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Leslie A. Cesario, Ltd. Monthly Newsletter

It's Time for Year-End Tax Planning

Article Highlights:

- Capital Gains and Losses
- Roth IRA Conversions
- Recharacterizing a Roth Conversion
- Minimum Required Distribution
- Annual Gift Tax Exemption
- Expensing Allowance (Sec 179 Deduction)
- Self-employed Retirement Plans
- Increase Basis

For the past few years, year-end tax planning has been challenging due to the lateness of action by Congress. This year is no different because of uncertainty over whether Congress will extend any of the many expired or expiring tax provisions. However, regardless of what Congress does later this year, solid tax savings can still be realized by taking advantage of tax breaks that are still on the books for 2015. For individuals and small businesses, these include:

- **Capital Gains and Losses** – You can employ several strategies to suit your particular tax circumstances. If your income is low this year and your tax bracket is 15% or lower, you can take advantage of the zero percent capital gains bracket benefit, resulting in no tax for part or all of your long-term gains. Others, affected by the market downturn earlier this year, should review their portfolio with an eye to offsetting gains with losses and take advantage of the $3,000 ($1,500 for married taxpayers filing separately) allowable annual capital loss allowance. Any losses in excess of those amounts are carried forward to future years.

- **Roth IRA Conversions** – If your income is unusually low this year, you may wish to consider converting your traditional IRA into a Roth IRA. Even if your income is at your normal level, with the recent decline in the stock markets, the current value of your Traditional IRA may be low, which provides you an opportunity to convert it into a Roth IRA at a lower tax amount. Thereafter, future increases in value would be tax-free when you retire.

- **Recharacterizing a Roth Conversion** – If you converted assets in a traditional IRA to a Roth IRA earlier in the year, the value of those assets may have declined due to this summer's market drop; and, as a result, you will end up paying more taxes than necessary on the higher conversion-date valuation. However, you may undo that conversion by recharacterizing it, which is accomplished by transferring the converted amount (plus earnings, or minus losses) from the Roth IRA back to a traditional IRA. This must be done via a trustee-to-trustee transfer. You can later (generally after 30 days) reconvert to a Roth IRA.

- **Don't Forget Your Minimum Required Distribution** – If you have reached age 70 1/2, you must make required minimum distributions (RMDs) from your IRA, 401(k) plan and other employer-sponsored retirement plans. Failure to take a required withdrawal can result in a penalty of 50% of the amount of the RMD not withdrawn.

- **Take Advantage of the Annual Gift Tax Exemption** – Although gifts do not currently provide a tax deduction, you can give up to $14,000 in 2015 to each of an unlimited number of individuals without incurring any gift tax. There's no carryover from this year to next year of unused exemptions.

- **Expensing Allowance (Sec 179 Deduction)** – Businesses should consider making expenditures that qualify for the business property expensing option. For tax years beginning in 2015, the expensing limit is $25,000. That means that businesses that make timely purchases will be able to currently deduct most, if not all, of the outlays for machinery and equipment. Note: There is a good chance the Congress will increase that limit before year's end and after this newsletter has gone to press, so watch for further developments.

- **Self-employed Retirement Plans** – If you are self-employed and haven't done so yet, you may wish to establish a self-employed retirement plan. Certain types of plans must be established before the end of the year to make you eligible to deduct contributions made to the plan for 2015, even if the contributions aren't made until 2016. You may also qualify for the pension start-up credit.

- **Increase Basis** – If you own an interest in a partnership or S corporation that is going to show a loss in 2015, you may want to increase your investment in the entity so you can deduct the loss, which is limited to your basis in the entity.

Also keep in mind when considering year-end tax strategies that many of the tax breaks allowed for calculating regular taxes are disallowed for alternative minimum tax (AMT) purposes. These include deduction for property taxes on your residence, state income taxes, miscellaneous itemized deductions, and personal exemption deductions. Other deductions, such as for mortgage interest, are calculated in a more restrictive way for AMT purposes than for regular tax purposes. As a result, accelerating payment of these expenses that would normally be made in early 2016 to 2015 should – in some cases – not be done.

Action May Be Needed Before Year-End

Article Summary:

- New regulations
- Adopting a de minimis policy
- Deadline for adopting a policy for 2016
- Limitations without a de minimis policy

Prior to the release of the new regulations dealing with capitalization and repairs, the Internal Revenue Code and regulations provided no specific de minimis amount that could be expensed for business purchases of items with a useful life of greater than one year, although the IRS generally didn't quibble over the expensing of items costing $100 to $200 or less. This is without regard to the Section 179 expensing provision.

