

SPEECH TO CONSULTANTS AND DIRECTORS

- (75 min.)
- (1 min.) I. Greeting – thank hostess(es); **NOT** endorsing; get Directors’ business cards; promote video
- (5 min.) II. Describe our business - "write down ?s 'til end"; post **OUR** worksheets on your website
- A. Tax prep. - preparer must know your bus. (ex., NSD owe \$12,149 to \$11,338 refund)
- B. Amend (NOW) - last 3 returns (ex., \$17,795 total; \$8,600 from car; \$7,090 from home)
- C. Incorporate – saved us \$\$; we save others \$\$ (ex., ENSD – nearly \$20,000 in 1st year)
- D. Tax education/training – speak @ Fall Advance, Jan. Jump Start, Seminar or conf. call
- (15 min.) III. Adopt the **mission(ary)** – Enrich Women’s Lives; **ugly duckling>swan princess**; more than a self-esteem program; not just change your life; change your *lifestyle* for life
- IV. This is a **great tax shelter** (ex., \$41,000 tax savings over 5 yrs.); **convert personal to business**
- 1.learn to convert (ex., NSDs **\$966,889, \$353,041 income; only \$5,024, \$581 tax**)
- 2.what is your largest asset? – Home; **BIG** deduction; (ex., NSD **saved \$19,948**)
- 3.2nd largest asset? -- Car; "You will **make \$** driving your car!"; biggest deduction
4. depreciation – ex., dining table; Depr. W/sheet; “extent used = extent written off”
- (20 min.) V. Although a **TREMENDOUS** business, **you must treat it like a business!** (**IRS coming**);
- A. **KEEP GOOD RECORDS!** (best records=biggest deductions; audit examples=\$418k)
- 1.separate checking account – MK Connections checks
- 2.separate credit card – MK Connections card; also, use separate gas credit card
- 3.track your inventory (see **Cost of Goods Sold on COSMETICS worksheet**)
- a. personal use of Section 1 - use order form @ 1/2 retail
- b. Section 1 given away - use order form @ 1/2 retail
- c. sales tax - no more non-recovered sales tax; bigger deduction
- d. end.inv. - no **demos, pers. use, & Sect. 2**; use order form @ 1/2 retail
- 4.keep a mileage log – example \$22,310 car exp., \$8,164 tax; 4-hr. vs. 40-sec. audit
- 5.set up accordion file per **Operating Exp.** on the **Cosmetics w/sheet**; **4 hrs. 1 day**
- (20 min.) B. Review Income Tax Data for a Cosmetics Business (**Worksheet**)
- 1.**no instruction manual; instructions are w/in the worksheet**
- 2.**net sales including tax; commissions (1099-MISC); prizes (Income Adv. Stmt.)**
- 3.cost of goods sold – already discussed; include **online orders** w. sales & expenses
- 4.**office in home – exclusive use; square footage vs. room method; deductions**
- 5.**auto expenses - convert pers. to bus.; “pre-determined business purpose”; no commuting; std. mileage vs. full year actual expenses; car loan int.**
- 6.**operating expenses - hire your kids; travel (book ahead); out of town meals & # of nights out of town; cell phone (pro-rate); Training Center income & exp.**
- (1 min.) VI. **Things To Do Now**
- A. **Get separate checking acct., separate credit card, and start keeping a mileage log.**
- B. **Record personal use, gifts, and ending inventory on order forms (@ 1/2 retail).**
- C. **Use an accordion file in which to keep receipts AND GET OFF THE COMPUTER.**
- D. **January 1st - take inventory (order form), complete w/sheet, & record odometer.**
- E. **Hire your children.**
- F. **Purchase product 12/31 and have it delivered after January 1st.**
- G. **Amend, estimate tax liability, or incorporate - "See me if you are interested."**
- (3 min.) VII. Closing - **New clients must get w/sheets & Policy Statement; website; (NO RECEIPTS)**
- (10 min.) VIII. Questions and Answers (time permitting) **listen to conf. call recording or buy the VIDEO**

“If it’s not on the worksheet, then it’s probably not deductible.”