

Principles of Cash Flow Management

1. Assigned Accountability
2. Measure Actual Expenses against a Plan
3. Requires Discipline
4. No Credit Cards
5. Be Flexible

A Financial Control System Should Control

1. Income
2. Giving
3. Taxes
4. Savings
5. Debt Repayment
6. Assigned Expenses
7. Fixed Annual Expenses

3 Reasons Why We Don't Give More

1. We Don't Know We Can Give
2. We Don't Know How To Give
3. We Don't Plan To Give

3 Types of Giving

1. Should Give
2. Could Give
3. Would Give

"It Is No Fool That Gives Up What He Cannot Keep In Order To Gain What He Can Never Lose."

How To Find Money in Your Current Situation

1. Increase Income - Stop Spending on Everything
2. Reduce Debt
3. Payoff Bills - Goal = Zero Debt

5 Keys to Financial Success

1. Understand the Biblical Principles of Money
2. Adopt a Non-Consumer Life Style
3. Avoid the Use of Debt
4. Maintain High Liquidity = Savings
5. Set Long Term Goals

4 Reasons to Set Goals

1. Provide Direction & Purpose
2. Help To Crystallize Your Thinking

3. Provide Personal Motivation
4. Help State God's Will

Reducing Taxes: Avoid The Pitfalls of

1. Making Tax Reduction a Priority
2. Having a Short-Term Perspective
3. Getting a Tax Refund
4. Start a Home Based Business

Guaranteed Ways To Cut Your Taxes

1. Reduce Income
2. Increase Expenses
3. Start a Home Based Business

3 Principles To Money Management (Envelope or Cookie Jar System)

1. Income Pre-Allocated To Household Expenses
2. Spending Stopped When Cookie Jar Empty
3. Always Knew Where You Are

How To Control Your Cash Flow

1. Establish a Plan
2. Assign Responsibility
3. Record What Actually Happens
4. Evaluate & Revise As Needed

4 Reasons We Don't Set Goals

1. Fear Of Failure
2. Not Enough Time
3. Don't Know What Goals To Set
4. Don't Know How

How NOT To Set Goals

1. Don't Focus On The Past
2. Don't Focus On Present Resources
3. Don't Set Them Apart From Your Spouse

How To Set A Faith Goal

1. Spend Time With God
2. Record It
3. Make It Measurable

First Step

1. Faith: Acting On The Basis That This Is What God Wants Me To Do
2. God's Part

3. My Part

Faith Goals Will Be Achieved

- 1. Goal Will Be Reached**
- 2. Growth Will Be Experienced**
- 3. God Will Be Glorified**

Living Expenses - Avoid The Pitfalls of:

- 1. Consumptive Lifestyle**
- 2. Living Without A Budget**
- 3. Purchasing An Automobile**

Action Points

- 1. Make Budget Decisions Item By Item**
- 2. Recognize That Every Dollar Saved From Living Expenses Directly Increases Your Cash Flow**
- 3. Make Yourself Accountable**

Reducing Debt

- 1. Avoid The Use Of Debt By Following A Spending Plan**
- 2. Reduce Existing Debt By Selling Off Assets**

4 Criteria For Deciding On Debt

- 1. Economic**
- 2. Spiritual**
- 3. Psychological**
- 4. Unity Of Spouses**

5 Kinds Of Debt

- 1. Credit Cards**
- 2. Consumer Debt**
- 3. Mortgage Debt**
- 4. Business Debt**
- 5. Investment Debt**

6 Steps Of Successful Investing

- 1. Identify your goals**
- 2. Determine your attitude to risk**
- 3. Understand your investment choices**
- 4. Consider your investment strategies**
- 5. Help protect your family and lifestyle**
- 6. Implement and review**

Common Cents - Teaching Kids About Money - "You Can't Spend The Whole Dollar"

1. Envelope System Starts at 8 Years Old
2. Teach Kids How To Save for a \$10K Car - Pay Cash
3. Teach Kids How To Make Their Money - Make Money For Them!
4. No Debt - Don't Borrow Money

Simple Envelope System

1. 10% = Giving/Tithing - Church or Charity - It Doesn't Belong To You
2. 10% = Emergency Savings - Don't Touch It Unless It Is a Real Emergency
20% = Car or College Fund

4 Main Principles Handed Down Through Generations

1. God Owns It All
2. Every Decision Is A Spiritual Decision - Always A Trade-Off Between Time & Effort & Money & Rewards
3. There Is No Such Thing As An Independent Financial Decision
4. Delayed Gratification Is The Key To Financial Maturity

Skills

1. How To Develop a 1 Year Spending Plan
2. How To Buy Wisely
3. How To Make Financial Decisions
4. How To Set Financial Goals

Modeling The Skills - 4 Training Principles

1. They Must Experience What Is Really Being Taught
2. They Must Have An Opportunity To Fail
3. They Must Have Feedback - Support/Encouragement/Assistance
4. They Must Have Rewards

Envelope System - Simple - Inexpensive

1. Recipe Box With Envelopes
2. Title Each Envelope
 - Clothes
 - Gifts
 - Spending
 - Tithe
 - Savings
3. They Can Borrow Between Envelopes Except Tithe & Savings

System Teaches

1. Tithing
2. Rewards For Work
3. Savings

4. Opportunity Cost Of Consumption
5. Limited Supply Of Money
6. Decision Making
7. Budgeting
8. Goal Setting

Why Start a Home-Based Business?

