




# START-UP BUSINESS GUIDE

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On behalf of the CRI team,  
congratulations on embarking on your  
new journey as a business owner!

We hope this guide provides you with valuable direction and insight regarding key issues most entrepreneurs confront within the first several years of operation, as well as important dates and potential impacts of your decisions.

This manual outlines general suggestions for setting up your business. Since each new company features its own unique characteristics and concerns, we encourage you to follow up with your accountant and other business advisors regarding specific questions and recommendations.

CRI supports businesses throughout their lifecycle – from formation and compliance to advisory, growth, and transaction planning. We've been proud to assist the growth of local community businesses – big and small – since 1997.

We hope you're next!

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# **GETTING STARTED WITH YOUR TRAVELS**

# PREPARING FOR TAKEOFF: ENTITY SELECTION

One of the first — and perhaps most important — decisions is choosing the legal entity under which you begin operations. Your entity structure will determine both the liability protection that you'll have and how your business will be taxed. Therefore, it is important to consult with a qualified attorney and accountant to select the most appropriate structure for your business.

Let's walk through a brief overview of the five most common business structures. See page 7 for charts detailing key characteristics and tax ramifications for each entity type.

## SOLE PROPRIETORSHIP

A sole proprietorship consists of a single individual who operates an unincorporated trade or business. It is not considered a legal entity under the law but rather an extension of the person who owns it. The owner has possession of the business assets and is directly responsible for the business's debts and liabilities. The owner reports business income on their individual income tax return.

A sole proprietorship is simplest to own and operate because it does not require any legal organization with the state beyond the licenses or permits that may be required for working in that industry. It typically does not have any rules or operating regulations under which it must function. Instead, all business decisions rest with the sole proprietor. The primary drawback of a sole proprietorship is that the owner's personal liability for business activities may be unlimited.

## PARTNERSHIP

A partnership is an organization with two or more owners that functions as a trade or business. It can take one of two legal forms: general or limited. In

a **general partnership**, two or more individuals join together to run the business enterprise. All partners have full operational control of their business and are fully personally liable for all business debts. Conversely, a **limited partnership** is composed of at least one general partner and at least one limited partner. The general partner has full operational control of the business and is personally liable for partnership debts. A limited partner may contribute capital, but they don't typically participate in daily business operations and are only liable for partnership debts up to their investment in the business. A partnership files its own entity-level tax returns, but items of income, deductions, and credits flow from the partnership to the individual owners, whose individual tax returns report and calculate taxes on the partnership's income.

## C-CORPORATION

A C-corporation is a business entity that carries its own legal status and is distinct from its owners. It has substantially all the legal rights and responsibilities of an individual, including responsibility for its own debts. Control of the corporation is determined solely by stock ownership and is exercised through regular board of director meetings and annual stockholder meetings. C-corporations file corporate income tax returns and pay income taxes at corporate tax rates. Additionally, the owners — or shareholders — report dividends they receive as taxable income, resulting in "double taxation" on corporate income.

Incorporating a business as a C-corporation provides some liability protection to its owners and perpetual life to the entity itself. It also increases the ease of raising capital and makes ownership transfers quick and simple. However, a C-corporation requires the greatest effort to get established, which is why we urge you to obtain legal counsel when incorporating your entity.

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*The rights, responsibilities, and obligations of both the general and limited partners are typically detailed in a partnership agreement. While a written agreement is not required, it is strongly recommended to avoid potential future disputes.*

## S-CORPORATION

S-corporations are initially incorporated as C-corporations, but the business makes an election to be treated as an S-corporation. This S-election allows (among other things) the entity's business income to flow through to the shareholders and be taxed at the shareholder level, eliminating double taxation.

The decision to elect S-corporation status is not always an easy one. There are restrictions on the number of S-corporation shareholders and on who can be an S-corporation shareholder. Additionally, each shareholder must consent to the election itself.

To make an S-election, file Form 2553, Election by a Small Business Corporation, within 75 days of the date of formation (i.e., the date when you want to start operating as a corporation). Prior to making an S-election, you should consult with your tax advisor to determine if this is the best decision for your business.

## LIMITED LIABILITY COMPANY (LLC)

A limited liability company (LLC) is a business organization that generally protects its owners against personal liability for the company's debts and obligations. Its tax treatment is similar to that of a partnership, where business income flows through to the owners. Assuming no special elections are made, an LLC will file a partnership tax return. LLCs may elect to be taxed as C or S corporations. Consult your tax advisor for guidance.

To successfully operate a business, you need to know the rules and regulations surrounding each type of enterprise. Contact your local government for information related to licensing and permitting requirements, and be sure to enlist legal counsel.

**There are five basic structures, each of which has its advantages and disadvantages:**

- **Sole proprietorship**
- **Partnership**
- **C-corporation**
- **S-corporation**
- **Limited liability company (LLC)**

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**One of the advantages of S-corporations is being able to avoid double taxation on corporate income, but business owners need to be aware of the 75-day rule.**

**Opening your own business is one of the most rewarding career moves you will ever make, and also one of the most complex. Assemble a team of tax, legal, and financial professional advisors early in your set-up process. They'll help you navigate the inevitable bumps in the road.**

# CHARACTERISTICS OF EACH ENTITY TYPE

CHARACTERISTIC	SOLE PROPRIETORSHIP	PARTNERSHIP	C-CORPORATION	S-CORPORATION	LIMITED LIABILITY COMPANY (LLC)
<b>Key Documentation Required</b>	Fictitious name registration required if using a name other than that of the individual owner.	Partnership agreement (written is recommended); limited partnership certificates (if limited partnership).	Articles of incorporation; bylaws; organizational board resolutions; stock certificates; stock ledger.	Articles of incorporation; bylaws; organizational board resolutions; stock certificates; stock ledger; IRS S-corporation election.	Articles of organization; operating agreement.
<b>Ownership</b>	One owner.	If general partnership, two or more partners required. If limited partnership, one or more general and one or more limited partners required.	Unlimited number of shareholders; no limit on stock classes.	Up to 100 shareholders allowed; only one basic class of stock permitted.	Unlimited number of "members" allowed.
<b>Personal Liability of Owners</b>	Business owners have unlimited personal liability for the obligations of the business.	General partners have unlimited personal liability for obligations of the business. Limited partners generally have no personal liability beyond their investment.	Shareholders generally have no personal liability for the obligations of the corporation.	Shareholders generally have no personal liability for the obligations of the corporation.	Members/owners generally have no personal liability for the obligations of the corporation.
<b>Management of the Business</b>	Sole proprietor manages the business.	In both general and limited partnerships, the general partner has management rights unless otherwise agreed.	Board of directors has overall management responsibility, and officers have daily responsibility for operations.	Board of directors has overall management responsibility and officers have daily responsibility for operations.	The operating agreement sets forth how the business is to be managed. A member can be designated to manage the business.
<b>Capital Contributions</b>	Sole proprietor contributes needed capital.	The general and limited partners typically contribute money or services to the partnership and receive an interest in profits and losses.	Shareholders typically purchase stock in the corporation, either common or preferred.	Shareholders typically purchase stock in the corporation, but only one class of stock is allowed.	The members typically contribute money or services to the LLC and receive an interest in profits and losses.

