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Our mission is to be recognized as the premiere partner for a comprehensive suite of back-office services while maintaining a culture that emphasizes family, innovation, and inclusivity.



Making Order Out of Chaos

Tax return filing season usually gets a little crazy, but this year will be more turbulent than most. Due to new tax legislation and guidance from the IRS, you will have to cope with a wide variety of tax changes, some of which relate to the pandemic. Here are several tips for making some order out of the chaos.

Unemployment benefits

Unemployment benefits are taxable once again in 2021. In 2020, the first \$10,200 of benefits received by taxpayers with an adjusted gross income (AGI) of less than \$150,000 were exempt from tax. Unfortunately the tax-free nature of unemployment benefits in 2020 was made long after many of you filed your tax return. If this pertains to you, and you haven't received a refund from a tax overpayment yet, you might need to file an amended 2020 tax return.

Small business loans

To kick start the economy during the pandemic, Congress created a loan program called the Paycheck Pro-

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tection Program (PPP). Similarly, your small business might have received an Economic Injury Disaster Loan (EIDL) or grant. These loans may be forgiven in 2021 without any adverse tax consequences if certain conditions were met. So gather your records—including what you received and when—for optimal tax protection.

Economic impact payments

Congress handed out three rounds of Economic Impact Payments to individuals in 2020 and 2021. The third payment provided a maximum of \$1,400 per person, including dependents, subject to a phaseout. For single filers, the phaseout begins at \$75,000 of AGI; \$150,000 for joint filers.

It will be important to review your records and be very clear what pay-

ments you received in 2021. Only then can you use your 2021 tax return to ensure you receive credit for your full stimulus payments.

Child tax credit

Many families will benefit from an enhanced Child Tax Credit (CTC) on their 2021 tax return. The new rules provide a credit of up to \$3,000 per qualifying child ages 6 through 17 (\$3,600 per qualifying child under age six), subject to a phaseout beginning at \$75,000 of AGI for single filers and \$150,000 for joint filers. What will complicate this year's tax filing are any advance payments you received from the IRS during the second half of 2021. It is important that you accurately identify all the payments you received. Only then can correct adjustments be made on your tax return to ensure you receive the full Child Tax Credit amount.

Dependent care credit

The available dependent care credit for qualified expenses incurred in 2021 is much higher than 2020, with a corresponding increase in phaseout levels. The maximum credit for households with an AGI up to \$125,000 is \$4,000 for one under-age-13 child and \$8,000 for two or more children. The credit is gradually reduced, then disappears completely if your AGI exceeds \$440,000.

Due to the ongoing debate of proposed legislation in Washington, D.C., this year's tax filing season will seem a bit chaotic. With proper preparation, though, your situation can be orderly, but only if you prepare!

If you have questions on preparing your tax returns this season, reach out to our tax professionals by calling 412-884-4829!

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Anna Goetz

Communications &
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” By implementing these website marketing strategies now, your business will reap the rewards later.



5 Strategies to Boost Web Traffic

You built a new website: Great! Now what? The next step is to build awareness and generate traffic to it. There are many ways to do this—most of which are free. You also don't have to limit yourself to just one option. By implementing these website marketing strategies now, your business will reap the rewards later.

1. Submit Your URL to Google

Best for: Every new website

Upon launching your site, submit your URL to Google. This initial step will help Google recognize your site on-line more quickly than if you were to wait for Google to find your site on its own, which can take months. When you submit your site, Google indexes your website, which enables it to consider your site as a potential result in relevant search queries. It's also free and easy to do, so there's no reason not to give your site the chance to be found in search faster.

2. Create a Google My Business Account

Best for: Businesses with a physical address

When a user searches Google for a local business, whether that's a restaurant, salon, or paving company, Google will display local search listings before all other search results. For your business to land within these search results, you need to create your own free Google My Business (GMB) account. There, you can also provide details about your business, such as location, hours, photos, and reviews, serving as a free local marketing tool for your business.

