

Directions for Year-End Tax Prep (do this right at the beginning of January):

It is that time of year....the time to get set for all of those KILLER TAX DEDUCTIONS you are going to get!!! Only in MK do we LOVE tax time!!! You will want to document as much as you can so you can maximize your tax situation. Here is the basic procedure:

- 1) Take a physical inventory count.
- 2) Add up your total for each expense and income category.
- 3) Fill out a Schedule C or give the above info to your tax preparer (A Schedule C is just an additional form with your personal return).

Here are ALL the details:

One of the things you will want to do for your taxes is to count your Section 1 inventory physically. That way, you can establish your year-end retail value for your tax return! You do NOT need to count Section 2 items, they are all written as business supplies on your taxes.

If you keep your inventory on a system such as Excel, Boulevard, or Pink Office, you can use their values IF you have done an excellent job of data entry. To be honest, things always slip through the cracks so I would recommend hand counting everything anyways just like the retail stores do... I always count everything by hand yearly.

Here are the steps to handling your inventory count:

- 1) Count what you have on hand first. The best way to do it is to take a blank paper order form OR use the back of The Look catalogue and tally as you go.
- 2) Then, if you have a MK order placed in the tax year that you are filing and you have not received it yet, once your order has been submitted, pull the order info from intouch and add the quantities together to get an accurate count for your year-end retail value.
- 3) Then put your tallies into an order in MK, as if you were going to order the products. Do not submit this order, but at the end, print the order detail. You can use these numbers as your correct retail/wholesale amount for your on-hand count, and the math will be correct! You can save this order in the system and delete it at your leisure.

You will also want to total up your income and expenses as well.

Stick all your receipts into envelopes separated by category--the list of categories is in information you got at Pink Boot Camp (and is included in the link of Suggested Tax Files above) and should be the names on the tax files you made!

- 1) Take the receipts from one file, for example "Supplies".
- 2) Add up all the receipts.
- 3) Put them all in envelope, seal it, label the from "Supplies 20XX" with the total. The total is the number you will use for your tax return.

Miscellaneous Details:

- 1) You will want to list Section 1, Section 2, and paid Sales Tax separately off of your MK packing slips, which should be in your Inventory file (so that envelope will have 3 totals).
- 2) You will want to add the subtotal and collected sales tax separately off of your sales slips (so that envelope-or envelopes, if you did a lot of business that year-will have 2 totals).
- 3) Remember that you should be recording the wholesale cost of demos, promos, and personal use :-)
- 4) If you wish, you can record the retail sales tax of demos and promos as "lost sales tax", which is a separate category.

Create a list of your income and expenses.

Print out a blank Suggested Tax Files Sheet and fill in an amount off of each envelope next to each category. That will be the data you need to start filling out a Schedule C.

SO sometime soon, get yourself a cup of your favorite drink, some 'post it' notes (to mark items/shelves in your office you have counted) and start counting and adding :-) Trust me, come tax time it will be WORTH IT!!!