The new regulations now define a de minimis amount, but it is not a specific amount nor is it automatic. To utilize the de minimis safe harbor, business taxpayers must have an accounting procedure in place before the beginning of the tax year that specifies the de minimis safe harbor amount adopted by the business.

We will provide you with an updated De Minimis Accounting Policy with your corporate organizer. You will need to sign the Accounting Policy and return it to our office along with your tax documents.
In general, a small business, one without an Applicable Financial Statement, can adopt a de minimis safe harbor up to $2500 (last year it was $500).

Without an accounting procedure adopting a de minimis safe harbor, a small business can only expense the cost of items with a life of one year or less and would be required to capitalize (depreciate) all other items regardless of cost (however, these items may be eligible for Section 179 expensing).

If you have questions related to adopting a policy for 2016, please contact this office before year's end.

Don't Be Scammed By Fake Charities

Article Highlights:

- Scammers and charitable contributions
- How to check on legitimate charities
- Disaster scammers

As the end of the year approaches, you will probably be besieged by requests from charitable organizations for contributions. The holiday season is the favorite time of the year for charities to solicit donations.

But you should be aware that it is also the time of year when scammers show up in force, pretending to be legitimate charities in hopes of deceiving you into giving them your hard-earned money.

When making a donation, you should take a few extra minutes to ensure your gifts are going to legitimate charities.**IRS.gov** has a search feature, Exempt Organizations **Select Check**, which allows people to find legitimate, qualified charities to which donations may be tax-deductible.

Here are some tips to make sure your contributions are going to legitimate charities.

- Be wary of charities with names that are similar to familiar or nationally known organizations. Some phony charities use names or websites that sound or look like those of respected, legitimate organizations.

- Don't give out personal financial information, such as Social Security numbers or passwords, to anyone who solicits a contribution from you. Scam artists may use this information to steal your identity and money. Using a credit card to make legitimate donations is quite common, but please be very careful when you are speaking with someone who called you; don't give out your credit card number unless you are certain the caller represents a legal charity.

- Don't give or send cash. For security and tax record purposes, contribute by check or credit card or another way that provides documentation of the gift.

Another long-standing type of abuse or fraud involves scams that occur in the wake of significant natural disasters. In the aftermath of major disasters, it's common for scam artists to impersonate charities to get money or private information from well-intentioned taxpayers. Scam artists can use a variety of tactics. Some scammers operating bogus charities may contact people by telephone or email to solicit money or financial information and may set up phony websites that claim to solicit funds on behalf disaster victims. Unscrupulous individuals may even directly contact disaster victims and claim to be working for or on behalf of the IRS to help the victims file casualty loss claims to get tax refunds.

Scammers may also attempt to get personal financial information or Social Security numbers that can be used to steal the victims' identities or financial resources. Disaster victims with specific questions about tax relief or disaster-related tax issues may call a special IRS toll-free disaster assistance telephone number (1-866-562-5227) for information.

Don't be scammed; make sure you are donating to recognized charities. Deductions to charities that are not legitimate are not tax deductible. If you have questions, please give this office a call.

Have You Taken Your Required Minimum IRA Distribution?

Article Highlights:

- Required Minimum Distributions
- When the Distributions Must Begin
- RMD Distribution Tables
- Figuring the Amount of the Distribution
- IRA-to-Charity Transfers

As year-end approaches, this is a good time to make sure you have taken your required minimum distribution (RMD) for 2015.

What is an RMD, you ask? The tax code does not allow IRA owners to keep funds in a traditional IRA indefinitely. Eventually, assets must be distributed and taxes paid. If there are no distributions, or if the distributions are not large enough, the IRA owner may have to pay a 50% penalty on the amount not distributed as required.

Generally, required distribution begins in the year the IRA owner attains the age of 70½. If 2015 is the year you reached 70½, you can avoid a penalty by taking that distribution no later than April 1, 2016. However, delaying the first distribution means you must take two distributions in 2016, one for 2015, when you reached age 70½, and one for 2016. If an IRA owner dies after reaching age 70½ but before April 1st of the next year, no minimum distribution is required because death occurred before the required beginning date. If you became 70½ in an earlier year, you are required to take a distribution no later than December 31 of each year.