CHARACTERISTIC	SOLE PROPRIETORSHIP	PARTNERSHIP	C-CORPORATION	S-CORPORATION	LIMITED LIABILITY COMPANY (LLC)
<b>Transfer of Ownership</b>	Sole proprietorship is not a separate entity from its owner. Therefore, the "sale" of a business is treated as a sale of assets.	The partnership agreement may restrict the sale of a partnership interest and may control the terms of the sale.	Ownership is easily transferred by selling shares of stock. The corporate charter may place certain restrictions on the sale of stock by shareholders.	Ownership is easily transferred by selling shares of stock. The corporate charter may place certain restrictions on the sale of stock by shareholders.	The operating agreement may restrict transfer of ownership interest.
<b>Advantages</b>	Minimal legal restrictions; easy to begin and discontinue operations.	Easy means of combining the skills and/or financial abilities of several persons; ability to specially allocate profits and losses.	Limited liability; perpetual life; ability to raise capital through issuance of stock; ease of transfer of ownership.	Same benefits as C corps, plus avoidance of double taxation of profits.	Flexibility in selecting tax entity type; avoids double taxation on profits if taxed as partnership or S corp.
<b>Disadvantages</b>	Unlimited liability; may not bring in new owners or outside capital contributions; income tax cannot be deferred by retaining profits.	Partners pay tax on earnings even if undistributed; difficulty in relinquishing partnership interests or bringing in new partners; unlimited liability for general partners.	Potential double taxation; corporate charter restricts types of business activities.	Shareholders pay tax on earnings even if undistributed; less flexibility in choosing a tax year.	Members pay tax on earnings even if undistributed; must have at least two owners to be taxed as a partnership.

# TAX “CUSTOMS” OF EACH ENTITY

CHARACTERISTIC	SOLE PROPRIETORSHIP	PARTNERSHIP	C-CORPORATION	S-CORPORATION	LIMITED LIABILITY COMPANY (LLC)
<b>IRS Election Required</b>	No	No	No	Yes	No, unless it elects to be taxed as a C or S corporation.
<b>Federal Tax Return</b>	None; reported on Schedule C of owner's Form 1040.	Form 1065	Form 1120	Form 1120-S	Form 1065, unless election is made to be treated as a corporation for tax purposes.  If single-member LLC (owned by an individual, not a corporation), net profit or loss is computed on Schedule C and is reported as income or loss on the owner's Form 1040.
<b>IRS Election Required</b>	No	No	No	No	No
<b>Federal Tax Return</b>	None; reported on Schedule C of owner's Form 1040.	Form 1065	Form 1120	Form 1120-S	Form 1065, unless election is made to be treated as a corporation for tax purposes.
<b>Taxation</b>	Net profit or loss is computed on Schedule C and is reported as income or loss on the owner's Form 1040.	Partnership income and expenses flow through to the partners. Income is taxed to the partner whether or not it is actually distributed. Pass-through items maintain same characteristics in hands of partners as they had in the partnership.	Corporation pays taxes on its profits. When the shareholders take profits from the corporation, the distributions take the form of taxable dividends to the shareholders (i.e., double taxation on profits).	S-corporation is taxed in the same manner as a partnership. Income and expenses flow through to the shareholder. Pass-through items maintain the same characteristics in hands of shareholders as they had in the S-corporation.	Taxed as sole proprietorship, partnership, C-corporation, or S-corporation, depending on number of owners and elections made.

CHARACTERISTIC	SOLE PROPRIETORSHIP	PARTNERSHIP	C-CORPORATION	S-CORPORATION	LIMITED LIABILITY COMPANY (LLC)
<b>Wages &amp; Self-Employment (SE) Tax</b>	Owner is subject to SE tax on net earnings from self-employment. Individual is allowed deduction for one-half of SE taxes on Form 1040.	General partners' share of business income is subject to SE tax. Limited partners' income is generally not subject to SE tax unless partner performs services for partnership.	Shareholders who perform services for the corporation, including officers, are treated as employees. Wages paid to employee-shareholders must be reasonable. Dividend distributions not subject to SE tax.	Wages paid to employee-shareholders must be reasonable. Share of business profits passed through to the shareholder and taxable for income tax purposes but not subject to SE tax.	Profits taxed as sole proprietorship, partnership, C-corporation, or S-corporation, depending on number of owners and elections made.
<b>Entity Losses</b>	Can offset other taxable income on Form 1040, up to a certain threshold.	Limited to partners' basis and at-risk rules. Losses could be limited if the partner is not active in the business.	Net operating losses (NOLs) arising in tax years ending after 2020 can be carried forward and applied against future corporate income. NOLs can no longer be carried back.	Limited to shareholder basis and "at-risk" rules.	Limited by members' basis and "at-risk" rules, unless taxed as a sole proprietorship or C-corporation.

# PASSING THROUGH SECURITY: LICENSING, PERMITS & REGULATIONS

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## CERTIFICATES OF OCCUPANCY

Once you determine a permanent business location – whether you build, lease, or buy – you will need to obtain a certificate of occupancy from the proper business inspection division.

## OCCUPATIONAL LICENSES

State, county, or city occupational licenses may be required for those individuals who offer a service and charge a fee for the service. Contact your state and local government entities for further details. Special regulations and tax procedures may apply to your business or industry, so consult with your tax advisor.

# DEVELOPING AN EFFECTIVE BUSINESS “FLIGHT” PLAN

An effective business plan helps guide your daily activities and decisions and can help you achieve business objectives. A strong business plan can also help you obtain outside funding and secure credit lines with suppliers and other third parties.

Writing a business plan encourages you to objectively evaluate your entity’s strengths and weaknesses. It will also help you identify the potential opportunities and risks of your market. Most importantly, it can help you better understand your clients and customers so you can best meet their needs and expectations.

Although there is no single formula for developing a thorough business plan, many successful plans have certain elements in common.

