



Key Practice Management and Accounting Updates

UPCOMING EVENTS

October 26, 2018 –
Mid-Career to Life After
Dentistry, including New Tax
and Planning – Bellevue
Club

November 9, 2018 –
UW Endodontics Graduate
Students Presentation –
Seattle

DEADLINES

October 31, 2018 –
Personal Property and Real
Estate Taxes are due

November 1, 2018 –
Unclaimed Property
Reporting deadline – for
more information visit
<http://ucp.dor.wa.gov/holdercontent.aspx>

December 1, 2018 –
Distribute a notice of
eligibility to all eligible
employees (for 401k Plans)

5808 Lake Washington Blvd NE
Suite 101
Kirkland, WA 98033
425.216.1612 | 425.216.1613 fax
mail@cpa4dds.com

RETIREMENT PLAN LIMITS

Year	SIMPLE Deferral	SIMPLE IF 50+	401k Deferral	401k If 50+	IRA Maximum	IRA If 50+
2018	\$12,500	\$15,500	\$18,500	\$24,500	\$5,500	\$6,500

The 2018 maximum total contributions to a defined contribution plan (401k/Profit Sharing, SEP) is \$55,000 or \$61,000 with an over 50 catch-up contribution.

AUTO MILEAGE RATE

The standard reimbursement rate for automobiles is 54.5 cents per mile for 2018.

S CORPORATIONS & PARTNERSHIPS – SELF EMPLOYED HEALTH INSURANCE

In order for a partner or shareholder to deduct the premiums paid for their health insurance on their Form 1040, the premiums must be paid by the entity (Partnership or S Corporation). If you are personally making the payments throughout the year, then be sure to have the entity write you a reimbursement check before year-end. The deduction is only allowed if it is paid or reimbursed by the entity.

In addition, if you are an S Corporation, the total premiums paid must be reported as wages on Form W-2. In the coming month we will be providing all S Corporation clients with resources to properly report this.

FORMS 1099 & 1096

It's time to start thinking about Forms 1099 for your vendors. The penalty for failure to file is increasing so be sure you are compliant. Update your QuickBooks file for any new vendors. We also recommend you obtain a Form W-9 from every eligible vendor to document their legal name, EIN and address.

If you need help with e-filing or understanding 1099s and who you need to issue them to give us a call!

QUICKBOOKS UPDATE

QuickBooks Pro 2019 is now available for purchase. If you currently use QuickBooks 2017 or older, you should upgrade your QuickBooks before the end of the year.

Before purchasing the desktop version of QuickBooks, we encourage you to talk with us about switching to QuickBooks Online (QBO). QBO allows for access to your file from any internet connection; eliminates having to send us accountant's copies of your file, eliminates future upgrades and is easier to integrate with your bank for importing bank data (i.e. less data entry!).

TIRED OF WAITING FOR YOUR BANK AND CREDIT CARD STATEMENT TO COME SO YOU CAN RECONCILE YOUR ACCOUNTS IN QUICKBOOKS?

Most banks "cut off" at the end of the month, but it still takes a week or more to get your statement. Sign up for online access to your account (or consider going paperless altogether!). You can access your statement within a day or two of the month ending, print out the statement and be the first to reconcile your account and send us your QuickBook file. Or, consider downloading directly from your bank to also eliminate some data entry.

HAVE YOU LOOKED AT YOUR LEASE LATELY?

If you haven't looked at your lease in a few years, it is worth refreshing your memory as to where you are in the lease and giving some thought to your plans down the road. Also, be sure to check your annual rent increase and CAM (Common Area Maintenance) charges each year to be sure they are complying with the terms of the lease.

Maintaining an adequate lease term is key to preserving the sale value of your practice. Practice lenders will generally require a purchaser to acquire a lease term at least equal in length to the term of the loan. Without a minimum term of five-seven or more years (including renewals) your practice value could suffer significantly.

Be very aware of your notice period for renewing your lease as well. There is often a specific date by which you must provide your intent to extend/renew the lease.

AVOIDING PAINFUL AUDIT SITUATIONS:

CASH BONUSES - If you have a bonus plan and are regularly paying bonuses to your employees, the money must be included in gross compensation and payroll taxes must be paid! Bonuses are considered supplemental wages subject to 25% withholding if separately paid.

PAYING TEMPORARY EMPLOYEES - Temporary employees must be paid through payroll unless you are paying the dental employment agency directly. A temporary employee cannot be paid as an independent contractor (with a Form 1099 at year end).