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3. Display Your Website on Printed Materials

Best for: Businesses that use printed marketing materials (e.g., business cards or menus)

Marketing materials, whether business cards, signage, postcards, or anything else you put your business name and logo on, should also include your web address. This will help build awareness and generate traffic to your site. There are also ways you can get creative about this. For example, a bar could include its URL on coasters and invite patrons to vote for the next brew of the month, and then release that beverage at a promotional discount.

4. Keep Your Site Up-to-date

Best for: All businesses

Keeping your website content updated does two major things to keep your site marketable. First, it eliminates outdated information

and keeps your site information accurate. Second, sites that are updated frequently are often considered to have better search results. Search engines assume that up-to-date sites are more relevant and accurate, which in return, helps your site rank higher in search results. This includes updating your web pages, but also blog posts have the same effect.

It doesn't mean you need to update your site daily. What you need to do is to make sure you refresh old blog content that has become outdated. Furthermore, ensure all web pages continue to include accurate information, from your contact information and hours to your services, locations and pricing.

5. Ensure Your Site Is Mobile optimized

Best for: Businesses that haven't designed their site for mobile

Over half of all Google searches are performed on mobile devices. As a result, Google factors in whether or not a site is mobile-friendly to determine search rankings. In order to not only rank in search, but to serve those users on mobile, it's important that your website looks good and works well on a phone. This does not mean simply choosing a fully responsive website theme or template, but customizing your site so it provides a good user experience from any device type. If you are looking for help in optimizing your website, our team can help!

Anna Goetz

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TAKEAWAYS

- Over half of all Google searches are performed on mobile devices. Mobile optimization is key!
- Keeping your site up-to-date may result in better search results.
- Submit your URL to Google!





Understanding Workers' Compensation

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I'm sure most of you have seen lawyer ads on television about being able to help you get workers' comp benefits. But did you know there is an easier way? As an organization, you need to know what you are required to provide and what benefit you can give to your employees.

Brief Background

In 1915, the Pennsylvania legislature enacted the Workmen's (Workers') Compensation Act. This law specifies compensation for employees who are injured as a result of employment without regard to fault. Over the years, amendments eventually merged the compensation for injuries and occupational diseases (such as black lung disease) into this act.

The workers' compensation system protects employees and employers. Employees receive medical treatment and are compensated for lost wages associated with work-related injuries and diseases, and employers pay the cost of such coverage while being protected from direct lawsuits by employees. Workers' compensation coverage is mandatory for most employers under Pennsylvania law. Our company carries workers' compensation coverage for all of our employees. Coverage begins the first day on the job.

What Your Employees Need to Know

It is very important for all of your organization's employees to remember that should they sustain a work-related injury, they must immediately notify



” Workers' compensation coverage is mandatory for most employers under Pennsylvania law.

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the person or team that oversees your Human Resources function. No matter how insignificant it might be, employees must report the incident. Most times, it is an insignificant injury, but that one time out of ten when it turns into something more serious, the claim has been filed in a timely manner and benefits can be provided.

Your Role to Help Your Employees

Years ago, we had an employee who worked outside and got stung by what he thought was a bee. He didn't think it was a big deal, so he didn't report the incident. But two weeks later when his forearm had swollen significantly, he was seen by a doctor and found out that it

was an allergic reaction and he had developed an infection.

Because our employee did not fill out an incident report immediately, we had to fight long and hard to get the employee's benefits covered under workers' compensation. The company pays for workers' compensation insurance, and similar to most other insurances, you pay for it and hope you never have to use it. But when needed, it certainly is comforting knowing your employees are covered.

Generally, the benefits pay you up to 2/3 of your average weekly earnings and cover such costs as doctor visits, hospital costs, laboratory tests, x-rays, among others. But

when claims are not filed in a timely manner, it may be the responsibility of your organization to step in to help your employee receive compensation.

Are you telling your employees what to do if they have an incident at work? Do you have a process in place for paperwork to be completed? If your organization needs a tune up for workers' compensation claims, feel free to reach out to us!

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TAKEAWAYS

- Ensure employees fill out an incident report immediately after an issue.
- Communicate your organization's policies in regards to Workers' Compensation to your employees.
- Develop a process to deal with all work-related incidents.