## When drafting a business plan, consider four core questions:

- 1. What services or products does your business provide, and what needs do these services or products address?**
- 2. Who are your prospective customers, and why will they purchase from you?**
- 3. How will you communicate with potential customers?**
- 4. How will you generate the financial resources to start and operate your business?**

## COMMON ELEMENTS OF A BUSINESS PLAN

### 1. Statement of Purpose

### 2. Business Section

- a. Business description
- b. Marketing plan
- c. Competitive research
- d. Operating procedures
- e. Key personnel
- f. Business insurance

### 3. Financial Data

- a. Loan applications
- b. Capital equipment and supply list
- c. Balance sheet
- d. Breakeven analysis
- e. Pro forma income projections (profit and loss statements)
  - i. Three-year summary
  - ii. Detail by month; first-year overview
  - iii. Detail by quarters; second and third years
  - iv. Assumptions upon which projections were based
- f. Pro forma cash flow

### 4. Supporting documents (generally for third-party financing)

- a. Tax returns of principal owners for previous three years
- b. Personal financial statements
- c. For franchised businesses, a copy of franchise contract and all supporting documents provided by the franchisor
- d. Copy of proposed lease or purchase agreement for building space
- e. Copy of licenses and other legal documents
- f. Copy of resumes of all principal owners
- g. Copies of letters of intent from suppliers, etc.



**CREDIT & FINANCING:  
THE BUSINESS  
OWNER'S "BOARDING  
PASS"**

# FINANCIAL SOURCES: THE TICKET TO BUSINESS SUCCESS

All businesses need money, whether for initial operating expenses, expansion, or working capital.

Business financing generally comes in the form of either debt or equity. Debt means borrowing money. The loans may originate from family, friends, banks, other financial institutions, or professional investors. Equity relates to selling an ownership interest in your business. It may occur because of the admittance of a partner, the issuing of common or preferred stock options (for a corporation), or warrants to investors. Whether you obtain debt or equity financing, it's prudent to consult with your attorney and tax advisor.

There are several questions that you will need to address as you raise money for your business. Your ability to answer these questions is critical to your success in obtaining financing, as well as the overall success of the business. Remember, even while raising capital, you are selling your business concept to potential investors, similar to the way you will sell your products and services to customers.

## **How Much Cash Do You Need?**

To answer this question, you will need to complete cash flow planning. This requires you to estimate future sales and costs, estimate timelines of vendor payments, and make assumptions about when you will generate enough cash to pay the money back.

## **What Will You Do With the Money?**

One of the most popular investor questions is how the money will be spent. Will you use it for purchasing equipment? Hiring additional employees? Researching and developing new products?

## **What Experience Do You Have in Managing Your Business?**

Businesses often fail because they lack management expertise. You will need to convince your investors that you have the knowledge and experience (or have hired a qualified management executive) to manage their money and your business effectively.

## **What Is the Climate for Your Type of Business and Geographic Location?**

Few investors will want to put money into your business if you have not completed sufficient "homework" to determine that you have a reasonable chance of success. Be sure to include competitive research.

## **How Do You Make a Final Financing Decision?**

Once you have developed concrete answers to these questions, you can begin searching for financing.

One of the first steps is to determine whether to raise funds through debt, equity, or a combination of both. There are positive and negative aspects associated with each type of capital. The cost to your company for each type of funding is different, as is the way they are treated for income tax purposes. For example, the interest on borrowed money (i.e., interest on debt) is deductible by a business for income tax purposes, which reduces the effective cost to your company. Dividends, which your business might pay to an equity investor, would not be tax deductible.

When you are considering the type of financing that best fits your goals and needs, it is a good idea to consult with your accountant to go over the available financing alternatives.

# FINANCING ACCOMMODATIONS

Whether you determine that debt or equity financing is the best choice for your company, there are a number of ways to go about it. Depending upon the nature of your business, the best financing option may even be a combination of debt and equity. Remember, financing can be tailored to fit the specific needs of your company.

The following are a few conventional methods for a company to obtain capital, although almost unlimited options are available.

## DEBT FINANCING SOURCES

**1. Banks.** The source of funds that typically comes to mind when borrowing money is a bank. Banks typically lend to small businesses on a secured basis using equipment, inventory, real estate, or accounts receivable as collateral for the loan. The more liquid and readily saleable the assets, the more acceptable they will likely be to a banker. Loans from a bank may take several forms, including:

- A line of credit that renews periodically and allows you to not only borrow up to a predetermined maximum, but also pay it back as you collect funds from sales and receivables
- A short-term demand note that is payable in full on a specified date
- A term loan for the purchase of a specific asset, such as a computer or machine
- A loan through the Small Business Administration (SBA), which is partially guaranteed by the federal government

Banks sometimes require personal guarantees on loans, which means you will be personally liable for the loan if your entity does not meet its repayment obligations. As your relationship with your banker grows and your business becomes established, you may consider a longer-term (at least three years) loan payable in monthly installments. Loan agreements may require you to send financial statements (internally prepared, reviewed, or audited) on a regular schedule and comply with specified financial or regulatory requirements.

**2. Lease financing.** In today's business environment, it is common to acquire equipment through lease agreements. Leasing packages come in a variety of types through many sources. Leasing companies typically accept a higher degree of credit risk because they look to the value of the equipment for collateral if your business cannot make the agreed-upon payments. For this reason, leasing companies generally prefer to finance new equipment of a general-purpose nature, which can be resold if necessary. Leases often run for a period of three to five years. Additionally, because of the risk that leasing companies are willing to take, leases are often somewhat more expensive than commercial bank loans.

**3. Vendors/suppliers.** A very important source of financing for your company may be the vendors and suppliers with whom you do business. Many suppliers will originally ask for cash on delivery or, in some instances, request payment before starting on the order. Most suppliers will quickly establish trade credit with you once you gain their confidence by doing business with them and paying as requested.

Establishing good relationships with trade creditors is essential because it allows you to use the goods and services in your operations and sell your product to your customers — in some instances, before you even pay them. Other vendors rely upon the trade credit you build today as you attempt to establish yourself with future vendors. Trade credit terms will vary depending on the type of purchase, the supplier's industry, and your industry.

## EQUITY FINANCING SOURCES

Equity financing usually means selling a portion of your business. This financing can be accomplished in several ways, including the sale of common or preferred stock, stock warrants, or partnership interest. Equity sales are carefully tailored to meet the needs of both the company and investor.

Wealthy individuals may believe that your business success will enhance theirs and therefore invest in your business venture. These individuals may ask to sit on the board of directors, where their business insights and networks may serve as valuable business assets. An individual investor can often react to an opportunity much more quickly than a venture capital firm, and typically has only his or her own interests to serve — as opposed to a financial backer or group of investors. Tax consequences may accompany equity financing, so it's important to consult your tax advisor if you're considering this option.

