



Accounting basics for business owners

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Goals for today

1. Discuss the basis business entity types and similarities and differences of each
2. List accounting systems and their value
3. Talk about all of the various reporting agencies in Aiken County for business ownership
4. Walk through basic financial statements and their uses
5. Go through common business deductions
6. Cover the common problem of employee vs subcontractor



Sole Proprietor

1. Most common type of entity
2. Easiest to start and finish
3. Scalable
4. Minimal level of required accounting sophistication
5. No extra income tax return
6. Tax at individual level



Partnership

1. Very common form of entity
2. Startup
3. Scalable
4. Increased level of required accounting sophistication
5. Extra income tax return
6. Tax at individual level



Corporation

1. Least commonly formed entity in 2017
2. Startup
3. Scalable
4. Increased level of required accounting sophistication
5. Extra income tax return
6. Tax at entity level



S-Corporation

1. Very common formed entity
2. Startup
3. Scalable
4. Increased level of required accounting sophistication
5. Extra income tax return
6. Tax at individual level



Limited Liability Company

1. Very common formed entity
2. Startup
3. Scalable
4. Increased level of required accounting sophistication?
5. Extra income tax return?
6. Tax at individual level or entity level?



Best Choice?

1. Number of owners
2. Level of sophistication of owner/owners
3. Long term goal for business life
4. Transferring ownership



Accounting Systems

1. Cardboard box/truck console method
2. Excel
3. QuickBooks
4. Peachtree, Blackbaud, etc.



Compliance

1. Internal Revenue Service
2. Social Security Administration
3. Department of Homeland Security
4. South Carolina Department of Revenue
5. South Carolina Department of Employment and Workforce
6. Aiken County
7. Aiken City



Common Financial Statements

1. Income Statement
2. Balance Sheet
3. Statement of Cash Flows



Business Deductions

Ordinary and Necessary are the key words!



Employee vs Subcontractor

Facts and circumstances dictate the answer.



Thank You
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