

Periodic Business Review (PBR) Agenda 2019 (shortie)

Date: _____

Business Name: _____ Your Name: _____

This is the shortie version of our PBR Agenda, and focuses on the most basic elements for periodic business reviews. Two objectives with PBRs; tax planning and Q&A. Turn the page for the more ridiculously long version.

Estimated Tax Payments (individual and business, if applicable)

Please tell us about any estimated tax payments you have made outside of payroll drafts. Also, please review the 'ActionRequired' PDF in your business client portal which was sent along with your business tax return. If applicable, have you made state business estimated tax payments per these instructions?

Net Business Income After Expenses

Please tell us your projected 2019 net business income after expenses but before shareholder salaries. We understand this might be difficult, but we need at least your best guess or a range to work with.

Accountable Plan Reimbursements

Are you utilizing Accountable Plan Reimbursements for mixed-use items such as mileage, cell phone and home office? If so, can you detail below or submit an Accountable Plan spreadsheet (www.watsoncpagroup.com/APlan)?

Self-Employed Health Insurance, HSA, HRA

Please confirm the amounts that are being paid for health insurance, health savings accounts and health reimbursement arrangements for all of 2019.

Planned IRA and 401k Contributions

Please confirm the 401 contributions, both employee (you) and the business, that will be made for all of 2019. Any IRA contributions?

Other Income Sources

Please detail below or send us documents showing other household income such as spouse pay, retirement, pension, rental income, etc.

Questions You Have

What's been keeping you up at night?

Periodic Business Review (PBR) Agenda 2019 (robust)

Date: _____

Client: _____ Tax Manager: _____

PBRs have two primary objectives. First, answer all the questions you might have. Second, to ensure income numbers are accurate for tax planning.

This agenda is designed to jog your memory and get you thinking about things besides selling widgets. Here we go-

1. Review Previous PBR Action Items

2. Review Current Projects (if any)

3. Review Watson CPA Group Initiatives

We are making a big push for QuickBooks Online (QBO). Features-

- We can grab financials at any time.
- We can help massage accounting entries.
- We can see what you see.
- You can access the information anytime, anywhere.
- Data is maintained by Inuit / QuickBooks.

As a reseller, we can offer QBO for \$35 per month (bill \$105 quarterly) through our third-party bookkeeping service who can also assist in transition / setup for QBO as well.

4. Entity and Ownership Considerations

Spouse, children, parents as owners? Adding to spouse's 401k? Reduce salary needs by having an inactive shareholder? Trade-offs of having spouse on payroll versus an inactive shareholder.

Holding company considerations for multiple entities or business units?

Selling, acquisitions, ownership expansion? Buying a partner out?

Leasing back a building or equipment?

Review Operating Agreements among non-spousal partners. Corporate waste? Formal accounting? First rights? Minimum distributions and cash reserves? Dispute resolutions?

Other entity considerations such as medical C corporation.

5. Review Financial Statements:

How do current profit projections compare to last year?

Review current officer wages compared to profit. Are current withholdings sufficient? Spousal income sources? Pensions or other income sources? Tax modeling and planning (see below).

What significant changes are there this year as compared to last?

Review significant business expenses, or ones that receive a lot of attention.

6. Business Deductions

Commuting Expenses	Spouse Meals	Cell Phone, Internet (AP)
Country Club Dues	Client Gifts (\$25 or 50%)	Automobiles (AP)
Employees, Contractors	Professional Attire	Business Travel
Education	Per Diem (>10%)	Section 199A Deduction
Meals (no entertainment)	Home Office (AP)	

The trick is to find ways to deduct expenses you are already accustomed to paying (car, travel, etc.).

Please review Chapter 8 of our book- www.watsoncpagroup.com/kb/28/

7. Accountable Plan

Do you understand how the Accountable Plan works? Why it is necessary?

How is health care currently being managed? Health Savings Accounts?

Do you know how what a Health Reimbursement Arrangement is?