**Lenders and investors rely on credible financial projections and assumptions. CRI advisors frequently assist clients in preparing lender-ready financial information.**



# **MANAGING YOUR BUSINESS ADVENTURES**

# MAPPING OUT YOUR PATH: BOOKKEEPING & ACCOUNTING

As a new business owner, you probably have a natural flair for the environment in which your business operates. You may own a retail store and be a natural salesperson. You may operate the local movie theater, where you can quote every line of every movie played in the last two decades. But while you may have the innate ability to run your business, you may not enjoy setting up and maintaining (or understand how to set up and maintain) the company's books.

Your accounting system supports compliance, cash management, reporting, and strategic decisions — not just recordkeeping.

Your company's books and financial statements represent a scorecard that details the progress of your business endeavor. In addition to showcasing your successes, your financial records can also be an early warning sign of questionable business decisions. Be sure to review financial reports often, and incorporate insights found there into your decision-making.

Financial statements and their underlying records provide the basis for many decisions made by banks, landlords, potential investors, and trade creditors. Further, taxing authorities will refer to these financial records should you ever be subject to a federal or state tax audit.

Having quality financial information does not necessarily require you to keep complicated bookkeeping or accounting systems. A good accounting system should be sophisticated enough to provide the information you need, yet simple enough for you to easily understand.

## CHART OF ACCOUNTS

The basic road map of any accounting system is its chart of accounts. The chart of accounts translates numbers into business language so that you can use the output to make educated business decisions. This chart ensures that the data your accounting

system captures is readily retrievable and useful. This tool, like the rest of the accounting system, needs to be dynamic and able to grow as the size and needs of your business change.

To establish a working chart of accounts, partner with your accountant to determine how your business will operate and what data points are important to you.

### Some questions you and your accountant can go over are:

- Will your business have inventory? If so, will it be purchased in final form, or will there be production costs?
- Are fixed assets (real estate, equipment, furniture, etc.) a significant portion of your business?
- Do you plan to sell several product lines or offer several types of services? What is the timeline for adding products and/or services, and what are the associated costs?
- Will you offer credit to your customers? Will you need to track accounts receivable?
- Are you going to sell in only one location, or will you do business in several locations?
- Are the products that you sell subject to sales tax?
- Do you need to track costs by department?
- Are you subject to governmental controls or regulatory reporting?
- Are there income or expense items that should be tracked separately for tax reporting purposes?

Each answer will affect how the chart of accounts is structured. While it may not seem like a chart of accounts is particularly important, the amount of time and money that a well-organized accounting system may save can be significant to small business owners. Consult your accounting advisor from the outset to establish a strong foundation that will continue to serve your business well as it grows.

## ILLUSTRATIVE CHART OF ACCOUNTS

### Current Assets

- 1000 Cash
- 1120 Accounts Receivable
- 1125 Allowance for Uncollectibles
- 1130 Inventory
- 1150 Prepaid Expenses

### Fixed Assets

- 1310 Equipment
- 1320 Furniture and Fixtures
- 1330 Automobile
- 1340 Leasehold Improvements
- 1350 Accumulated Depreciation

### Intangible Assets

- 1410 Goodwill
- 1420 Organizational Costs
- 1430 Accumulated Amortization
- 1440 Deposits

### Current Liabilities

- 2110 Accounts Payable
- 2120 Interest Payable
- 2130 Salaries Payable
- 2140 Income Tax Payable
- 2150 Sales Tax Payable
- 2160 Federal Withholding and FICA Tax Payable
- 2170 State Withholding Tax Payable
- 2180 Federal Unemployment Tax Payable
- 2190 State Unemployment Tax Payable
- 2200 Advances from Customers

### Long-Term Liabilities

- 2410 Mortgage Payable
- 2420 Credit Line Payable

### Stockholders' Equity

- 3510 Capital Stock
- 3650 Retained Earnings

### Revenue

- 4000 Sales
- 4100 Returns & Allowances

### Cost of Goods Sold

- 5100 Purchases
- 5110 Freight
- 5120 Direct Labor

### Expenses

- 6010 Advertising
- 6030 Expenses
- 6040 Bank Service Charges
- 6050 Cleaning
- 6060 Contributions
- 6070 Depreciation Expense
- 6080 Discounts Taken
- 6090 Dues and Subscriptions
- 6100 Insurance
- 6110 Interest Expense
- 6120 Taxes and Licenses
- 6130 Repairs and Maintenance
- 6140 Meals
- 6141 Entertainment
- 6150 Merchant Credit Card Fee
- 6151 Office Expenses
- 6152 Computer Expenses
- 6153 Postage and Delivery
- 6154 Office Supplies
- 6160 Payroll Taxes
- 6170 Professional Fees
- 6180 Rent
- 6190 Salaries – Office
- 6200 Salaries – Officers
- 6210 Telephone
- 6220 Travel
- 6230 Utilities

### Other Income

- 7010 Interest Income
- 7020 Other Income

## METHOD OF ACCOUNTING

Every business entity must decide the method of accounting to use. The most common are cash and accrual.

The **cash basis** has the advantage of simplicity. Under this method, you record sales when you receive money and account for expenses when you pay the bills. The increase in the money in your drawer at the end of each month is how much you earned for that time period.

Of course, the business world is not always so easy. Sales are made to customers who sometimes require credit. Your business will incur liabilities, which are due although you have not yet received the invoice or do not have the cash available to pay them. Recording these receivables and payables puts your books on the **accrual basis**, which most users of financial statements are accustomed to seeing.

**Note:** Tax laws can also mandate whether a business can use the cash basis – depending upon the business’s size and earnings. Additionally, there are variations of these accounting methods that are used less frequently. Each has its advantages and disadvantages depending on the nature of the business. Call your accountant for advice specific to your business.

## INTERNAL CONTROLS

What are internal controls? They make up a system of checks and balances within a business enterprise that helps to ensure the company’s assets are properly safeguarded and that the financial information produced by the company is accurate and reliable.

When you operate as a “one-man shop,” or at least handle all the company’s financial transactions, maintaining good internal accounting control is relatively straightforward. However, when your company grows to a size that requires you to delegate some of these functions, it becomes more difficult to ensure that you properly account for all transactions. Be sure that, regardless of the size of your business, you can answer “yes” to three very basic internal control questions.

### Three Internal Controls Questions

- **When my company provides goods or services to customers, am I sure that the sale is recorded in accounts receivable and that the cash is ultimately collected?**
- **When my company expends cash, am I sure that we received goods or services?**
- **Have I appropriately segregated duties of various functions and roles?**

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**Your chosen accounting method helps determine when you recognize income and pay taxes.**

The methods used to ensure that these three questions can be answered affirmatively will vary widely. The solution in your particular instance may be as simple as numbering and accounting for the sales tickets or reviewing all invoices and timecards before signing company checks.