The amount you are required to withdraw is based upon the value of the IRA account on December 31 of the prior year multiplied by your life expectancy from the Uniform Lifetime

Table illustrated below. If you have more than one IRA, the RMD for each one is figured separately, but you may add up all the RMDs and take the total amount required for the year from any one or a combination of the IRAs.

UNIFORM LIFETIME TABLE

Age	Life	Age	Life	Age	Life	Age	Life	Age	Life
70	27.4	80	18.7	90	11.4	100	6.3	110	3.1
71	26.5	81	17.9	91	10.8	101	5.9	111	2.9
72	25.6	82	17.1	92	10.2	102	5.5	112	2.6
73	24.7	83	16.3	93	9.6	103	5.2	113	2.4
74	23.8	84	15.5	94	9.1	104	4.9	114	2.1
75	22.9	85	14.8	95	8.6	105	4.5	115	1.9
76	22.0	86	14.1	96	8.1	106	4.2		
77	21.2	87	13.4	97	7.6	107	3.9		
78	20.3	88	12.7	98	7.1	108	3.7		
79	19.5	89	12.0	99	6.7	109	3.4		

Not illustrated, because of the size, are the Joint and Last Survivor Table, which is used to determine RMDs when the sole beneficiary is a spouse who is more than 10 years younger than the IRA owner, and the Single Life Table, used for certain beneficiary RMD determinations. For table values not illustrated, please call this office.

Example: *The IRA account owner is age 75 in 2015, and the value of his IRA account on December 31, 2014, was $120,000. His 73-year-old wife is the sole beneficiary of the IRA. From the table, we determine the owner's life expectancy to be 22.9. Thus his RMD for 2015 is $5,240 ($120,000/22.9) and must be withdrawn no later than December 31, 2015.*

If in the preceding example the taxpayer had not withdrawn the $5,240, he would be subject to a 50% penalty (additional tax) of $2,620 ($5,240 x 50%). Under certain circumstances, the IRS will waive the penalty if the taxpayer can demonstrate reasonable cause and makes up the withdrawal soon after discovering there was a shortfall in the distribution. However, the hassle and extra paperwork involved in asking the IRS to waive the penalty makes it something you want to avoid by taking the correct amount of distribution timely. Some states also penalize under-distributions.

There is no maximum limit on distributions from a Traditional IRA, and as much can be withdrawn as the owner wishes. However, if more than the required distribution is taken in a particular year, the excess cannot be applied toward the minimum required amounts for future years.

Prior to 2015, there was a provision of the tax code that allowed a taxpayer to use up to $100,000 of IRA funds to contribute to a charity by directly transferring the IRA funds to the charity via a trustee-to-charity transfer. In doing so, (1) the transfer counted toward the RMD requirement, (2) the amount transferred did not have to be reported as income, and (3) no charity deduction was claimed. The advantages of that provision allowed a taxpayer to take the standard deduction and still benefit from the charitable donation. It also kept the IRA distribution from being included in the taxpayer's AGI, potentially causing less of their Social Security income to be taxed and reducing the effect of higher AGI phaseouts. **NOTE: There is a chance that the provision will be extended, so to achieve any tax benefit from it, you would need to act now as if it were in effect.**

Even though an IRA owner whose total income is less than the return filing threshold is not required to file a tax return, he or she is still subject to the minimum required distribution rules and could be liable for the under-distribution penalty even if no income tax would have been due on the under-distribution.

In many cases, advance planning can minimize or even avoid taxes on Traditional IRA distributions. Often, situations will arise in which a taxpayer's income is abnormally low due to losses, extraordinary deductions, etc., where taking more than the minimum in a year might be beneficial. This is true even for those who may not need to file a tax return but can increase their distributions and still avoid any tax. If you need help with planning, please call this office for assistance.

Will Your Favorite Tax Benefit Expire?

Article Summary:

- Expiring Tax Provisions
- Personal Provisions
- Business Provisions
- Will Congress Act?

More than 50 tax provisions that Congress routinely extends on a yearly basis expired at the end of 2014. The big problem is, each year they are extending the provisions later and later in the year, creating uncertainty for taxpayers on whether they can depend on these tax incentives or not. This makes tax planning unclear and leaves taxpayers wondering about their projected tax liability.

For 2014, Congress waited almost to the end of the year to apply many of the provisions to the 2014 tax year. This was not only a problem for taxpayers but also for the IRS, which needed to adjust its forms and tax filing software at the last minute and actually had to delay the start of the tax season.

