELEPHONE/CELLPHONE	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 780.00
CHAMBER OF COMMERCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COM ED	\$ 100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100.00
PEOPLES GAS	\$ 150.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150.00
RENT/MORTGAGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUPPLIES (not direct material)	\$ 95.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190.08
PAYROLL (not direct labor)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MILEAGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.55
MAINTENANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADVERTISING	\$ 25.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25.00
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 660.04	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 160.04	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 65.00	\$ 1,476.63
PROFIT/LOSS	\$ 284.96	\$ (65.00)	\$ (65.00)	\$ (65.00)	\$ (65.00)	\$ (65.00)	\$ (160.04)	\$ (65.00)	\$ (65.00)	\$ (65.00)	\$ (65.00)	\$ (65.00)	\$ (531.63)

**TRATA TODO LOS DIAS COMO FIN DE MES, CADA
MES COMO FIN DEL AÑO-**

El Tiempo de Impuestos sera simple.



**TREAT EVERY
DAY LIKE
MONTH END,
EVERY MONTH
LIKE YEAR END.**

Makes tax time
simple.

- Track Revenues and Expenses. (Log them manual, digital etc...)
- Keep accurate sales records, invoices and receipts
- Burden of proof is on you; IRS audits back up to 3 years (in cases of fraud = FOREVER)

- Mantiene precisa registros de ingresos y gastos.
- Recibos de Venta, Recibos de gastos
- USTEDES TIENEN LA CARGA DE LA PRUEBRA! SI SUSPECHAN FRAUDE = INDEFINIDAMENTE!!!

Record Keeping- Mantenimiento de registros

■ ■ ■ 7 YEARS

- Bank statements & deposit slips
- Taxes (payroll related)
- General , payroll, electronic payment records
- Employee expense reports
- Freight bills, bills of lading, inventory listings & tags,



- Invoices: sales to customers/credit memos, payroll journal
- Production & sales reports, purchases, purchase orders
- Sales or work orders, subsidiary ledgers (accts receivable/payable, equipment)
- Time cards & daily time reports

Record Keeping - Mantenimiento de Registros

■ ■ ■ **PERMANENTLY**

Fixed assets

Taxes (income)

Cash receipts journal

Chart of Accounts

Deeds, mortgages, bills of sale



Fixed asset record (invoices, canceled checks, etc.)

General journal or ledger

Patent/trademark & related paperwork

Training manuals

Trial balance - year end

Small Business Taxes- Losses?

Impuestos de Negocios Pequeños-Perdidas?

**REQUIRED AND BENEFICIAL TO FILE
\$400 or more in Net Earnings**

Avoid fines/penalties for not filing.

Losses can be taken as a credit and carried over to future years.

Applying for loans, grants tax returns are used.

- ▶ **ES OBLIGATORIO Y BENEFICIOSO A DECLARAR/REPORTAR**
- ▶ **\$400 or mas en Ganancias netos**
- ▶ Enfrontaras multas o sanciones
- ▶ Puede tomar un credito de sus perdidas para usar en los anos que vengan. Usen sus impuestos para aplicar por subvenciones y prestamos etc..

-Entity Selection/ Selección de Entidad

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- ▶ Net Income of \$400 or more required to file/report a tax return.
- ▶ Ganancias netos de \$400 or mas, es mandatorio a reportar/declarar impuestos.
- ▶ Entity determines what form to file or report:
- ▶ Entidad o el tipo de Negocio decide como se necesita declarar:
- ▶ Taxes on Net Income - after you deduct ordinary business expenses.
- ▶ Pagas impuestos en Ingresos Netos- despues de gastos
 - [Excel Template/ Formulario en Excel](#)

Small Business Taxes

Impuestos de Negocios Pequeños

- ▶ EIN - Do you need an EIN? Necesita un EIN?
 - ▶ Yes, If you will pay employees/ si tienes empleados
- ▶ Business Taxes:
 - ▶ Income Tax (Net Income/ Profit/Loss)/ Ingresos netos (despues de gastos)
 - [Excel Template/ Formulario de excel](#)

Personal/Employees Taxes

Impuestos de Empleados y Personales

- ▶ Self Employment Tax- 15.3%
(12.4% Social Security, 2.9% Medicare)
1099 Independent Contractors
- ▶ Employment Taxes - (FICA) withhold from employees paycheck for Federal and State Income Tax , Medicare, SS, Unemployment ins. **W-2 employees.**

Small Business Entity & Taxes

Entidad Y Impuestos de Negocios Pequeños

▶ SOLE PROPRIETOR \PROPRETARIO UNICO

- Form 1040 Schedule C or Schedule C EZ

▶ LIMITED LIABILITY CORPORATION - LLC/ COMPANIA DE RESPONSABILIDAD LIMITADA LLC

- Form 1040 Schedule C- Single member LLC/
- Form 1065 - Treated as a Partnership /Form 1120 - Treated as a Corporation

▶ PARTNERSHIP/ NEGOCIO DE SOCIEDAD

- Form 1065 or 1040 Sch E SE or 1040 ES

▶ CORPORATION/CORPORACION

- Form 1120

▶ S CORPORATION

- Form 1120S
- Form 1040 Schedule K-1 for Partner/socio

Free Tax Preparation/ Impuestos Preparados Gratis

▶ AARP Foundation Tax-Aide Site Locator-

- www.aarp.org

- Sole Proprietor or Single Member LLC?
- Propietario Unico or LLC de un Solo Miembro?

▶ IRS Free File

- [Apps.irs.gov](https://apps.irs.gov)
- <\$79,000 AGI (Income after adjustments)

QUESTIONS?/PREGUNTAS?

Free Consulation/Consultation gratis



- ▶ EMAIL: diane.ruiz@swcollective.org
- ▶ Telephone: 773 909 3307

In Partnership with IHCC