

## HOW TO PUT A SMILE ON YOUR ACCOUNTANTS FACE!

Some Tax Time Advice from Brian Tucker

So you don't even think about it? I'll say right now that the headline isn't to be read as an invitation to deluge the Editor with accountant jokes - like What's the difference between an Undertaker and an accountant? The Undertaker's the one with the charisma. Or What's the difference between an Accountant and an Auditor? The Auditors are the ones who take up auditing because they find accounting too exciting.

I was at an accounting seminar once and I got to the lunch table late. I collected some of the club sandwiches, found a spare sear, picked up a sandwich and started eating. After a couple of mouthfuls I looked up to see everyone else eating their sandwiches with a knife and fork. Oops...

Back to business. I have two rules: -

1. Never pay your accountant to do what you are quite capable of doing yourself. This means that:

a) You do not dump a boxful of receipts on the accountant if you are capable of sorting them out into various categories yourself - art supplies, telephone, travelling expenses, exhibition costs and so on. You need nothing more than an expanding file with suitably labelled pockets, into which your receipts are regularly deposited. At the end of the year (or even during the year). Transfer them to labelled envelopes. This is about the most basic record keeping strategies. And I've never met anyone who wasn't capable of it. Mind you, that's not to say everyone will do it; some people regard the sorting of receipts with the same horror that pre-teen girls view pre-teen boys who publicly squeeze pimples. All I can say to those people is, please don't fold every receipt into a tiny square - the spray-on starch we go through ironing receipts out flat again is shocking!

b) If you can use a calculator (or adding machine) - add up the receipts and write the total on the envelope. The really hard and awful job was sorting out. Adding them up, though invariably frightening (OK you kids, whose been on the phone?), will be a breeze.

c) Further up the ladder of book keeping enlightenment, you'll find the cashbook. While you will sort your receipts into their various categories, you then transfer the details to a multicolumn cashbook.

DATE / PAID TO / REF / ART SUPPLIES / PHONE / TRAVEL / ETC...

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Your Accountant can then see at a glance where your money has gone and will quickly spot any apparent anomalies. Such as:

- Apple Centre - Computer Supplies \$4599.00 (Sorry, you cannot write-off new computers), or
- Country Road - Protective Clothing \$360.00 (I don't think so) or
- Mater Art Union - Donations \$20.00 (No such luck)

If you are going to the trouble of keeping a cashbook, go the extra distance and add up the columns. At the end of each page, carry forward the total so that the total at the last line is the total for the year to date. You can also have one column into which every amount is entered. The total of that column should equal the total of all the other columns - a useful double check on your adding up skills.

d) If you're adding up skills are a bit suspect, you could progress to a computer spreadsheet which will not only save you a lot of writing, but will do the adding up for you as well.

e) There are also a number of accounting software packages on the market which make the data entry even easier, and, if you've set the system up properly, will be able to provide you with up to date profit and loss statements - very useful in keeping up to date with potential tax liabilities. Remember, all the time, that you need a receipt or diary entry to substantiate every one of those entries.

f) And finally, don't forget vehicle log books, travel diaries, floor plans for your house/studio etc etc, as well as a record of your earnings.

Give all this to the Accountant and you'll be assured of a warm welcome and a beaming smile...Well, to the extent that an Accountant is capable of "beaming"!

And the second rule? You'll have to wait for that one.

Brian Tucker