

BooksBetter

News & Information for Canadian QuickBooks Users | Edited by Arlene Nora Arlow | No. 6, June 2007

A Newsletter to Serve and Celebrate Serious QuickBooks ® Users

CANADIAN BOOKKEEPERS ASSOCIATION

Arlene Arlow, President and Executive Director of the Addventive Academy attended the 4th Annual Canadian Bookkeepers Association Conference June 20-23, 2007 in Ottawa, ON. The conference was held at the lovely Carlton University Campus. Highlites included:

The CBA has officially accredited The Knowledge Bureau's Certified Bookkeeping Specialist program. The Certified Bookkeeping Specialist is stream #2 of the Distinguished Financial Advisor program. The Knowledge Bureau Inc. is based in Winnipeg, Manitoba and offers online courses across Canada. For more information, visit:

<http://www.knowledgebureau.com/enDFACourses.asp#8>

The CBA has officially accredited the Universal Accounting Center Professional Bookkeeper program. Universal Accounting offers a 48-hour bookkeeping program with a final test requirement of 90%. Universal Accounting is based in Murray, Utah with online programs and on-site programs across the United States. For more information, visit:

<http://www.universal-accounting-center.com/accounting-and-bookkeeping.htm>

Arlene Arlow of the Addventive Academy is the Acting Chairperson of the CBA's Education Committee. Her conference memories include making new friends; watching the campus drill exercises of the Canadian Forces Ceremonial Guard; and watching the wild groundhogs, deer, rabbits, squirrels and chipmunks who make Carleton University campus their home!

REDUCING BUSINESS EXPENSES: Employment Insurance

If you or your client are an employer who provides short-term disability coverage, there may be eligibility to reduce the EI premium rate. For more information, visit the Service Canada website at:

<http://www1.servicecanada.gc.ca/en/cs/prp/010.shtml>

REDUCING PERSONAL INCOME TAX: Apprenticeship Job Creation Tax Credit

The AJCTC is a non-refundable tax credit equal to 10% of the eligible salaries and wages paid to apprentices after May 1, 2006. The maximum credit an employer can claim is \$2000. per year. For more information, visit:

<http://www.cra-arc.gc.ca/tax/individuals/topics/income-tax/return/completing/deductions/lines409-485/412/ajctc-e.html>

REDUCING PERSONAL INCOME TAX: Tradesperson's Tools Deduction

The new tradesperson's tools deduction is an annual deduction of up to \$500 to help cover the cost of new tools necessary to the trade. The deduction applies to the total cost of eligible tools if the following conditions are met:

- ▶ the total cost exceeds \$1,000;
- ▶ the tools were bought after May 1, 2006;
- ▶ the purchase was made by an employed tradesperson

For more information, visit:

<http://www.cra-arc.gc.ca/whatsnew/tools-e.html>

REDUCING PERSONAL INCOME TAX: Children's Fitness Tax Credit

Starting in 2007, parents of children under the age of 16 may be eligible for a non-refundable tax credit for putting their kids into certain fitness activities. The credit is on amounts of up to \$500 paid by parents to register a child in an eligible program of physical activity. For more detailed information visit:

<http://www.cra-arc.gc.ca/whatsnew/fitness-e.html>

REDUCING PERSONAL INCOME TAX: Ending the Marriage Tax Penalty

The 2007 Budget ends the marriage tax penalty by increasing the basic spousal and other amounts for a spouse or single taxpayer supporting a child or relative. For a summary of the 2007 Budget, visit:

<http://www.ic.gc.ca/cmb/welcomeic.nsf/cdd9dc973c4bf6bc852564ca006418a0/85256a5d006b9720852572a40002ac9d!OpenDocument>

BUDGET 2007: The good news is...

The 2007 Federal Budget is packed with tax breaks for Canadians. The list includes:

- ▶ Pension Income Splitting
- ▶ Proposed increase to the age limit for RRSPs
- ▶ New Child Tax Credit
- ▶ Registered Disability Savings Plan
- ▶ Investment Tax Credit for Child Care Spaces
- ▶ Remittance and Filing Thresholds (Individuals, Businesses and Employers)
- ▶ GST/HST Instalment and Filing Thresholds
- ▶ Lifetime Capital Gains Exemption
- ▶ Transit Tax Credit
- ▶ Working Income Tax Benefit
- ▶ Foreign Convention and Tour Incentive Program
- ▶ Excise Tax (Green Levy) on Fuel Inefficient Vehicles
- ▶ New Measures Relating to Private Foundations

For more information, check out the list - and links - at:

<http://www.cra-arc.gc.ca/agency/budget/2007/menu-e.html>

FEDERAL GOVERNMENT BECOMING MORE ACCOUNTABLE TO TAXPAYERS

May 27, 2007 saw the announcement of two federal initiatives, a **Taxpayer Bill of Rights** and a **Taxpayers' Ombudsman**, to ensure Canada Revenue Agency (CRA) is more accountable to Canadians. For more info., visit:

<http://www.cra-arc.gc.ca/newsroom/releases/2007/may/nr070528-e.html>

or visit:

<http://www.cra-arc.gc.ca/agency/fairness/pledge-e.html>

LEAP OF FAITH: Profile of Beverly Arlow, CGA

In our October, 2006 newsletter, we interviewed Beverly Arlow, CGA. Beverly had recently purchased a private accounting service. We asked Beverly at that time a mix of questions, hoping to delve into the "whys", the "hows" and the "fears" of someone who is about to make a "**Leap Of Faith**" embarking on self-employment.

We promised to revisit Beverly after her first tax season and also tell you *where* Beverly's practice is: her practice is located in Leduc, Alberta.

Here is Beverly's retrospective:

1. When you purchased your firm, you offered bookkeeping, accounting and income-tax preparation services. The mix was:

- ▶ personal tax 39%
- ▶ compilations and corporate tax 32%
- ▶ bookkeeping 25%
- ▶ other 3%

What would you estimate to be the mix now?

- ▶ personal tax 32%
- ▶ compilations and corporate tax 42%
- ▶ bookkeeping 21%
- ▶ other 5%



Coming Soon!



***Bookkeeping with QuickBooks® The Canadian Guide 2nd Edition
and the
Companion Workbook Bookkeeping with QuickBooks® The Canadian Guide
Watch our website for the official launch!***

Leap of Faith - cont'd

2. In October of 2006, you rated - on a scale of 1 through 10 - some common business concerns ("1" being low-concern, "10" being high-concern). Please fill in what your rating is now:

Then Now

2	1	having money tied up in the business
1	1	how to create name and service recognition
1	5	needing to depend on other people to get the work done (not being able to do it all myself)
1	5	fostering a good environment for my employees
1	1	breaking the ice with the client base and keeping sound customer relationships
2	2	maintaining a sound business plan
5	10	having enough time for family outside of work
10	5	keeping the bills paid
10	10	satisfying industry and professional association protocols
—	—	other: _____

3. Last October, you indicated that the key trait to your success would be your "very broad experience base in many different industries". Do you still feel that is the key strength to your continued success? If not, what trait has become paramount?

I still think this is a major factor in my success. It allows me to offer that additional aspect of customer service to complement the standard tax and year end service. Another key trait is my tenacity and commitment to succeed.

I have to give kudos also to the booming economy in Alberta. That goes back to my comment last October about being in the right place at the right time.

4. Last October, we asked you about where you would secure resources to better serve your clients where the government resources (such as the Excise Tax Act and the Income Tax Act) do not give clear guidance. Do you now have a greater resource base than you originally anticipated? If yes, please explain:

No. I continue to utilize the skills & knowledge of my peers, my CGA practice advisor, CRA and on-line resources provided by CGA & CCH. Help is out there if you know where to look. (cont'd ➤)

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Leap of Faith - cont'd

5. In October of 2006, you rated - on a scale of 1 through 10 - some personal factors of "achievers" relative to the concern that they cause you ("1" being low-concern, "10" being high-concern). Please fill in what your rating is now:

Interestingly enough, I would still give these points the same rating:

1	change
1	no prior experience at self-employment
2	having too-high expectations
2	having too-low expectations
5	not being able to see "the big picture" (getting bogged down in details)
1	concentrating too much on "the big picture" (ignoring important details)
10	ignoring my own health and wellness
5	upgrading my knowledge base
5	maintaining my enthusiasm
—	other: _____

6. We visited your office this summer and noticed that you haven't yet had a chance to change the signage on the exterior of your building from that of the previous owner. Is this intentional?

I made a conscious choice not to change the sign for the first year to make the transition as seamless as possible to the clients. We sent out personalized announcement letters in January & some clients still ask for us by the former name. I kept the same phone and fax numbers and mentioned the former company in my yellow pages ad. Changing the sign is scheduled for this summer.

7. Any final thoughts to share as you work toward your first anniversary? Any triumphs?

Triumphs are many: The best was sitting in the office with my office administrator at 6:00 pm on April 30th waiting for our final client to show up – we made the tax filing deadline with time to spare, thanks to the hard work & commitment from all of us.

The biggest challenge has been staffing: some people just didn't click. My tenacity kicked in & I decided to do whatever it took to get the work done – that meant 14-hour days, 7 days-a-week from mid-February to June 30th. But it was all worth it.

Am I glad I took the **Leap of Faith**? The answer would be a definite yes! There is a level of satisfaction to having your own business and knowing that you are responsible for its success or failure that just isn't there as an employee.