Although there were serious discussions among some members of Congress in the spring related to passing an extender bill, those discussions withered away with the summer heat and little has been discussed recently about either making some of the provisions permanent or extending some or all of them for another year. So whether we will have extender legislation and, if we do, what will be included in that legislation is up in the air.

So you may wish to review the expiring provisions to see how you will be affected if they are not extended. Each of these tax benefits expired at the end of 2014 and will not apply in 2015 unless Congress acts. Although more than 50 provisions are expiring, the list below only includes those that most likely will impact individuals and small businesses:

- **Teachers' Above-the-Line Expense Deduction** – Elementary and secondary teachers have been allowed to deduct up to $250 for classroom supplies without itemizing their deductions. As an alternative, these teachers can deduct these expenses as a charitable itemized deduction if they work for a public school or charitable organization and obtain the required documentation verifying the expenses.

- **Principal Residence Acquisition Debt Forgiveness Exclusion** - When a lender forgives debt, the amount of the debt forgiven is income to the borrower; and, although the law allows a taxpayer to exclude that debt relief income to the extent the taxpayer is insolvent, many taxpayers saddled with this problem were not insolvent. To alleviate that situation, Congress passed a law allowing debt relief income from the discharge of qualified principal residence acquisition debt to also be excluded from one's income. This exclusion does not apply to forgiven equity debt income.

- **Excludable Commuter Transportation and Transit Passes** – The tax law allows an employer to reimburse, tax-free, an employee for qualified parking, certain commuter transportation and transit passes. For several years now, the monthly maximum has been the same for all three ($250 in 2014). However, the nontaxable amount of commuter transportation and transit passes will drop to $130 in 2015 if the higher deduction is not extended.

- **Mortgage Insurance Premiums** – A temporary provision has been allowing lower-income taxpayers to deduct mortgage insurance premiums on contracts in connection with acquisition indebtedness on the taxpayer's principal residence.

- **General Sales Tax Deduction** – This temporary provision allows taxpayers to take a deduction for state and local general sales and use taxes in lieu of a deduction for state and local income taxes. The big losers here will be residents of states that do not have a state income tax; these taxpayers will end up without either deduction if the provision is not extended.

- **Qualified Conservation Contributions** – This special rule for contributions of capital gain real property made for conservation purposes allowed qualified conservation contributions to be deducted up to 50% of a taxpayer's AGI (100% for qualified farmers and ranchers). Without an extension, the allowable contribution will be limited to 30% of the taxpayer's AGI. The portion of the contribution that exceeds the AGI limitation is carried over for up to five future years.

- **Above-the-line Tuition Deduction** – This deduction allows moderate and low-income taxpayers to take an above-the-line deduction (maximum $4,000) for qualified higher education tuition and related expenses. As an alternative, most taxpayers will qualify for the American Opportunity Tax Credit.

- **IRA to Charity Contribution** – A temporary provision allowed taxpayers age 70½ or older to directly transfer up to $100,000 from an IRA to a qualified charity without including the distribution in income, and it would also count towards their required minimum distribution. Although no charitable deduction is allowed, the benefit is the same as (or even better than) taking a taxable distribution and then getting a charitable deduction. It also keeps the donor's AGI lower for purposes of all the AGI limitations built into the tax laws. It is especially helpful for those with Social Security income that becomes taxable because of an IRA distribution. As a hedge, in case this provision is extended, act as if it has been.

- **Bonus Depreciation** – For the past several years, as an incentive for businesses to invest in equipment and boost the economy, this provision allowed businesses to take bonus depreciation in the first year the property is placed in service. At one time it was 100%, but was 50% in 2014. The impact here, if the provision is not extended, is that equipment will have to be depreciated over the equipment's useful life, generally 5 or 7 years. Where applicable, the Sec 179 expense deduction can be used, but it too is reduced drastically without extension (see below).

- **Sec 179 Expense Deduction** – As part of the economic recovery efforts of the last few years, Congress temporarily increased the Sec. 179 expensing limit from $25,000 per year to $500,000, which it has been since 2010. The property cost limit phaseout threshold was also increased to $2 million. Without extension the maximum deduction will return to $25,000 with a $200,000 cost limit phaseout.

- **Qualified Real Property Sec 179 Deduction** – For years 2010 through 2014, the definition of qualified property for purposes of the Sec 179 deduction was temporarily amended, with some limitations, to include:

  o Qualified leasehold improvement property,
  o Qualified restaurant property, and
  o Qualified retail improvement property

  Thus, without an extension, these properties will no longer qualify for the Sec 179 expense deduction.