Small Business Tax Return Checklist

Consider these suggestions for helping to make tax season smooth sailing this year for your small business:

1. Make your estimated tax payments

Tuesday, January 18th was the due date to make your 4th quarter payment for the 2021 tax year. Now is also the time to create an initial estimate for first quarter 2022 tax payments. The due date for this payment is Monday, April 18th.

2. Reconcile your bank accounts

Preparing an accurate tax return starts with accurate books. Reconciling your bank accounts is the first step in this process. Consider it the cornerstone on which you build your financials and your tax return. Up-to-date cash accounts will also give you confidence that you're not over-reporting (or under-reporting!) income on your tax return.

3. Organize those confusing credit card statements

If you use credit cards for your business, develop an expense report for these expenditures, if you have not already done so. The report should recap the credit card bill and place the transactions in the correct expense accounts. Attach actual copies of the expenses in the credit card statement. You will need this to support any sales tax paid in case of an audit. Use this exercise to show you are only including business-related expenses by reimbursing your business for any personal use of the card.



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4. Reconcile accounts payable

One of the first tax deadlines for many businesses is issuing 1099 forms to vendors and contractors at the end of January. Get your accounts payable and cash disbursements up-to-date so you have an accurate account of which vendors you paid.

5. Get your information reporting in order

Now identify anyone you paid during the year that will need a 1099. Look for vendors that are not incorporated like consultants or those in the gig economy and don't forget your attorneys. You will need names, addresses, identification numbers (like Social Security numbers) and amounts billed. Send out W-9s as soon as possible to request missing information.

6. File employee-related tax forms

If you have employees, file all necessary W-2 and W-3 forms, along with the applicable federal and state payroll returns (Forms 940 and 941). Do this as soon as possible in January to allow time to identify any potential problems.

7. Compile a list of major purchases

Prepare a list of any purchases you made during 2021 that resulted in your business receiving an invoice for \$2,500 or more. Once the list is compiled, find detailed invoices that support the purchase and create a fixed asset file. This spending will be needed to determine if you wish to depreciate the purchase over time, take advantage of bonus depreciation, or expense the pur-

chase using code section 179. Your choices create a great tax planning tool.

8. Review the impact of COVID-19

There are a number of federal and state initiatives that will need to be considered when filing your 2021 tax return. If you received payroll credits for employee retention or have a Paycheck Protection Program loan that needs to be accounted for this year, be prepared with the details. It will be important to correctly account for these funds.

If you need assistance for this tax season, please reach out to me at llemaster@donnelly-boland.com!

”Due to new tax legislation from the IRS, you will have to cope with a wide variety of changes.



Surprise Bills and Your Organization

Samantha Lutz
Assistant Controller

Getting a bill for an unexpected expense can put a significant dent in your business's cash flow. Here are some tips your business can use to deal with a surprise bill.

Stick to a reconciliation schedule

The best advice is to be prepared for the unexpected. Do this by knowing how much cash you have in your bank account at any given time. This is done by sticking to a consistent bank reconciliation schedule. Conventional wisdom suggests reconciling your bank account with bills paid and revenue received once a month. But if your business doesn't have that many transactions, you could reconcile once every two or three months. No matter what time frame works for you, be consistent with your review!

Create a 12-month rolling forecast

This exercise projects cash out twelve months. Then each new month you drop the prior month and add another month one year out. This type of a forecast will reflect the ebbs and flows of cash throughout the year and identify times that you'll need more cash so when a surprise bill shows up, you know exactly how it will impact your ability to pay it.

Build an emergency fund

Getting surprised with an unexpected business expense isn't a matter of if it will happen, but when. Consider setting money aside each month into an emergency fund to be used only in case of a significant expense. A longer term goal could be to save enough money to cover 3 to 6 months of operating expenses.

Partner with a business advisor

Even small businesses sometime need help keeping their cash flow in line and avoiding unexpected expenses. Please call if you have any questions about organizing your organization's cash flow and preparing for surprise expenses.



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