

Bookkeeping Bits

Small businesses are victims....

of employee theft. We read about it in the newspapers all the time. What will shock you is how often it happens. The Association of Certified Fraud Examiners estimates that small businesses lose 6 percent of all revenue to employee theft! The U.S. Chamber of Commerce did a survey of small business bankruptcies, finding that 1 in 3 were due to employee theft.

The systems a business sets up to protect assets are called internal controls. When a business separates employee duties in the system of internal controls, that is called "segregation of duties." The most common thefts suffered by small businesses are check tampering, fraudulent billing, and inventory theft. In my years of working with businesses, the thing I have heard from nearly every small business owner suffering employee theft, She (he) was the most trusted person in the Company."

There are some steps that you can take to protect your business. Here is a list of the most important things you can do: 1. Review your bank statement each month. The business owner should have images of all checks and deposits on his statement and read each image to make sure it makes sense. Make sure all transfers to and from the account make sense. 2. Account for cash from the sale to the till to the bank deposit. Have a system that requires balancing of all revenue, cash, checks, and credit card payments. 3. Pay attention to the lifestyle and any problems that employees who have access to the system are having. 4. Review your income and expense reports closely. IF something looks unusual, keep digging. Many business owners have known something was unusual but did not dig deeper, causing the fraud to go on longer and cost them more

money. 5. Require employee vacations. Have another employee or an owner do their job while they are gone. This can be very revealing. 6. Consider installing security cameras in inventory locations and over cash registers. This is especially helpful when inventory is not secured in a separate location.

Keeping track of all the business assets is a lot of work, but it is a lot less expensive than having them disappear. If you would like a review of your internal controls and segregation of duties, let me know. We are always happy to help. Remember, Ben Franklin said, "An ounce of prevention is worth a pound of cure."



Bruce Knudsen is the Owner of Online Bookkeeping Inc and Knudsen Accounting. He can be reached at 406-294-7612

<i>Welcome</i>	1
<i>Tax Tips</i>	1
<i>Meet the Staff</i>	2
<i>QB Tips</i>	2
<i>Upcoming Dates</i>	2

Tax Tips

From Knudsen Accounting Services, P.C.

Making Work Pay Tax Credit

In 2009 and 2010, the Making Work Pay provision of the American Recovery And Reinvestment Act will provide a refundable tax credit of up to \$400 for working individuals and up to \$800 for married taxpayers filing joint returns. This tax credit will be calcu-

lated at a rate of 6.2% of earned income and will phase out for taxpayers with modified adjusted gross income in excess of \$75,000 or \$150,000 for married couples filing jointly.

For people who receive a paycheck and are subject to withholding, the credit will typically be handled by

their employers through automated withholding changes. These changes may result in an increase in take-home pay. The amount of the credit will be computed on the employee's 2009 and 2010 income tax returns. It is not necessary to do anything to get the automatic withholding

change. However, an employee with multiple jobs or a married couple whose combined income places it in a higher tax bracket may want to submit a revised Form W-4.

If you have any questions please call Knudsen Accounting 406-248-5487

Meet the Staff



Hello, I am **Jennifer Edgell**, the payroll accountant at Online Bookkeeping. I live in Billings, Montana with my husband, Keith and my sons. I have three boys, Zachary, who lives in Alaska, Justin who is a Senior at West High School and Kyle who is a Freshman also at West. We love to go camping, boating and traveling.

I received my Bachelor's degree at Eastern Montana College, now Montana State University Billings. My major was elementary education with a minor in mathematics. After several years I returned to school and earned my Accounting degree. Previously, I worked as a controller for a local company in Billings doing payroll, accounts receivable, accounts payable and financial statements. I joined OBI in December 2008.

I can be reached at Jennifer@bookkeepingservicesonline.com or 294-7617.

QuickBooks Tips—Using Custom Fields

By: Nancy Howell, Manager of New Client Implementation
406-294-7616

QuickBooks allows you to tailor your customer, vendor and employee records to your exact needs, as broad or specific as you want by using the "custom fields". Any information that you can think of that would be helpful in communicating, servicing and monitoring your business can be maintained in custom fields. Not only is the additional information available from your customer/vendor/employee centers, but it is also accessible on certain reports and forms (by customizing the form to add the newly created fields).

Although our online bookkeeping clients vary widely in industry, the custom fields are an easy tool for gathering and maintaining all of the information that is unique to each business. Some examples of custom fields are: spouse/family information, birthdays, Web URL's, sales regions, how found (marketing leads), etc.

Create a new custom field by going to **customer/vendor/employee center**, click on any name on the list, **Edit**, and select the **Additional Info** tab.

The screenshot shows the 'Additional Info' tab in QuickBooks. It contains various fields for customer information, including 'Categorizing and Defaults' (Type: Residential, Terms: Net 30, Rep: [dropdown]), 'Sales Tax Information' (Tax Code: Tax, Tax Item: San Domingo, Resale Number: [input]), 'Price Level' (dropdown), 'Custom Fields' (Spouse's Name, Birthday, Web URL), and 'Online Banking Alias Management' (Manage Aliases button).

Select the **Define Fields** button, and proceed with creating your new customized fields.

The screenshot shows the 'Define Fields' dialog box. It has a table with columns for 'Label', 'Customers', 'Jobs', 'Vendors', and 'Employees'. The 'Spouse's Name' field is selected and checked for Customers, Jobs, and Employees. Other fields include Birthday, Date of last raise, Discount Available, and Web URL.

Once you have added the custom fields, you may want to add the field to your invoice (if it's a customer field). You can quickly **customize** your **invoice template** using the **Additional Customization** button. Your newly created custom fields will be at the bottom of the list for you to select for **screen** or **print**. If you are adding the field to your printed invoices, you'll then use the **layout designer** to place the field in the desired location.

The possibilities for these fields are endless, although QuickBooks does limit how many you can have. Also the field will hold 30 or less characters.

QuickBooks is more than just a bookkeeping module, and using these customized fields may help you step your marketing, customer service, vendor and employee relations from average to excellent!

Upcoming Dates

March 15th Corporate tax returns with a 12/31 year end are due to the IRS.

April 15th Deadline to file your Annual Report with the MT Secretary of State. Personal tax returns are due.



1537 Avenue D, Suite 360
Billings, MT 59102
406-294-7440 Office

We're on the Web!
www.bookkeepingservicesonline.com

SUBSCRIBE: If you have been sent this newsletter by a friend and would like to receive it directly, simply send your email address with a note to newsletter@bookkeepingservicesonline.com.

UNSUBSCRIBE: If you would no longer like to receive the newsletter, send your email address with a note to newsletter@bookkeepingservicesonline.com