- **15-year Life** – A temporary provision allows 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements. Without an extension, these items will have to be depreciated over a 31-year life.

Where Congress left off this summer was with a Senate bill that would extend the provisions for 2015 and 2016 and House legislation that would only extend a few of the provisions for 2015 only. With the partisan battles going on in Congress, the distraction of the upcoming elections and the holiday recesses just around the corner, what will happen to the extender legislation is anyone's guess at this point. If history is an indicator, passage will come very late in the year.

If you have any questions, please call.

When to Claim a Disaster Loss

Article Highlights:

- Disaster Losses
- Elections
- Net Operating Loss
- AGI Limitations
- Possible Gain

With the wild fires and draught in the West and flooding on the East Coast, we have had a number of presidentially declared disaster areas this year. If you were an unlucky victim and suffered a loss as a result of a casualty, you may be able to recoup a portion of that loss through a tax deduction. If the casualty occurred within a federally **declared disaster** area, you can elect to claim the loss in one of two years: the tax year in which the loss occurred or the immediately preceding year.

By taking the deduction for a 2015 disaster area loss on the prior year (2014) return, you may be able to get a refund from the IRS before you even file your tax return for 2015, the loss year. You have until the unextended due date of the 2015 return to file an amended 2014 return to claim the disaster loss. Before making the decision to claim the loss in 2014, you should consider which year's return would produce the greater tax benefit, as opposed to your desire for a quicker refund.

If you elect to claim the loss on either your 2014 original or amended return, you can generally expect to receive the refund within a matter of weeks, which can help to pay some of your repair costs.

If the casualty loss, net of insurance reimbursement, is extensive enough to offset all of the income on the return, whether the loss is claimed on the 2014 or 2015 return, and results in negative income, you may have what is referred to as a net operating loss (NOL). When there is an NOL, the unused loss can be carried back two years and then carried forward until it is all used up (but not more 20 years), or you can elect to only carry the unused loss forward.

Determining the more beneficial year in which to claim the loss requires a careful evaluation of your entire tax picture for both years, including filing status, amount of income and other deductions, and the applicable tax rates. The analysis should also consider the effect of a potential NOL.

Ordinarily, casualty losses are deductible only to the extent they exceed $100 plus 10% of your adjusted gross income (AGI). Thus, a year with a larger amount of AGI will cut into your allowable loss deduction and can be a factor when choosing which year to claim the loss.

For verification purposes, keep copies of local newspaper articles and/or photos that will help prove that your loss was caused by the specific disaster.

As strange as it may seem, a casualty might actually result in a gain. This sometimes occurs when insurance proceeds exceed the tax basis of the destroyed property. When a gain materializes, there are ways to exclude or postpone the tax on the gain.

If you need further information on casualty and disaster losses, your particular options for claiming the loss, or if you wish to amend your 2014 return to claim your 2015 loss, please give this office a call.

6 Steps to Get Your Business Startup on Track For Long Term Success

It's easy to think about startup businesses and consider the success or horror stories, but what about the average startups? The hard and bleak reality is that the majority of **small business startups fail**. So, to avoid being like the average startup, you need to create a plan for success.

Choose the Right Entity

One of the first steps to forge a solid start includes selecting the right entity for your business. This legal structure will affect the amount of paperwork you need to do and the legal ramifications you will face.

The right entity will help you reduce your liability exposure and minimize your taxes. You need to ensure your business can be financed and run efficiently with a method that helps ensure the business operations will continue after the death of the owner. Along with making the startup process more organized in an official capacity for the company, the formalization process will also solidify the ownership of participants who are participating in the venture.

To choose your entity, you will first need to consider what personal level of risk you face from liabilities that could arise from your business. You will then need to consider what the best angle is for taxation, finding ways to avoid layers of taxation that can increase unnecessary expenses. Then, you will have to consider what kind of ability you have to attract investors and what ownership opportunities will need to be offered to key stakeholders. Finally, you will have to consider the overall costs of operating and maintaining whatever business entity you choose.

There isn’t necessarily only one entity that can fit your business. The key in this process is looking at how each entity will alter your business’s future to select the one that is right for you. You might choose a sole proprietor, corporation or limited liability company if you are a single owner. If your business is going to be owned by two or more individuals, then you might choose a corporation, limited liability, limited partnership, general partnership or a limited liability partnership.

Sole Proprietorship: The most common entity type where a single owner is personally liable for financial obligations. This is the easiest type of business entity to form and offers complete control to you as the managerial owner.

