

BooksBetter

News & Information for Canadian QuickBooks Users | Edited by Arlene Nora Arlow | No. 5, February 2007

A Newsletter to Serve and Celebrate Serious QuickBooks ® Users

CANADIAN BOOKKEEPERS ASSOCIATION ANNUAL CONFERENCE

The Addventive Academy will be attending the 4th Annual Canadian Bookkeepers Association Conference June 20-23, 2007 in Ottawa, ON. The conference is slated for Carlton University Campus. As an Affiliate Member of the CBA, the Academy plans to offer sessions on Advanced Payroll with QuickBooks. Session dates, times and pricing will be posted on our website by the end of March!

The CBA Conference is Canada's only bookkeeping conference. Informative sessions are offered by private enterprise, industry specialists, and government. You will come away with both new knowledge and new friendships that will have a positive impact on your work as an accounting professional. Information will be updated regularly at the CBA website. Visit: <http://www.c-b-a.ca/conference.htm>

GST CHANGES & SERVICE INTERRUPTIONS

The Canada Revenue Agency is replacing its GST/HST system. Service interruptions are anticipated between March 19th and April 9th, 2007. GST returns will be delayed during this period and agents may only have access to limited information on a specific account during the transition period. TELEFILE services will not be available during this period.

The new version of Guide RC4022 *General Information for GST/HST Registrants* will be available in March and will include information on the changes. For more information, visit: <http://www.cra-arc.gc.ca/E/pub/gi/notice212/>

NEW CHEQUE FORMAT - LATEST DEADLINE

The latest deadline from the Canadian Payments Association (CPA) for changes to the cheque format is June 30, 2007. Your clients may also appreciate knowing that as changes ramp up, cheques could clear the account they are drawn on almost immediately regardless of where they are cashed!

CELL PHONES: NOT-SO-PRIVATE

As of March, 2007, cell phone numbers will be released to telemarketers. CRTC regulations allow you to contact a telemarketing company to be put on their internal "Do Not Call" list. The Canadian Marketing Association (CMA) also offers a service to remove you from marketing lists of its membership:

Canadian Marketing Association (CMA)
P.O. Box 706, Don Mills, ON M3C 2T6
Fax: (416) 441-4062
Online form:

<http://www.the-cma.org/?WCE=C=47|K=224217>

In Canada, Bill C-37 proposes a National Do Not Call List but would still allow charities, polling companies, political campaigners, and the like to call you. Check out these links for info:

http://www.crtc.gc.ca/eng/INFO_SHT/T22.htm

http://www.parl.gc.ca/common/Bills_ls.asp?lang=E&Parl=38&Ses=1&ls=C37&source=Bills_House_Government

http://www.blakes.com/english/publications/clb/Dec2005/Bill_C-37.asp

<http://www.the-cma.org/?WCE=C=47|K=224218>

HANDY BUSINESS FORMS (FOR FREE)

The Addventive Academy is pleased to offer common business forms by PDF format - for free. Save your client the trouble of drafting their own "Employment Application" or "Mileage Log" forms by referring them to our website:

http://www.addventive.com/resources_for_serious_bookkeeper.htm#DOWNLOADABLE%20OFFICE%20FORMS

WHEN "NOT" TO INCORPORATE

Incorporating a proprietorship or partnership when the combined debts and negative equity exceed assets may have immediate personal tax consequences for the owner(s).

Business owners may be tempted to incorporate when they learn that limited companies pay a lower rate of income tax. But income tax is assessed only if the business is turning a profit: statistically, most businesses lose money for the first two years.

The owners of partnerships that have excessive debt and/or negative equity upon incorporation may face immediate personal capital gains. Proprietorships incorporating in the same vein may result in the limited company allocating personal income to the owner within the first year of incorporation. Such a scenario can push the limited company to a loss and create a personal tax liability that the owner cannot reasonably pay.

Contact Canada Revenue Agency Complex Business Inquiries agents for more detailed information by calling 800-959-5525.

PERSONAL CREDIT SCORE & PRIVACY THEFT

American TV networks run advertisements urging viewers to check out their "Credit Score". In Canada, a Credit Score above 700 is favourable.

