

Corporate Franchise News

Bookkeeping Express is the only national franchise providing bookkeeping services to small and medium sized businesses. Our bookkeepers are certified and have the backup of Quality Assurance to insure you receive the most accurate financial picture of your business. With the additional services of Financial Dashboards and the capability to provide your business with all the functions of an accounting department including bill paying, payroll services and cash flow monitoring you have a source that will handle your books so you can get back to business.

BKE continues to Grow!

We want to welcome the latest addition to the BKE system, Cindy Zromkoski! Cindy will be developing territory in NW Indiana.

With the addition of Indiana, BKE has sold over 110 territories throughout the United States. Currently, you can find franchise locations in the following states; New York, Pennsylvania, Maryland, Washington DC, Virginia, North Carolina, Florida and Indiana. We continue to field inquiries on a daily basis, and the interest levels have never been higher. With the current economic climate, more people are looking for opportunities to pave their own way and they are looking to Bookkeeping Express for the answer.

Congratulations to Mike Foster and Jackie Helton for passing their BKE certification! Mike will be developing territory in the Philadelphia suburbs and Jackie is developing in the Tallahassee, Florida market. All the best in growing those markets.

BKE is pleased to announce that Cesar De Leon has joined the Franchise team as the Director of Franchise sales. Cesar brings years of franchise sales experience where he has developed emerging franchise concepts throughout the U.S. and overseas.

Other Corporate News

To further assist franchisees and corporate oversight, Felicia Byrd has been promoted to the position of Senior Bookkeeper, overseeing all bookkeeping of corporate clients and available to assist franchisees with their questions on QuickBooks or data entry. When you call Felicia be sure to congratulate her on recently passing the CPA examination.

John Sullivan is a new bookkeeper with the corporate staff. He will be working on both corporate clients and working on with franchises that use the corporate staff to do their bookkeeping or cleanup.

IRS Announces 2009 Standard Mileage Rates

In November of last year, the IRS issued the 2009 optional standard mileage rates for use in calculating the deductible costs of operating an automobile for business, charitable, medical or moving purposes. Beginning this year, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

- 55 cents per mile for business miles driven;
- 24 cents per mile driven for medical or moving purposes; and
- 14 cents per mile driven in service of charitable organizations.

All rates, except those for charitable purposes, are slightly lower than they were in the second half of 2008, when there was a spike in nationwide fuel costs. The rates in 2008 for business miles were 50.5 cents/mile in the first half of the year and 58.5 cents/mile in the second half; for medical and moving purposes, the 2008 rates were 19 cents/mile in the first half of the year and 27 cents/mile in the second half. The new rates for 2009 are based on an annual study of the fixed and variable costs of operating an automobile. It should be noted that a taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. Additionally, the business standard mileage rate cannot be used for any vehicle that is used for hire or for more than four vehicles that are used simultaneously. Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

How Will The Proposed 2009 Stimulus Package Impact Small Businesses?

The version of the economic stimulus bill that has passed the House and is now before the Senate includes provisions particularly relevant for small businesses. Leading the pack are the proposals to give the Small Business Administration approximately \$430 million to revive its ailing loan programs, an extension of the small business expensing program and a provision on net operating loss carry-backs.

The SBA proposal will provide money that can be used to increase the government's guaranty of SBA 7(a) loans and to allow the agency to make loans directly to small businesses, something that is currently performed by private-sector lenders. SBA's 7(a) loans are those provided by lenders who

choose to structure their own loans by SBA's requirements and who apply and receive a guaranty from the SBA on a portion of this loan. The SBA does not fully guaranty these loans, instead, their current maximum guaranty is 85%. However, the legislation, as proposed, seeks to encourage lenders to start making more 7(a) loans by temporarily increasing the amount guaranteed by the government to 95%. In theory, this makes the loans less risky for lenders and will hopefully free up capital for additional loans.

The bill also would allow a small business to apply directly to the SBA for a loan. The agency would first forward the application to lenders within 100 miles of the applicant's location. If none of these lenders decide to make the loan, the SBA would then send the application to participants in the agency's Preferred Lenders program. If these lenders pass, the SBA itself could then originate, underwrite, close and service the loan.

With the \$250,000 limit on small business expensing having expired at the end of 2008, the proposed bill includes a two year extension (2009 and 2010) of this higher limit, up from the current level of \$125,000. This will provide small businesses with an immediate tax write-off for equipment purchases and capital investments, rather than making them depreciate the costs over time.

Finally, the bill includes a provision that extends the net operating loss carry-backs from two years to five years. This is great for small businesses,

as the ability to write off current losses against past profits for up to five years, rather than two, will hopefully get cash flowing sooner during the current credit market environment.

These provisions of the proposed legislation that will likely end up on President Obama's desk for signature all seek to free up lending and provide incentives for small businesses. Business owners should monitor this bill's progress and be mindful of any borrowing and/or investment opportunities that it may present in the coming months.

Additional Tax Tips

If you use independent contractors, be sure to keep detailed records. To help find customers a mortgage broker paid people to canvass neighborhoods, distributing or leaving on doorsteps promotional pieces, interest rates and contact details. The broker paid them in cash, deducting the cash payments on Schedule C as "Outside Help". The payments comprised about half the business expense for the year. The IRS, however, denied the deductions because the broker provided no specifics of whom or how much was paid. Forms 1099s were not provided until the audit and none of the SSNs appeared to be valid. Without records or other credible evidence to support deductions, they were denied. **So, keep records!**

SERVICES:

- Certified Bookkeepers
- Alternative Pricing Model
- Online Bookkeeping thru **BKE Connect**
- Easy Integration
- Year Round Support

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