



## 5 money-saving year-end tax tips

### podcast episode 40 tip sheet

One of the most stressful parts of running a business is preparing for tax season. What do you need to know as you approach year-end? How can you potentially save money in taxes by making some smart moves now? What do you need to do before the clock strikes 11:59pm on December 31st? In this episode, you'll learn 5 valuable year-end tax tips so you can be up to speed on the money front and get back to your holiday shopping.

Please note that this is just general information and education for you around money and taxes and you want to talk with your own accountant about your own situation. I am not an accountant and using these 5 tips does not guarantee that you'll save money in taxes as each business owner's situation is different, but these helpful tax tips will make you better prepared for when you pay your taxes this Spring.

What many biz owners don't know is that the way you wrap up your year has a BIG impact on your taxes. Here are 5 money-saving year-end tax tips:

#### **Tax Tip #1 - Make a list of ALL of your business expenses.**

##### **1. Gather your receipts.**

Record anything you have purchased from your business since January 1st – yes, every single receipt. Carve out 15 minutes and pull together all of your paper receipts and put them in a big accordion file, a large manila envelope, even a shoebox from Nordstrom or Macy's – it doesn't matter. You just want them to be ALL together in one place.

Print off – or if you don't want to kill trees – create an electronic file in your e-mail that says "Receipts" and pull all of your receipts into that file. Check your bank statements and credit card statements – be sure you didn't miss anything.

You're allowed to record legitimate business expenses and report them on your taxes. Be sure to talk with your own accountant about your own situation, but here is a short list of legitimate business expenses for many entrepreneurs:

- website design & hosting
- travel to biz conferences, seminars, workshops, masterminds
- paid webinars, courses, programs, classes for your own continuing education
- your own coaches
- paid marketing like Facebook ads, leadpages, etc.
- office equipment like computers, printers, cell phone
- office supplies like printer cartridges, paper, folders, pens
- meals with clients or other coaches for biz – but only for business!!!
- professional services like legal, accounting, website or graphic designers
- LLC/S-Corp corporate registrations & biz license fees
- mileage for biz-related purposes
- home office valuation (talk with your accountant– there are a lot of rules around home offices!)
- items given away in contests and giveaways
- gifts for your team members (up to \$25 per gift)
- charitable contributions – whether money or items like clothing or household goods
- and MORE!

You want to keep your receipts for at least 3 years so you need a system for getting organized with your receipts. Do what works for you – but just be consistent with how you do it.

## **2. Create a spreadsheet of expenses.**

Make a list of your expenses. You can do it old-school and create a simple Excel spreadsheet, or you can enter your expenses into an online service like Quickbooks , Freshbooks, or Mint . (There are other services too.) Or, you can hire a bookkeeper to record your expenses for you.

Record your expenses. Include the name of the vendor, what you purchased, the amount you spent, the date you purchased, and in some cases why you bought the item or service.

## **3. Organize your expenses by categories.**

Create a list of categories on your spreadsheet. For example, you can have categories for things like website, continuing education, support, marketing, office supplies, client service fees, travel, meals, professional services (legal, accounting, registrations), charitable contributions and others. Assign a category to each of your expenses so you start grouping like items together.



**Need a sample Excel spreadsheet for organizing your biz expenses?  
Just e-mail [clientlove@lisafraley.com](mailto:clientlove@lisafraley.com) for a free sample Excel  
spreadsheet for recording EXPENSES  
and we'll e-mail it to you with Legal Love.**



## **Tax Tip #2 - Write down ALL of your income.**

Just like with your expenses, you want to record all of your income too! Keep a separate spreadsheet (or a new tab if you're using Excel) of ALL of the income that you made in your business since January 1st.

Check your email, Stripe accounts statements and PayPal account. Look over your client lists and jot down EVERYONE who paid you this year, what they purchased, and when they made payments. Record ALL of your income in an Excel spreadsheet or through an online services like Quickbooks, Freshbooks or Mint or have your bookkeeper do it for you.

That includes sales & commissions for:

- One-on-one coaching sessions, VIP Days, programs or projects
- Group programs
- Online courses
- E-books or other downloadable digital product sales
- Affiliate commissions
- Commissions from direct sales companies like doTerra or USANA
- Payments from joint venture partners for joint projects
- Speaker fees for paid speaking gigs
- Product sales for things like candles, journals, gifts, and artwork
- Consulting fees
- Book sales
- And MORE!



If you need a sample Excel spreadsheet  
for organizing your INCOME,  
just e-mail us at [clientlove@lisafraley.com](mailto:clientlove@lisafraley.com)  
and we'll gladly e-mail it to you.