Home-based businesses are the trend of the future. Government and industry reports show that increasing numbers of men and women are now opting to work out of their homes. In fact, the latest data from the U.S. Bureau of Labor Statistics show that 4.12 million entrepreneurs are now working at home, most of which are in services industry.

Entrepreneurs are rediscovering the benefits of working at home. The continuously good performance of the economy, followed by a change in lifestyles buoys well for the home-based entrepreneur. Many people now wants to combine their careers with families, opting out of the rat race to spend more time with their families and take a more proactive part in raising their children. The technological innovations in the past decades have also made working at home easier and more feasible.

You need not look farther than your kitchen, bedroom, den, living room, or garage to find the foundation on which to build your business enterprise. Here are seven reasons why it pays to work at home:

1. To gain personal freedom. The most enticing aspect of starting a home-based business is the opportunity it provides to gain control over your own life. As a home business entrepreneur, you can shape your work life depending on your goals and environment. There are no bosses to follow, no corporate culture to abide by, and no rigid work schedules nor time clocks. Instead, you have the freedom to work and earn as you choose, in the comfort and convenience of your own homes. Of course, having all the time and freedom to work as you please also has its drawback. Thus, a home business entrepreneur needs to have good time management skills and discipline to push yourself to work.

2. To reap financial benefits. The financial benefits of working at home are equally attractive. The convenience of having your office a few steps away from your bed allows you to save on commute time, gasoline and transportation expenses. There is also little need to buy power suits and dress up every workday as you can work in your jogging outfit or pajama. Since you work at home, you save on rental payments and overhead costs are cut significantly; allowing you to plough all your capital and profits back into the business. Your earning potential is directly proportional to your performance: no more waiting for your boss to give you your raise or promotion before you can increase your income. More importantly, however, a home business allows people who have been frequently shut out of the job market--homemakers, students, retirees, and the disabled, to name a few-to to create new income opportunities.

3. To exploit tax advantages. Using your home as a place of business offers a number of tax advantages. For starters, it allows you to deduct a part of the operating and depreciation expenses on your home, usually between 20-25%. This means that a percentage of your rent or mortgage payment, depreciation, property taxes, insurance, utilities, and expenses for household maintenance, repairs, or improvements is deductible. You can also be entitled to deduct expenses from using a vehicle for your business, including gas, insurance, depreciation, and others. Consult your accountant for a careful evaluation of what can be and what cannot be deducted from using your home office.

3. To be with the family. Many opt to start their business from their homes to strengthen family relationships. A home business allows family members to be involved in the business. Husbands or wives can help in various aspects of the business, while children have the opportunity to see what their parents do for a living. Parents, most especially,

can both work and earn, while taking care of their children; although daycare arrangements or babysitter may be needed to help you concentrate on the work at hand.

4. To reduce stress. Working at home can reduce the stress of juggling the demands of your work life with those of your private life. You can work while staying at home to care for a sick child, or continue to work late at night after preparing and sharing dinner with the family. Since you work alone, there is no office politics and deadlines imposed by your boss. You only need to follow the deadlines and schedules you have set for yourself.

5. For job enrichment. As a home-based entrepreneur, you are not boxed into one job and given a label identifying you as a researcher, secretary, banker, manager, or administrative assistant. You are free to learn and perform a variety of work-related tasks. If you are a solo entrepreneur, then you even have to be ready of being all things for your business: the strategy setter, marketing and sales person, customer service representative, accountant and bookkeeper, and other roles. You can vary your activities to keep you from getting bored. While it means greater workload, the plus point is that you develop an understanding of all aspects of your own business. More importantly, personal growth is greatly enhanced as you learn what you can (and cannot do) and your goals become much more achievable.

6. To increase productivity. Many home-based entrepreneurs find that working at home helps them to be more productive. With lesser time dedicated to commuting, there is more time available to work. More importantly, working for your own business - wherein the amount of financial compensation depends on your productivity and business management - increases the level of enthusiasm. Many get so caught up in what they're doing that it's actually hard for them to stop.