These processes are fundamentals in a well-run business. As the company grows, you will need to consider concepts such as segregation of duties, employee fidelity bonds, or controlled access storerooms. These are essential stepping-stones to maintaining good control of your business.

No matter the size of your enterprise, you should prioritize the safeguarding of hard-earned assets from the outset.

## ACCOUNTING SOFTWARE

The computer is probably the single most valuable invention for bookkeeping since the advent of double-entry accounting. There are a number of very effective, easy-to-use accounting software systems that are commercially available for your business, and your accountant will welcome the opportunity to assist you in selecting the software most appropriate for your business needs.

Before you select an accounting software package, it is important to remember one thing: No software can automatically produce accurate, quality financial records. All it can do is generate information more efficiently. An accounting adage is “garbage in, garbage out,” meaning that if the user of the accounting software inputs incomplete or incorrect data, then the accounting software output will also be erroneous. If you choose to use a computer-based accounting package for your business, then it is imperative that you or your bookkeeper understand the substance and form of your business operations.

If you provide your accountant with quality financial records, they can best function as your business advisor and strategist. Together, you will be able to focus on analyzing your business to make it a more successful, profitable operation.

## RECORD RETENTION

When developing a retention policy, it is important to think about where you will keep your files, how secure the storage will be, and the environmental conditions under which you need to store these files. This is applicable to both paper records and digital records. Some of the reasons you should keep files and records include legal or regulatory requirements, potential relevance in future litigation, organizational needs, and historical importance.

The table below provides some suggestions on the items to be included in the policy and time periods to be used. You may want to keep some records for longer than the table suggests.

### POLICY DOCUMENT RETENTION

Document	Retention Period	Document	Retention Period
Accounts Payable – ledgers & schedules	7 years	Inventories of products, materials, and supplies	7 years
Accounts Receivable – ledgers & schedules	7 years	Minute books of directors and stockholders, including bylaws and charter	Permanently
Audit reports (of accountants)	Permanently	Notes receivable ledgers and schedules	7 years
Cash books	Permanently	Property appraisals by outside appraisers	Permanently
Deeds, mortgages, and bills of sale	Permanently	Retirement and pension records	Permanently
Depreciation schedules	Permanently	Sales tax returns	7 years
Employee personnel records (after termination)	7 years	Subsidiary ledgers	7 years
Financial statement (end of year, other months optional)	Permanently	Training manuals	Permanently
General ledgers	Permanently	Union agreements	Permanently
Insurance policies (expired)	7 years	Voucher register and schedules	7 years
Insurance records, current accident reports, claims, policies, etc.	Permanently	Withholding tax statements	7 years



For a more comprehensive retention schedule, scan here:

# TRAVEL BUDGET CASH PLANNING & FORECASTING

Cash is king! The lifeblood of any business is its ability to collect cash, pay bills, and pay employees. Far too often, small businesses are profitable, but they do not have enough operating capital to remain a viable competitor in their industries. Consequently, they may be forced to close operations.

The ability to forecast cash is an art and is by no means a well-defined science. Any cash flow projection, whether prepared by company management or an outside advisor, is effectively an educated guess. Therefore, the most accurate numbers possible should be used in your forecast to produce the most precise picture of the future operations of your business.

## STARTING THE ANALYSIS

One of the most significant factors to consider in your cash flow forecast is your company's future sales volume. Your sales forecast should be based upon objective data, such as sales history of competitors or similar businesses.

In preparing a forecast, you must also account for factors such as the seasonality of your business, the relative state of the economy, and the period over which you forecast. You can base it on per-unit sales extended out by the sales price of each unit, or an average sales volume per day, week, or month of your type of business in its current environment.

## CASH COLLECTIONS

Once you have determined a reasonable level of sales, you must address questions such as:

- What percentage of sales are received in cash, and what portion are credit sales for which you will have to carry accounts receivable?
- How long will you have to wait for customers (or third-party credit card companies) to pay?
- What other sources of cash may be available in addition to sales?

- Will you require investment money or borrowings to operate your business?
- If you rely on collection of receivables, then what portion of those receivables will be collected in 30 days, 60 days, and 90 days? Furthermore, what portion may never be collected?

## DISBURSEMENTS

Once you are comfortable with the cash receipt side of your business, including the timing of the collections of funds from your sales and other sources, it is necessary to consider the expenses and other cash needs of your business operation. Questions for consideration include:

- If your business entails inventory sales, will you have to purchase the merchandise from others, or purchase the component parts and pay employees to assemble it? In either case, the process may require a significant outlay of cash prior to sales.
- How will you adjust labor as revenue fluctuates? How often and how much should you pay your employees? When are you required to deposit payroll taxes?
- Is your business required to make federal or state quarterly tax payments?
- What overhead items will you need to open your new business? How much will these cost? For example, how much will your rent or mortgage payments be for your office or manufacturing facility?
- How will vendor payment terms — such as 30 days, 60 days, or 90 days — affect other aspects of the business?

Remember, the more effort you put into developing the cash flow projections, the more accurate they will usually be. Certainly a trained professional can offer guidance and ask pointed questions to be sure you are considering all of the necessary — and sometimes hidden — costs of operating a business.

# TREKKING THROUGH TAX COMPLIANCE

A significant task for any new business owner is to properly comply with the tax and information filing requirements imposed by various governmental agencies. These agencies often assess stiff penalties if the required forms are not properly prepared and filed on time, so it is imperative that you obtain a firm understanding of your business's federal and state tax obligations. We recommend consulting with a tax professional to help ensure that your business obtains and maintains good standing with all federal and state agencies.

## IRS

### Federal Employer Identification Number (FEIN)

All tax forms filed with the IRS require a Federal Employer Identification Number (FEIN). You obtain this number by filing Form SS-4, which you can complete online on the IRS's website. Form SS-4 should be filed consistently with the entity type and reporting year you plan to choose for tax purposes. Consulting your tax professional before filing it can save a lot of time in the long run.

There is no deadline for filing Form SS-4. However, to avoid substantial confusion, file your Form SS-4 early.

### S-Corporation Election

If you have decided to operate your business as an S-corporation, you will need to complete a Form 2553, Election By a Small Business Corporation. When the IRS approves your completed Form 2553, you may file Form 1120-S, U.S. Income Tax Return for an S-corporation at year-end.

Collaborate with your legal and tax teams to be sure the Form 2553 is filed within the 75-day time limit. A CRI tax professional can assist you in making this election.

