2021 | ISSUE 3

SEALES ADVISORY SOLUTIONS

"The road to success is dotted with many tempting parking spaces."

-Will Rogers

I am a storyteller. I like metaphors and proverbs. You will hear them woven in my rhetoric and read them in my writings. The story being told in this season of my life is a story about growth and learning how to grow well - as a person, as a leader, as a firm owner and most importantly as a father and husband.

The tenacity of my focus is challenged by distractions, and I am reminded by Will Rogers that “the road to success is dotted with many tempting parking spaces.”

Perhaps the most beneficial concept over the last year has been learning to either give someone my best "Yes" or my best "No". As I lead our firm into the future this is the concept at the forefront of our growth-minded progression. We need to be able to not only grow but grow *well*. If we do this properly, then we'll be able to achieve our purpose of empowering the people we meet by offering excellent advice as accountants. To achieve this purpose, we have taken the following actions in order to better serve you, our valued client.

Start with culture – Every Monday our team has a huddle to discuss firm happenings. We start with a quote provided from a team member which rotates each week. Each team member has floor time to speak so we can all exchange ideas, help one another and communicate. Every month I meet individually with each team member to review their workload, professional development and upcoming schedule and deadlines. We currently have two CPA's and an Enrolled Agent on our team and another CPA in progress. We are adding value by growing from the inside out - *well*.

Manage new client onboarding – We use a two-step process to engage new clients. The first step is an initial consult to determine scope and learn about the prospective client's pain points. The second step is a proposal presentation where we deliver the proposal and outline responsibilities for our firm and the client. This approach has allowed us to work with clients that fit well within our knowledge base and designed processes. We have been able to add value by focusing our attention where we specialize - *well*.

“

We need to be able to not only grow, but grow **well.**

Advisory solutions – Did you know we have structured appointments to help someone start a business/farm, transition a business/farm, choose an entity, cash flow budgets, college education planning, rental property management and how to organize your business records? Advisory appointments add value by designing a successful trajectory. We most often hear “I had no idea you did this!” during these appointments. These appointments add value and depth to our client relationship. We are adding value by helping our clients grow...*well*.

Technology upgrades – We have re-invested profits back into high speed, low drag technologies that allow us to be adaptive and efficient. We now offer direct deposit for payroll, paperless accounting reports, remote appointments, electronic signature, encrypted cloud storage, text reminders and online appointment scheduling. We are adding value by approaching each day from a position of readiness in case (fill in the blank) happens and we can still deliver an accurate, timely, competent service - *well*.

To our valued clients, let me say thank you so very much for joining myself and all our team members on this journey of growth. We endeavor to add value in all our interactions with you and we truly appreciate the opportunity to grow and be better together. Please read further to learn more about the journey ahead.

- Trevor Seales

This past year has been an incredible sequel to the crazy of 2020. Here's what has made our firm's *Top 5 Focus Points*.

1 - Crypto Currency

Did you know the IRS now asks every taxpayer if they are involved with "virtual currency"? Discussions with clients during the 2020 tax season really highlighted how popular cryptocurrencies have become with our client base. If you are involved with Bitcoin or any of the other cryptocurrencies please call and schedule an appointment to get your trading activity organized this fall. There are some great platforms available to organize your trades but they take time and we want to be proactive about helping you plan around those big gains from 2021 before tax time!

2 - PPP Loan Forgiveness

Many of our farm & business clients received PPP loans which have now, or soon will be, forgiven. These loans were never taxable at the federal level but we were in a state of limbo during the 2021 tax season with Minnesota. On July 1, 2021, the Minnesota legislature affirmatively decided not to tax PPP loans by enacting law. Minnesota Revenue has started sending out notices asking taxpayers to amend prior year tax returns if the PPP loan was included in Minnesota income. Our firm is hopeful this administrative approach will change and Minnesota Revenue will adjust affected taxpayer's returns automatically and send a refund as has been the practice in previous years when delayed law changes have impacted previously filed returns. If you receive a notice, please send it to our firm; we are currently gathering notices and allowing this issue a little "time to breathe" before amending a batch of client returns.

3 - Advance Child Tax Credit

Many of you have already seen several deposits hit your mailbox or bank account. This has caused much confusion and concern within our client base. These deposits are not taxable income but they are advances on the child tax credit which will be claimed on your 2021 tax return. In short, you are getting more money now and less money later. But due to increases in the credit, you should not see much of a change on your tax return.

The government increased the credit and then paid it out to you so what is left to take on your tax return is about the same credit you have had in the past. The bottom line impact should not be a big deal but ***be sure to track what you have been paid*** because it will need to be reported on your tax return.

4 - Upcoming Legislation

"Where do we get the money to pay for all this?" is probably the most frequent conversation starter we have heard over the last year. The answer is becoming clear: estates and high income taxpayers. There are law changes being proposed in Congress right now that will fundamentally change many existing estate strategies. Please schedule a "triangle discussion" between yourself, your attorney and our firm to start the dialogue of how to go on the offensive.

5 - Farm Transitions

We are starting to see more farm transitions as our beloved West Central Minnesota client base is aging and fewer kids are taking over the farm. Consolidation and economies of scale impact how the farm will move forward into the future. It is time to think creatively about how we can position our farms to transition and succeed. There are many different planning strategies but the best one is always the one that starts with candid communication. We can help to facilitate those tough discussions and then design plans to help you transition. If you are considering a farm transition, please call to schedule an appointment for Spring/Summer 2022 so we can start the process. Our firm is an approved vendor for the Beginning Farmer Tax Credit program administered by the Minnesota Rural Finance Authority so we can help on both ends of this transition!

QUICK FAQ:

How long do I keep records? It depends. We have a "quick chart" that we can send you upon request. Have old paperwork you would like shredded? No problem! Just drop it at our office anytime we will have it shredded for you.

Can I pay my bill with a credit card? Yes, but the processing fee will be added to your charge.

Can I offer direct deposit to my employees? Yes, we can do that for you!

Do you use AFLAC? Yes! This is a great "no cost" benefit to provide to your employees.

Aging parents? It can be overwhelming to take over the financial world of your aging parents. We can help you get organized in the event of their passing or incapacity.

Do I get a property tax refund? We can check and add you to our list!

My farm tax filing deadline is March 1st, but I'll be out of state for the winter. How do I file my taxes? Pay a 2/3 estimate by January 15th and your deadline will be extended to April 15th.