Partnership: When two or more people want to share the profits and losses of a business, they can benefit in a shared entity that does not pass along the tax burdens of their profits or benefits of the losses. In this entity form, however, both partners are personally liable for the financial obligations of the business.

Corporation: A corporation is an entity that is separated from the founders and handles the responsibilities of the organization for which it bears responsibility. The corporation can be taxed and held legally liable for its actions, just like a person. The corporate status allows you to avoid personal liability, but you will have to provide the funds to form a corporation and keep extensive records to keep the corporation status. Double taxation can also be seen as a downside to the corporate status, but a Subchapter corporation can avoid this situation by using individual tax returns to show profits and losses.

Limited Liability Company (LLC): This is a hybrid form of a partnership entity that allows owner to benefit from aspects of the corporation and partnership forms of the business. Both profits and losses can be passed to the owners without taxing the business and while shielding owners from the personal liability factor.

Plan for Growth

Even though the number one reason startups fail is due to the production of a product no one wants, you can’t just stop with a great product. As an entrepreneur, you have to know about every aspect of your business. Even if you are not an expert in the process of business and aspects of your company, failure in those areas can still cost you your success. You have to know enough to catch key problems in your company’s startup process.

Too segmented, and your company will struggle with gaps and overlap. If the CEO believes it is his or her job to lead, but not to market, then he or she may miss an important connection between target audience and company direction. If the marketer believes it is his or her job to market, but not to develop the website, then he or she might find the website design does not appeal to the right audience. Each individual needs to be both responsible and organic in their approach to helping the company move in the right direction.

While you want growth, you need to be prepared to sustain it. In order to get your venture capital secured, you need accelerated growth; grow too slow and you won't be eligible for the funds you need to keep growing. Yet, your company will have to be equipped for that growth. The shifting size will alter your ability to work as an agile startup, will force you to reconsider a variety of your tools and may even make you update your physical headquarters. This is just one more reason your current company leaders and employees need to be flexible in the nature of their coverage and thorough in the application of their talents.

The second major reason that companies fail is due to a shortage of funds. These companies run out of cash because their growth stalls. Stalling growth can kill a startup by making them lose to the competition, lose customers, lose employees and lose passion.

Growth Hack

Once you've gotten your business prepared for substantial growth at a very rapid pace, you will need to focus your attention on increasing that growth. A relatively new term, growth-hackers are professionals that are specifically focused on the rapid growth of startups. Since the second largest reason startups fail is directly related to money shortages (and indirectly related to growth), you will want to focus a lot of your initial attention on increasing growth in creative ways.

The **growth hacker** job is usually done by a professional who stands in the place of a marketer. The growth hacker has to understand your startup's audience and how to appeal to them for faster growth. The growth hacker will also break your large end goal (increased growth at a rapid rate) into smaller, actionable and achievable tasks, like doubling your content creation, to reach that end goal.

Watch the Money

In order to help manage the funds that you do have, you will want to establish financial controls to provide your startup with a solid foundation. The internal controls will include accounting, auditing, damage control planning and cash flow. You will need to have disciplined controls to ensure solid growth and help you never run out of cash.

You will want to adjust and re-adjust your projections for cash flow, never allowing the cash to run dry. This also means you need to set maximum limits of purchasing authority to keep partners or employees from overspending. You will need to require all payments to be recorded on invoices to support audits and keep spending on track. Additionally, you will want to use an inventory control system and use an edit log to track changes made to your website. Don't overlook your suppliers as sources of financing or assume that all shipments are accurate or in good condition. Ask for term discounts, pay on time and always create purchasing contracts to ensure your goods are delivered.

Measure Your Achievements

Key Performance Indicators (KPIs) are ways to measure the company's success in achieving key business goals. You will want to establish KPIs on multiple levels in order to monitor your efforts on meeting your objectives.

You will want to use SMART KPIs that are Specific, Measurable, Attainable, Relevant and Timely. Goals that are too general, don't have an end date and aren't within your control are goals doomed to fail. To help your startup succeed, you need to discover the core objectives that will really improve your company status.

Work With Us

Finally, you need to spend more time growing your business than accounting for it. Remember, a misplacement of funds and lack of cash is the second biggest reason why startups fail.

Once you have a product that is worth taking to market and a plan in place to cultivate funding, you will be in a good place with your startup. Don't let any of these points cause you to lose control of your business with a blind side hit when you could have prepared.