### Selecting a Year-End

If the new business is a sole proprietorship or a partnership for tax purposes, then the company will usually be required to use a calendar year-end. An S-corporation is also required to use a calendar year unless either of these is true:

1. It can prove that a fiscal year best corresponds to its established business purpose.
2. It elects a fiscal tax year under the provision of Internal Revenue Code Section 444.

However, if the new business is a C-corporation, it can generally elect a fiscal year without any special restrictions. The fiscal year is adopted when the corporation files its first tax year.

### Income Tax Reporting

No matter which form of legal entity you select, you will be subject to federal income taxes. Although the previous outline of entity tax consequences was brief, in actuality, the income tax laws for each business structure are ever-changing and often confusing for an individual newly entering the business arena.

**By obtaining a FEIN and using that FEIN on all IRS correspondence, you will mitigate confusion with the IRS. If you don't obtain a FEIN, it is common for the IRS to assign more than one FEIN to a business, which can result in notices for delinquent tax returns that have been filed under a second FEIN.**

The amount of money you may save by attempting to compute and file your own taxes – particularly as they relate to a business – may be greatly overshadowed by the expenses you may incur if you make a mistake or, worse, miss an opportunity.

The information below provides basic guidance on complying with the numerous tax laws; however, you should engage a tax accountant to assist you with all of your tax filing requirements.

## FEDERAL INCOME TAX FORMS

### 1. FORM 1120: Federal Income Tax Return for

#### C-Corporations

- a. Should be filed by all C-corporations.
- b. May be used by limited liability companies if elected during entity formation process.
- c. Due on the 15th day of the fourth month after the end of the tax year (generally April 15); however, returns for C-corporations with a June 30 year-end are due two and a half months after their year-end (or September 15).
- d. May require estimated tax payments (see below).

### 2. FORM 1120S: Federal Income Tax Return for

#### S-Corporations

- a. Should be filed by all S-corporations.
- b. May be used by limited liability companies if elected during incorporation process.
- c. Due on the 15th day of the third month after the end of the tax year (generally March 15).

### 3. FORM 1065: Federal Income Tax Return for

#### Partnerships

- a. Should be filed by all partnerships.
- b. Default filing form for limited liability companies.
- c. Due on the 15th day of the third month after the end of the tax year (generally March 15).

### 4. FORM 1040: Federal Income Tax Return for Individuals

- a. Should be filed by all sole proprietorships.
- b. Report business income and expenses on Schedule C of Form 1040.
- c. Due on the 15th day of the fourth month after the end of the tax year (generally April 15).
- d. May require estimated tax payments (see below).

## ESTIMATED TAX PAYMENTS

Tax law requires that corporations make quarterly estimated tax payments if they expect their annual income tax liability to be \$500 or more. For sole proprietors, that threshold for making quarterly estimated tax payments is \$1,000. For corporations, this quarterly payment should be deposited directly via the Electronic Federal Tax Payment System (EFTPS).

**Note:** visit [eftps.gov](http://eftps.gov) to enroll.

For sole proprietorships and individuals receiving

Please consult with a tax professional to assist you with these calculations.

### IMPORTANT FEDERAL FILING DATES\*

	FORM 1040	FORM 1120	FORM 1120-S	FORM 1065
March 15			Original Due Date	Original Due Date
April 15	Original Due Date	Original Due Date		
September 15			Extended Due Date	Extended Due Date
October 15	Extended Due Date	Extended Due Date		

\*These dates are for a calendar-year taxpayer.

partnership, S-corporation, or limited liability company flow-through income, quarterly estimated tax payments should be paid using the IRS Direct Pay or EFTPS systems.

Estimated future tax liabilities are based on forecasted income projections, so they cannot always reliably yield accurate tax calculations. Fortunately, the IRS provides two safe-harbor options to avoid the penalties for underpayments of current-year estimated taxes. If your payments for each quarter equal the lesser of (a) 100% (or 110% for certain high-income individuals) of the prior year's income tax or (b) 90% of the current year's tax, you will not be subject to the underpayment penalty.

## EXTENSIONS

The business owner may request an extension of time to file income tax returns. Keep in mind that these extensions do not extend the time for paying the actual tax liability.

## STATE INCOME TAX FORMS

Familiarize yourself with the tax laws and filing requirements of the state(s) in which you do business, or ask your tax accountant for assistance. Each state has its own rules and regulations, and if you are noncompliant with any state, then you may be barred from conducting business within it.

————— Tax planning is an integral part of all investment and business decisions. CRI assists  
————— clients in maximizing the return on their investments and business decisions while  
————— minimizing the tax consequences of those choices.

# NAVIGATING PAYROLL AND SALES TAXES

Irrespective of the form of business in which you operate, you will most likely have people who work for you. We urge you to gain a complete understanding of wage, tip, and payroll information before hiring your first employee. We recommend that you obtain related publications from CRI or the IRS. Additionally, we highly recommend using a payroll service as an alternative to preparing your own payroll.

## EMPLOYEE VERSUS INDEPENDENT CONTRACTOR

As a general rule, employees are those individuals who work for you on a consistent basis. You control the person's schedule and workload. By contrast, an independent contractor can choose their own hours and can refuse work that you assign. Contractors work for you on an inconsistent basis, and they meet stringent IRS guidelines that allow you to exclude them as employees. This exclusion relieves you of the responsibility to withhold payroll taxes from their wages.

To comply with federal payroll tax reporting requirements, each employee must complete Form W-4, Employee's Withholding Certificate. This form will help you determine the amount of federal taxes to withhold from their respective wages. In some cases, you may need to file other employment forms, such as an I-9 or other state and local payroll withholding forms.

## PAYROLL TAX DEPOSIT REQUIREMENTS

As an employer, you are required to make deposits for all federal income tax withheld, as well as Social Security and Medicare tax deposits. Please remember that, as an employer, you also have additional obligations to pay Social Security and Medicare taxes based on employees' wages.

Your tax deposits will be made on one of two deposit schedules: semi-weekly or monthly. The IRS generally notifies all employers each November

of their deposit schedule; however, the employer is ultimately responsible for depositing taxes timely. If you are a first-time employer, the IRS will treat you as a monthly depositor for the first calendar year of your new business. Subsequently, the IRS will use its "look-back" process to determine your future deposit requirements. Employers with very large payroll tax liabilities may be required to deposit taxes semi-weekly or the next business day. To help you ensure proper deposit compliance, we recommend you seek professional advice. Failure to follow these rules can result in serious penalties and other consequences.

## PAYROLL TAX REPORTS

In addition to making monthly or semi-weekly tax deposits, employers are required to submit quarterly and annual federal and state payroll tax reports.