Canadians are urged to check their credit history each year with both Equifax and TransUnion. Privacy theft and errors in credit history files can ruin chances of gaining a mortgage or other loan:

http://www.equifax.com/EFX_Canada/

<http://www.transunion.ca/>

<http://www.mortgage-rate-canada.com/Canadian-Credit-Bureau.html>

<http://www.identityguard.ca/gs/English/index.asp>

PAYDAY LENDERS INTEREST CAP

Ever wonder how PayDay Lenders can charge interest rates as high as 60%, and add fees on top of that? Bill C-26 (tabled after Bill S-19 died last fall) is nearing its final processing to set interest provisions under the Criminal Code at 35% + the bank rate. Info. is available at:

<http://www.parl.gc.ca/information/library/PRBpubs/prb0581-e.html>

http://www.parl.gc.ca/common/bills_ls.asp?lang=E&ls=c26&source=library_prb&Parl=39&Ses=1

ONLINE MORTGAGE & INVESTMENT CALCULATORS

Many financial institutions offer free online mortgage calculators and investment calculators. Samples are:

<http://www.canadamortgage.com/>

http://www.hsbc.ca/hsbc/personal_en/calculators

<http://www.mortgagecalculatorcanada.com/#>

http://www.cmhc-schl.gc.ca/en/co/buho/buho_005.cfm

<http://www.canequity.com/mortgage-calculator/calculator.cgi>

COLLECTIONS - A DIRTY JOB

Collections is an inevitable part of a successful business. Ignored receivables puts the business at risk and puts money in other people's pockets.

Addventive Academy President Arlene Arlow recently took in a 4-hour Small Claims Court session with Collection Resource out of Midland, Ontario. The fee includes the accompanying resource manual for your provincial jurisdiction. Cost was only \$169. + GST.

Small Claims Court can spare you the 30-percent commissions that Collection Agencies charge, and - if planned and implemented properly - can reap unforeseen rewards. Did you know that: you can sue *after* bankruptcy? Did you know that Bookkeepers can be sued for "Breach of Trust"? Did you know that in some provinces Small Claims Court Limits include \$25,000.? The session provider shared several experiences from his years of high-profile collections. Check them out:

www.crcinc.ca

EDITORIAL: ARE YOU ETHICAL?

by Arlene Arlow, President and Executive Director
Addventive Academy

An elderly acquaintance of mine was recently approached by their tax preparer with an opportunity to invest money with tremendous gains of up to 260% interest per year. The investment opportunity claims to "borrow" investors' money; purchase inventory from places such as China, India and Mexico; and sell the inventory in flea markets and online auctions.

The tax preparer had taken the time to type my acquaintance a letter and attach other material printed from the company's website (the acquaintance does not have internet nor does he have a computer). The tax preparer has apparently already invested. I was asked my opinion, and asked to research the enterprise. Some of the results are:

1. Where is this company located? - Nevada, United States
2. Does this company list their address and contact information readily on its website? - No.
3. Does this company have a physical presence? - It purports to have 2 warehouses.
4. Does anyone answer the phone when one calls the number on their website? - No.
5. Are the principal owners listed on the website with their phone numbers? - Yes, and no.
6. Are there any claims made on their website that are possibly unrealistic? - Yes, many.
7. How does this company market itself? - It claims to be a "club" that people can join but only if they are invited.
8. What results from an internet search of the owners' names? - There are injunctions and Cease and Desist orders between 1997 and 2006, including a November, 2006 order from the Province of British Columbia.

My point? The tax preparer violated both common sense and ethical standards of conduct by referring what a "reasonable person" would see as a questionable investment opportunity. A "Position of Authority" is enjoyed by a tax preparer, a bookkeeper, and an accountant. That "Position of Authority" has responsibilities to the client, and those responsibilities must be maintained beyond one's own interests. *Always.*

TIME BUSTERS

In her book *Bookkeeping with QuickBooks® The Canadian Guide* Arlene Nora Arlow includes over 200 tips for getting the most out of QuickBooks. Here are more samples:

TIME BUSTER: To quickly close all QuickBooks desktop windows click on the "Window" menu and select "Close All".

TIME BUSTER: To move one page at a time in a window, click on the lightest part of the scroll bar to the right of the window. Screens that do not have a scroll box are single pages only.

TIME BUSTER: Turn account numbers "on" prior to editing or adding to the Chart of Accounts. By assigning an account number and an account name at the same time, you negate having to rework the COA twice.

TIME BUSTER: It is important to edit the "Payroll Item List" prior to adding employees into QuickBooks. This prevents having to edit each employee's template twice and reduces errors in employee templates and paycheques.

TIME BUSTER: Be sure to complete the "Employee Defaults" of the "Preferences" *after* completing the Payroll Item List and *before* adding Employees to the Employee List. Complete the "Vac Pay" section of the Employee Defaults before adding employees to ensure all hourly employees receive Vacation Pay on their hourly earnings and hourly bonuses.

TIME BUSTER: The Payroll feature "Set Up YTD Amounts" allows YTD Opening Balances on a "Quarterly" basis. It **IS NOT** necessary to break the employee earnings into quarters. It is more efficient and accurate to post only **one Opening Balance entry** for each employee.

TIME BUSTER: In the "Make Deposits" window, pressing the "Enter" key to save the transaction returns the user back to the "Payments to Deposit" window. As soon as this happens, you can click beside *another* amount to send to the bank. If, however, the user clicks on "Save & Close", QuickBooks closes the banking activity completely.