7. To harness competitive advantages. One of the biggest benefits of working out of your home is the reduced overhead cost. Lower operating costs can enable you to be more competitive, not just in the prices you charge but also in the quality of service you offer. You can use the money you save on rent to increase your overall profitability, or you can pass it on to customers in the form of lower prices. Competitors restricted by higher overhead costs have no such options. What they charge is predetermined by their rental agreements. The higher the rent, the higher their prices. Moreover, a smaller business makes it easier to provide customers with personal service.

Given these benefits and more, the trend toward home-based businesses is clearly just beginning. As more people recognize the opportunities of working from their homes, coupled by the need to be independent and the drive to succeed, others will soon join this growing movement.

Taking advantage of a home-based business opportunity can afford you many benefits. There are not only the monetary benefits, but lifestyle benefits as well. Whether lifestyle or monetary, these benefits can be far greater than the benefits you receive working for an employer. If you are already working in your own home-based business or just entertaining the idea, be sure to evaluate your options and consider the value of the benefits you will receive. Home-based business opportunities can provide you with independence and financial freedom if you make smart decisions.

It is not always money that motivates people to start a home-based business. Sometimes the intangible benefits are more important factors when considering home-based business opportunities. One of the more powerful draws to working from home is the sense of freedom you gain. You can set your own schedule, work the hours that are most convenient for you, and have time available for family obligations and leisure activities. Parents with children in school often think about what home-based business opportunities may be available to them. Teacher conferences, after school activities and the ability to be home when the children are out of school are strong motivators in making the decision to start a home-based business. Working from home gives you the benefit of flexible hours and the freedom to adjust your schedule according to the needs of your family.

Stress reduction is another benefit of operating a home-based business. Any business will likely produce its own kind of stress, but certain stressful factors can be avoided when you take advantage of the more promising home business opportunities that are available to you. You will have no daily commute, you will save money on gas and automobile expenses, and you will have the extra time in the morning and evening to relax and interact with your family instead of spending that time getting to and from work. If you plan properly and budget your time wisely, being your own boss can reduce the stress you feel due to constant demands and co-worker interruptions.

A home-based business opportunity cannot only give you the benefit of earning money while working from your home it can give you many other benefits as well. A home-based business is the perfect chance for you to attain financial and personal freedom. There are numerous home-based business opportunities available to you. Research each one carefully and make sure you are willing to put forth the effort that will be required in order to succeed.

Tax Advantages of a Home-Based Business

What Kind Of Tax Advantages Do Home-Based Businesses Enjoy?

You have probably thought of many of the benefits of running your own successful accounting and bookkeeping service. From the independence of working for yourself to making better income than you may currently make, there are many reasons that starting a home-based business might be right for you. One consideration that you might not have taken into account is the tax advantages that you will enjoy with a business run out of your home. Let's explore these qualifying deductions, starting with the better-known ones.

The Home Office Deduction

The deduction that likely comes first to mind that home-based businesses can take advantage of is the "Home Office Deduction". The Home Office Deduction allows you to deduct some or all of the expenses of your office at home and related expenses.

To qualify for this deduction, your home office must be the principal place where your business is done. Secondly, the office space must be used exclusively for business use to qualify. For example, if you use your kitchen as your primary workspace, it is likely that you cannot take the home office deduction, assuming that you use it for personal use as well. To be on the safe side, set aside a room as your home office where possible. This will keep you on the safe side should the home office use ever come into question.

Detailed explanations of who qualifies for the Home Office deduction are defined in detail by the IRS themselves.

Building-Related Expenses

Repairs and improvements to your home office are completely deductible. For example, painting your home office is an expense that relates directly to doing business out of your home, so it is deductible in full.

Mortgage interest is deductible as a percentage of the total mortgage paid for your home. For instance, if your home office makes up 200 square feet of your home's 2,000 square feet total, you can write off up to 10% of the mortgage interest for your home as a business cost. Similarly, if you rent your home, the percentage of your home used exclusively for business use would also be deductible.

Property taxes paid for your home also qualify at the same percentage rate as the mortgage.

Furthermore, if you own your home, you can depreciate the appropriate share of the home over 39 years.

Note that home expenses not related to your business, such as landscaping costs, cannot be deducted, even if you are beautifying the appearance of your home to enhance its appearance for business purposes.

How Much Total Can You Deduct?

You can deduct at most in home expenses for your home-based business what its net profit is. Thus, if you don't make much net profit, neither will you be able to deduct many home office expenses. This covers expenses specific to your home itself, such as mortgage/rent and property taxes.

Security

You may deduct the business cost of security devices and monitoring fees as a percentage of the protected area used for business use of the entire protected area (normally the entire home). This is considered an indirect cost of doing business.