### Federal Payroll Tax Reports

#### 1. FORM 941: Employer's Quarterly Federal Tax Return

- a. Used to report quarterly federal employment payroll tax liabilities.
  - i. Income tax withheld
  - ii. Employer and employee Social Security
  - iii. Employer and employee Medicare

#### 2. FORM 940: Employer's Annual Federal Unemployment Tax Return (FUTA)

- a. Used to report annual the amount of unemployment tax a business is required to pay. The amount of that tax is dependent on the compensation paid to your employees and the number of employees.
- b. Deposits should be made on a quarterly basis if total FUTA tax due is greater than \$500.

#### 3. FORM W-2: Wage and Tax Statement

- a. Annually reports each employee's compensation, including tips that the employee reports to the employer.
- b. Electronic filing may be required if the number of employees exceeds a certain threshold. You may go to the Social Security

Administration's website ([www.ssa.gov](http://www.ssa.gov)) for additional information.

**4. FORM W-3: Transmittal of Wage and Tax Statements**

- a. Accompanies W-2 forms and summarizes all W-2s the employer reports.

**5. FORM 1099-NEC: Nonemployee Compensation**

- a. Used to annually report any independent contractors who received payments greater than \$2,000 (\$600 for years before 2026).
- b. Must be accompanied by Form 1096, Transmittal of Information Returns.

**6. FORM W-9: Request for Taxpayer Identification Number and Certification**

- a. Should be collected in advance of initial payment

**State Payroll Tax Reports**

States have varying individual income tax requirements. Additionally, all employers are required to pay state unemployment taxes for all employees. A tax rate is usually determined by employer history; however, the initial rate for new employers is typically set by the state unemployment office.

Please remember that if you do business in other states or employ individuals in other states, then you may have additional state payroll tax requirements.

**SALES AND USE TAXES**

Sales and use taxes are some of the most complicated, misunderstood, and often incorrectly calculated taxes at the state, county, and city levels. These taxes are payable to the state and, if required, the respective counties and cities.

All businesses should take care to fully understand how sales and use taxes will affect their business. Large tax liabilities result from the incorrect calculation and reporting of sales and use taxes, as this area represents one of the most highly audited areas of any business.

**IRS Official Site**  
> [IRS.gov](http://IRS.gov)

**For access to hundreds of documents, including:**

- **Publication 15 (Circular E) Employer's Tax Guide**
- **Publication 334 Tax Guide for Small Business**

IMPORTANT FEDERAL PAYROLL TAX FILING DATES					
	FORM 941	FORM 940	FORM W-2	FORM W-3	FORM 1099-NEC
January 31	X	X	X (deadline for mailing to employees and filing forms to IRS)	X (deadline for filing forms to IRS)	X (deadline for mailing to recipients and filing forms with nonemployee compensation to IRS)
April 30	X				
July 31	X				
October 31	X				

## SALES AND USE TAXES

Most state and local governments require businesses collect sales tax on sales, admission charges, storage fees, rental fees (except in cases that are exempt under state statutes), and some services. Some examples of taxable business transactions include:

- Retail sales of taxable items
- Repairs and alterations of tangible property
- Rental or leases of personal property, such as vehicles, machinery, equipment, or other goods
- Admission charges for amusement parks, sports, or recreation events
- Selling or providing telecommunication services
- Operation of private membership clubs that provide recreational or physical fitness facilities
- Manufacturing or producing goods for sale at retail level
- Selling of service warranty contracts
- Using mail-order products on which no sales tax has been paid
- Operation of vending or amusement machines
- Certain specified services, such as investigative services, interior non-residential cleaning, or non-residential pest control services (in some states)

As evidenced by the brief list above, sales tax can be a part of almost every transaction (depending upon the state in which the business operates), irrespective of whether your business buys or sells products or services.

### Use Tax

Use tax is a component of state sales tax and may be due if you make purchases out of state. If, for any reason, you purchase a product without paying sales tax and that product is subject to sales tax by law, you are still responsible for paying the tax required to use that product.

If you purchase a tax-exempt product that you plan to sell at the retail level, but decide to use it at your place of business, then the “use” of that product is subject to use tax. Materials that you purchase that are consumed during a manufacturing process to create an end product may also be taxable. Local discretionary surtax may also apply to these purchases.

## SALES AND USE TAX FORMS

Sales tax forms and due dates vary from state to state. Additionally, some states have local sales and use tax filings rather than state-level filings. While completing the forms themselves may seem straightforward, getting a handle on the jurisdictions where you have a filing need may require professional assistance from a service organization dedicated to tracking multi-state sales and use tax requirements.

# RETURN TICKETS: BUY-SELL AGREEMENTS

A buy-sell agreement is a binding agreement executed between co-owners of a business to govern the outcome resulting from a co-owner leaving the business. These agreements often rely on business valuations, which should be reviewed and updated regularly. An insured buy-sell agreement (triggered buyout is funded with life insurance on the participating owners' lives) is often recommended to ensure the funds are available to execute the buy-sell agreement. It impacts who can buy the departing co-owner's shares, when they can be bought, and what they will cost.

Buy-sell agreements can take many forms and cover many variables, so we recommend that you seek professional advice throughout this planning process — as well as during any transaction. The bottom line is that business owners are traveling a pathway that will someday lead to a business transaction, so they should begin preparing now.

## TRAVELERS' PROTECTION: INSURING THE BUSINESS

Business insurance is one of the most important aspects of your company's long-term survival. Usually, you will want to insure against risks that could have detrimental effects on your business — such as fire, storm damage, theft, libel, judgments, employee injuries, automobile accidents, and product liability. The terms of your building, office lease, or mortgage may require you to carry certain kinds of insurance coverage in specified minimum amounts.

Very few types of insurance coverage are mandatory. The only insurance coverage typically required by law is workers' compensation, which covers injuries that employees sustain while on the job. However, there are many other types of policies that you may want to consider. A qualified insurance broker can provide an in-depth

explanation of the provided coverage and related costs of each policy. Additionally, your trade association may offer a more specific insurance list designed specifically for your business.

Some business insurance coverage types you might want to consider include:

- 1. Business Interruption:** This policy, as the name implies, covers the loss of revenues your business would sustain if you were forced to shut down for reasons beyond your control. While this is a valuable option, you should carefully consider the policy premium relative to the potential profits your business might lose during a short shutdown of operations.