8. Future Plans (Initiatives, Growth, Shrink, etc.)

9. Tax Modeling (outside of business)

Will the non-wage income sources such as rental income, dividends, interest and / or capital gains be about the same this year as last year?

Any changes to your student loans, tuition, etc.?

Are there any major life changes such as refinanced a house, had a baby, launched a dependent, got married / divorced, selling a property, buying a rental, etc.?

Any questions about the Tax Cuts and Jobs Act of 2017, and how 2018 tax returns were different than 2017 (we should probably expand this space, huh?)?

10. End of Year Tax Moves

Review marginal tax rates and capital gains tax rates.

401k and / or IRA deferrals. Roth conversions. Balance between pre-tax (traditional) and post-tax (Roth). Income phase-outs and non-deductible IRAs.

Profit harvesting to offset loss carry forwards. Wash sales during gains (people only consider them during losses).

Pay bills earlier during unusually high income years, or shift expenses forward? This is a biggie. The December 31 panic call, "Should I buy a car to save on taxes?"

11. Retirement Review, Financial Tune Up

Saving too little? Saving too much (not having fun while you can)?

What is your biggest threat to financial security?

Is there a budget? Is it being followed? How much discretionary cash is available?

Does debt worry you? Is there a plan to reduce debt? How debt adverse are you? How is financing different than debt?

How much is in your emergency fund? What constitutes an emergency?

Do you have any long-term goals such as endowments, vacations, etc.? Bucket lists?

Do you have any short-term goals such as rental properties or starting a business? Review time-lines for emergency funds, short-term investments and long-term investments.

What will be your Roth IRA contribution? Traditional IRA? Did you or do you plan to take any distributions from IRAs, 401k's, etc.?

Will you or do you have a 401k? If so, what will be your contribution? Will there be a company or profit sharing contribution?

How much cash can you separate with for tax savings and subsequent retirement planning? \$20k? \$50k? \$100k?

Are you familiar with profit sharing or defined benefits pension plans?

Do you have an educational savings plan? Do the children know about it?

Have you considered layering with 529s, Roth IRAs, savings and cash balance life insurance?

What is your annual budget? Are there incentives for the children? Do they have skin in the game?

What is the plan for not going to college? Do you still want to provide other bridges like seed money for a business or first home purchase?

Do you currently have a financial plan or retirement projection?

12. Risk Management, Estate Planning

Do you have disability insurance? Can you work with one leg or in a wheelchair in your current profession?

Do you have life insurance? If so, how was the amount determined? Can the remaining spouse continue in his or her profession while raising children (pilots, emergency room nurse, etc.)?

Do you have long-term care insurance? If so, how was the amount determined?

How is health insurance handled? Do you utilize an HSA or Flex Spending Account (FSA)?

Do you have an umbrella insurance policy? When was the last time you reviewed your limits (construction costs have increased)?

When is the last time you shopped for home and auto insurance (insurance companies are like cable and cell phone providers with automatic increases which exceed new client pricing)?

What is your target retirement age? Will it be a cliff or a slow transition?

Do you know what your tax rate will be in retirement? How will you pay for taxes?

Do you have a Will? Have you designated guardians for minor children?

Are you familiar with probate? Do you have assets in multiple states?

Are you a blended family? Do you have children with special needs?

Do you have Power of Attorney documents? What happens if one spouse is injured and the other is unavailable (like hiking without cell coverage)? Do your personal representatives have copies of your POAs? Does your primary care physician?

Do you have a Trust? What happens to the heirs and subsequent wealth if one spouse prematurely passes away and the other remarries?

Do you want to meter your estate to your heirs over time? Have you considered the effects of divorce on your adult children and their inheritance?

13. Prioritize Pains (what are the top 3-5 pains?)

14. Scale of 1-10, How Do You Rate Us? What Would Make Us a 10?

15. Periodic Business Review Action Items (to be completed during PBR meeting)

Your Homework, Due Dates:

Our Homework, Due Dates: