



Breakthrough Solutions, LLC

Providing solutions to help your business succeed!

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KEEPING YOU INFORMED: BARTERING

What is bartering? Bartering is the trading of one product or service for another.

For example, a website company needs a cabinet built and one of their clients is a cabinet maker. They discuss services and the cabinet maker builds a cabinet for the website company in exchange for three hours of website update services.

When bartering there are several things you need to know:

- The IRS wants to remind small business owners that the fair market value of property or services rendered through barter is taxable income. The fair market value must be reported as income by both parties.
- Barter dollars or trade dollars are identical to real dollars for tax reporting purposes.
- Income from bartering is taxable in the year it is performed. Bartering may result in liabilities for income tax, self-employment tax, employment tax or excise tax.
- Your barter activities may result in ordinary business income, capital gains or capital losses, or a nondeductible personal loss.
- To report bartering, it will depend on what type of form you file. You may file it on Form 1040, Schedule C Profit or Loss from Business, or Form 1065 for Partnerships, Form 1120 for Corporations or Form 1120-S for S-Corps.
- An organized marketplace for barter exchanges may be required to issue Form 1099-B.
- For more information, see the Bartering Tax Center in the Business section at www.irs.gov.

Visit our website at

breakthroughsolutionsllc.net

QB Shortcuts

- Account list, display
Ctrl + A
- Check, write: Ctrl + W
- Copy transaction in register: Ctrl + O
- Customers & Job list, display: Ctrl + J
- Edit list of registers:
Ctrl + E

QB online Shortcuts

- Open the Check window: Ctrl + Alt + W
- Open the Expense window: Ctrl + Alt + X
- Open the Estimate Window: Ctrl + Alt + E

IF YOU HAVE QUESTIONS ABOUT BARTERING, OR HOW TO BARTER USING QUICKBOOKS®, CONTACT BREAKTHROUGH SOLUTIONS



WELCOME BETSY FRAILEY

Betsy Frailey has joined the staff at Breakthrough Solutions. Betsy is Trish's daughter and has recently moved back from Illinois. In addition to working at Breakthrough Solutions, Betsy is the mother of a very active 5 year old. In her spare time, Betsy enjoys reading, spending time outside with family and the occasional Sudoku puzzle! She is excited to learn more about the client's of Breakthrough Solutions and the accounting field. Her background is in English, Early Childhood and Family and Consumer Sciences.



Do you have an IDEA that you would like to see in a future newsletter? Contact us at 920-759-1660.



Did you know we offer...

Accounting Services

- *Invoicing your customers*
- *Entering and paying bills*
- *Balancing of bank accounts and credit card statements*
- *Sales tax calculation and filing*
- *Complete payroll processing*
- *Review of monthly entries*
- *Financial statement processing*
- *Preparing records for tax return processing*



QUICKBOOKS® "OTHER" ACCOUNT

How often when reviewing a report using QuickBooks® accounting software do you see - Other following the Account name? We see it often when we are helping a business owner learn how to read and understand their financial statements.

Generally what it means is that a transaction was posted to a Parent account instead of a sub-account. Are you confused about the way to set up your Chart of Accounts? Here is a brief description of how Parent, Sub, and Regular accounts are used the QuickBooks® Chart of Accounts:

- Parent or heading accounts (also called total accounts because when you view the account it will have a total of all the Sub-accounts associated with it)
- Sub-accounts or posting accounts allow you to separate out amounts to view their full balances that then roll down to a grand total of the Parent account in most reports
- Regular accounts are Parent accounts without Sub-accounts

The key thing to remember is that if you use a Parent account that has Sub-accounts you should only post transactions to the Sub-accounts. If you use the Parent account QuickBooks® automatically sets up - Other account.

If you would like a more detailed procedure for working with your accounts please contact us.

MICROSOFT WORD TIP: WHEN YOU MAKE A MISTAKE, PRESS CTRL Z. KEEP PRESSING IT TO BACKTRACK THROUGH AND UNDO THE MOST RECENT EDITING CHANGES YOU'VE MADE.

Check out our client logos on the website!

www.breakthroughsolutionsllc.net/clients

Want yours added? Email your logo to Betsy at



RANDOM ACCOUNTING FACT: "HE CAN'T GET NO SATISFACTION..." BUT HE PROBABLY KNOWS HOW TO READ A FINANCIAL STATEMENT. MICK JAGGER STUDIED ACCOUNTING

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