- 2. Employee Fidelity Bond:** This type of insurance typically covers the risk of loss from employee theft. If your business handles large amounts of cash, negotiable securities, or similar types of assets, then you may be well advised to consider this coverage. In certain industries, regulatory authorities may require employers to carry this insurance.
- 3. Umbrella Coverage:** This type of insurance covers losses above and beyond the limits of other policies. Umbrella policies usually pertain to various sorts of liability and are valuable if you or your business has a net worth that requires protection in the event of a catastrophic loss.
- 4. Key Person Life Insurance:** You will need to purchase key person insurance if the sudden loss of a key executive would have a substantially negative effect on the company's operations. The payout resulting from the insurance policy essentially buys time for the company to find a new person or to implement other strategies to save the business.

- 5. Disability Buy-Out Insurance:** If a co-owner of a company becomes disabled, a disability buy-out insurance policy can provide the funding to buy out the disabled owner's share of the business at an agreed-upon price to provide a beneficial solution for all parties.
- 6. Short- and Long-Term Disability Insurance (Sick Pay):** Short-term disability insurance pays a percentage of your salary if you become temporarily disabled. Long-term disability insurance picks up where short-term disability insurance ends.

Insurance is like any other product you purchase. Before purchasing, consult with more than one broker. It is best to discuss the ownership and beneficiaries of any life, disability buy-out, and disability income policies with your accountant since the treatment of the premiums and policy payouts has specific tax implications based upon the policies' structures. Before buying coverage, evaluate the reputation of the company that is underwriting the policy. A.M. Best rates companies, and you can request their ratings from your insurance broker.



**THE NEXT STEPS OF  
YOUR JOURNEY**

# SELECT YOUR “TRAVEL BUDDIES”

Starting your own business or operating an established business entails a multitude of decisions that may often seem overwhelming. You cannot overlook your accounting, finance, and technology needs. Making the proper choices early can expedite funding, enhance relationships, and facilitate important decisions.

The benefits of a professional advisor are significant, and one of your most important tools can be the expertise of specialists. The right accounting and business advisory team can provide solutions that:

- Focus on accomplishing financial and performance goals

- Increase revenues
- Reduce overall costs
- Strengthen internal controls
- Lower head count

Seek the expertise of advisors who align with your needs. CRI considers your success our success. We are prepared to assist you with aligning human, financial, and technological resources.

We can meet and assist you at every step of your journey with client accounting and advisory services, one of our full suite of CRI service paths.

## Three “Travel Buddy” Selection Questions

1. Are you a start-up business that needs help establishing an accounting system?
2. Do you need part-time accounting assistance?
3. Has your business outgrown its current accounting structure – and do you need additional expertise?

**If your answer is “yes” to any of these questions, then CRI’s client accounting and advisory services team can likely complement your business’s goals.**

# CLIENT ACCOUNTING & ADVISORY SERVICES

## TRAINING

- Businesses
- New employees
- Support specific accounting projects

## MANAGING AND SUPPORTING

Applications and filing for federal, state, and local:

- Payroll taxes
- Sales and use taxes
- County and city business licenses

## GUIDING

Strategic decisions around:

- Budgeting and forecasting
- Operational reporting
- Internal controls

## CO-SOURCING

Assist your team in:

- Maintaining general ledger
- Preparing financials
- Paying vendors
- Managing cash flow
- Preparing reconciliations
- Managing payroll
- Maintaining depreciation schedules

## OUTSOURCING

On long-term or short-term basis:

- Controller
- CFO

# PROTECT YOUR “SUITCASE” OF IDEAS

Thinking of ideas is relatively easy, but it takes knowledge, time, money, and effort to refine an idea into a workable invention or solution. Turning an invention into an innovation requires additional effort, and turning that into a business or profit requires further investment of time and money. There are considerable barriers to those pursuing innovation. Overcoming them requires careful planning and advice from trusted professionals dedicated to intellectual property (IP). Intellectual property decisions often have tax, valuation, and transaction implications, as well.

Hundreds of thousands of inventors and innovators file for protection under U.S. patent, trademark, and copyright laws each year. However, it can be hard to decide which of the three vehicles is most appropriate for the protection of a particular invention. Patents, copyrights, trademarks, and trade secrets are often collectively referred to as intellectual property. Many businesses have such property without even being aware of it – or of the need to protect it.

A single product or service may require a patent, trademark, and copyright. Each category protects a specific aspect of a creative work or expression.

## Intellectual Property Definitions

### PATENT

**A patent is the grant of a property right to the inventor issued by the U.S. Patent and Trademark Office. Patent holders have the right to exclude others from making, using, or selling the invention described in the patent deed. The intent of the patent is to give the developer of a new product time to recover research, development, and start-up costs without fighting competition.**

### TRADEMARK

**A trademark is a brand name. This description includes any word, name, symbol, or device (or any combination of these elements) used – or intended to be used – in commerce to identify and distinguish the goods of one manufacturer or seller, and to indicate the source of the goods.**

### COPYRIGHT

**A copyright is a form of intellectual property law that protects original works of authorship, including literary, dramatic, musical, and artistic works. Examples include poetry, novels, movies, songs, computer software, and architecture.**

**A copyright does not protect facts, ideas, systems, or methods of operation, although it may protect the way these things are expressed. If you have a registered copyright, then you can block the unauthorized copying or public performance of a work protected by the copyright.**

## Take Off in the World by Marketing & Selling Your Ideas

Creating a marketing strategy offers your business a competitive advantage in the marketplace. A marketing strategy is essentially a foundation that integrates your organization's major goals, policies, and action sequences. Marketing strategies are generally concerned with product, pricing, promotional, and placement strategies. Insight from your financial advisors can help you evaluate the profitability and scalability of your marketing strategies.

The ability to satisfy your customers' needs builds customer loyalty and increases sales. However, both customer needs and the business environment in which you operate are constantly changing. Your marketing strategy should evolve, as well, to keep pace with these emerging opportunities and threats. A marketing strategy will also help you identify new markets that you can successfully target.

# DON'T FLY SOLO!

We encourage you to visit [CRLadv.com](http://CRLadv.com) to see how we might serve you – and to take advantage of our thought leadership.

We hope that you'll consider using our services during your organization's journey. We are ready to provide you with innovative services and solutions in the areas below.

## SERVICES

- Audit, Review & Agreed-Upon Procedures
- Advisory
  - Business Consulting
  - Fraud, Forensic, Investigation & Dispute Services
  - Valuations
- Business Support & Transaction
  - Client Accounting & Advisory Services
  - Business Support
  - Business Transactions
- Employee Benefit Plans
- Outsourced CFO
- Governance, Risk & Assurance
  - Cybersecurity
  - Governance & Risk Assessments
  - Internal Controls
  - Regulatory Compliance
- IT Audits & Assurance
- Tax
  - Business Tax
  - Individual Tax
  - International Tax
  - Payroll Tax
  - State & Local Tax
  - Tax Controversy
  - Tax Specialty Services

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