We've been talking about practical money tips, but energetically, I align getting financially organized with the **solar plexus chakra** because when you get clear on the money and tax front, you stand a little taller. You carry yourself with more confidence and self-esteem because you are in alignment and integrity with your money. Your energy frequency raises and you carry yourself different and show up in your biz with a higher vibe because you know you're operating with confidence and clarity.



### Tax Tip #3 – Hire an accountant.

Whether you are just starting out or you've been in biz for a while, working with an accountant to prepare your taxes is key. Whether you're a Sole Proprietor who's working just with one-on-one clients or you have an LLC or S-Corp and a zillion offerings, it's worth every penny to hire an accountant to help you take ALL the business expense deductions you (legally!) can and report your income correctly.

If you haven't heard, small, home-based businesses are HIGHLY audited. If you've ever talked to anyone who's been audited, it is a nightmare. Help avoid an audit by working with an accountant to do your taxes correctly on the front end.

If you don't have an accountant yet, get a free checklist of the "10 Questions to Ask When Hiring an Accountant" at [lisafraley.com/accountant](http://lisafraley.com/accountant). No matter how big or small your business, this checklist will help you know what questions to ask when bringing a new accountant onto your team.

## **Tax Tip #4 – Spend before year-end!**

Whatever you purchase for your business on or before December 31st can be taken as a tax deduction THIS YEAR. Depending on your income and expenses, when you spend can have an impact on how much taxable income you have. This means that if you need to make a big purchase, you might want to consider purchasing it now to offset your income.

### **5 examples of big purchases to make before year-end:**

1. New office equipment like a new computer, laptop, printer, desk, office chair, file cabinet or bookcase for your office.
2. Travel costs to speak or attend conferences next year, like airline tickets, hotel reservations, conference registration fees.
3. Evergreen online courses or programs that you can register for now.
4. Office supplies – like printer cartridges, pens, and post-its – if you didn't get them this Fall during the back-to-school mad dash, you might want to stock up now.
5. Legal documents like DIY legal templates like a Client Agreement for your new high-end program for 1-on-1 clients, Terms of Use for your group program you plan to introduce after the first of the year, an Overnight Retreat Agreement for the fab retreat you're planning on the white sand beaches of St. Lucia or in the rainforests in Costa Rica, you can get them now so you're ready to go for the coming year.

## **Tax Tip #5 – Set up a retirement account.**

Talk with your financial planner about creating a retirement account.

For many self-employed, heart-centered biz owners, you can set up a SEP- IRA (which stands for Simplified Employee Pension Individual Retirement Account) or an independent solo 401(k) plan. Contributions are pre-taxed (meaning tax-deferred which means you don't pay taxes on them now), which reduces your taxable income in the year in which you make the contribution.

SEP-IRAs and individual retirement plans allow you to contribute a substantial amount to save for your future. Every bit counts though. Don't feel like you're biz is too small to ask your financial planner or accountant about how to get started with retirement – even setting the intention is a first step in planning for the future. When you work for yourself, no one is contributing to a 401(k) for you like perhaps when you worked in a workplace in Corporate America, so you want to keep an eye on your future as well be focus on the present.

Have questions about these 5 money-saving year-end tax tips? Please reach out to us at [clientlove@lisafraley.com](mailto:clientlove@lisafraley.com) We're happy to help you however we can.

Here's to getting legally enlightened!

With Legal Love,



**This information is for educational and informational purposes only.  
It is not legal advice and it does not create an attorney-client relationship.**

**For my full disclaimer, please visit [lisafraley.com/disclaimer](http://lisafraley.com/disclaimer).**



Lisa Fraley, JD, CHHC, AADP, is an acclaimed attorney, Legal Coach®, speaker and #1 Best Selling Author of "Easy Legal Steps...That are Also Good for Your Soul." With her unique blend of coaching, legal expertise, and spirituality, Lisa has supported thousands of heart-centered entrepreneurs and small business owners to protect themselves, their businesses and their brands through DIY legal templates, online legal courses and one-on-one services.

From sharing international stages with thought leaders like Kris Carr and Gabrielle Bernstein to being featured on hundreds of podcasts, webinars, radio shows and bonus calls, Lisa has made it her mission to help every single small business owner understand that the law can be accessible, empowering, loving, and even spiritual. When she's not saving the world (with Legal Love) one contract at a time, she's posting free legal tips and connecting with her tribe at [lisafraley.com](http://lisafraley.com).