Insurance

If you own your home and pay home owner's insurance, you may deduct a percentage of that expense, as with mortgage or rent expenses. If you have additional insurance coverage that covers things specifically for the business, you may deduct these expenses in full as direct business expenses. This may include special riders on your insurance policy to protect business equipment used exclusively for your business. Additionally, if you incur a loss that is not covered by insurance, if it is equipment used exclusively for your business, you can deduct the entire loss. If the property lost is for things used both for personal and business use, you may deduct just the percentage of business use.

Utilities

Using the same percentage that you can write off of your home calculated above, you can write off utilities such as electrical, gas, and other utilities as business expenses.

Transportation

If you work primarily out of your home, you can typically write off the transportation expense of getting to and from your clients' places of business and other business-related transportation costs. For the 2004 tax year, the standard cost per mile that the IRS allows you to deduct is 37.5 cents per mile.

Transportation as a deductible cost is one area where detailed records is critical. Typically, you will want to record the odometer mileage of your car before and after your trip to determine the number of miles traveled. Alternately, if you have places that you often travel to, you can just record the number of miles once and then multiply by the number of trips to determine total mileage This will prove much easier than recording each trip's mileage

Moving Expenses

If you move, you can deduct the business portion of the move. For example, if half of the items to be moved were business-related, you could deduct 50% of your moving expenses. Note that moving expenses apply to sole proprietors, LLC's, and S-Corporations only. They do not apply to C corporations.

If you have business-related moving expenses, use form 8829, "Expenses for the Business Use of Your Home" to report them.

Phones and Communications

For a home business, the first phone line into your home is considered by the IRS as a personal expense. Additional phone lines for business use, including cell phones used for your business, are tax deductible. Internet service provider fees or broadband costs such as high speed cable connections are deductible as a percentage of business use to total usage.

Meals and Entertainment

If you take a client or prospective client out to lunch and talk about your business, it is often tax deductible as a cost of doing business. If you are doing business out of town or at your convenience on a business-related task, you can typically deduct the amount of meals. If you are entertaining a client, the expenses related to the meeting are deductible if they have a business purpose.

Meals and Entertainment is one area that is often abused by small businesses, so if you plan to take deductions for these kinds of expenses, be sure to keep receipts. Also keep records of what the money was used for to avoid any kind of legal entanglements later on. As with most business deductions, as long as you stay within the IRS guidelines for what is allowed and keep good records, you can take this deduction safely. You can only deduct 50% of the cost of meals and entertainment.

Tax Preparation Expenses

Though not specific to home-based businesses, the expenses that you incur to have your tax return itself prepared may be tax deductible. Also, if you use tax-preparation software to prepare your own business' tax returns, the cost of the tax preparation software is possibly deductible.

Software

Software used for business purposes are deductible as a business expense. Note that for software packages in excess of \$500 in value, you may need to amortize (write off over a period of time) the software over 3 years. If you have purchased software that costs more than \$500 per piece of software, consult the IRS guidelines for software deductions.

Educational Expenses

Educational expenses incurred directly to learn industry-specific skills needed for your business are often tax-deductible. For example, if you purchase the Professional Bookkeeper course to learn Accounting and Bookkeeping skills to start your business, this expense is tax deductible as a start up cost once your business is underway.

Record Keeping

Many small businesses let themselves get cheated every year by not taking deductions they are legally entitled to on their taxes for fear of being audited. As long as you stay within the IRS guidelines for what is and is not tax deductible and keep receipts and good records, you are safe to take the deductions you are legally entitled to. The Home Office Deduction in particular is a deduction that many have wrongly assumed makes them a target for an IRS audit.

If ever in doubt, go directly to the source, the IRS themselves. They publish many articles defining exactly what deductions you are entitled to so that you can be sure that you are in compliance with the law.

It may be advisable to consult a tax preparer for specific questions regarding what would or would not be deductible, and to what extent. For a thorough understanding of tax

preparation for your own business or to prepare taxes for other businesses or individuals, you may want to look into training such as Universal Accounting's [Professional Tax Preparer program](#). For many individuals and businesses, they save more on their taxes over a year or two than they spend on the course itself. Plus, they have the assurance that they are doing their taxes correctly and doing proper tax planning to reduce their tax liability.

A Great Home Business

As illustrated above, running a home business gives many tax advantages and deductions. One of the best home-based businesses going is starting your own successful Accounting and Bookkeeping service. You will make between \$30 and \$60 per hour out of your own home in a relaxed environment. The Professional Bookkeeper program teaches you step-by-step how to make a great income helping businesses manage their money.

One of the Easiest & Fastest Growing Home-Based Business Choices is listed Below. One of the Huge Major advantages of starting a Home-based Business is that your start up money should be no more than \$500 and it should be something that is fairly easy for you to do with the instructions that are included in the package that you decide to purchase.

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