

Tax Tips

A huge benefit of your Arbonne business is the tax deductions that come with it.

Although you will need to talk with your accountant for more detailed information regarding what you can deduct, here are some basic guidelines to help you keep accurate records. It helps to have a separate checking account and credit card for your business.

Income:

- You will receive a 1099 form from Arbonne if your OVERRIDES AND BONUSES ARE OVER \$600 yearly.
- When making a retail sale, you receive immediate profits and also pay sales tax at the time of purchase. Keep records of any profits you make from retail sales for tax purposes. You can keep record of these profits through a computer accounting/bookkeeping program that also keeps product inventory.

Ex: Quickbooks/Quicken, Microsoft Money, Peachtree.

- If you don't have a computer program, you can purchase a Dome Weekly Bookkeeping Record Book to track your sales and your expenses (this can be found at an office supply store).

Expenses:

- The most important thing about recording expenses for tax purposes is keeping the documentation as proof.
- Keep all of your receipts, and write on the back of each receipt what the purchase was for; if you have a business meal with someone, show who you were with and the purpose of the meeting.
- For expenses, use a computer program or keep a ledger sheet and have columns to list the date of the expense, the amount of the expense, where it was spent, what the expense was, and how you paid for it.

Ex: You took a prospect to lunch to talk about Arbonne:

Column One -7/1/07, **Column Two** - \$22.50, **Column Three** - La Madeleine, **Column Four**- Lunch with Betsy to talk about Arbonne, and **Column 5**- Credit card.

- You can use an accordion file to label and file your receipts. You can organize them by month or by expense category.
- Everyone should have a calendar in which you can show all of your appointments and the mileage to and from the appointments.

Here is a helpful list of some expenses to keep track of:

- Starter Kit/Open Now for Business Pack
- Initial product order - anytime you use something for the first time, it is considered to be a trial and is tax-deductible.
- Business Aids (prospecting packet materials, samples, literature, etc)
- Travel (airfare, automobile, hotel, food, car rentals, gas for rental, cabs etc.)
- Meeting/Conference Fees
- Advertising
- Depreciation of desks, phones, computers (if you use it strictly for business). Ask your accountant about this.
- Legal and professional fees (Ex: Accountant)
- Vehicles, gasoline, maintenance, repairs, car tags, etc. Keep a mileage log with beginning and ending mileage on any business related trips. Write down the purpose of the trip. You can get a mileage log book at any office supply store.
- Office Supplies and other misc. supplies (paper, stapler, etc.)
- Subscriptions to magazines, books, LEARN AND BURNS
- CD's/DVD's for education and training
- Entertainment (most cases 50% deductible)
- Meals (50% of meals when discussing Arbonne)
- Telephone (If it is a second separate line, you can deduct the entire bill if the phone line is for Arbonne business only.)
- Promotional Expense - fund-raisers, donations for school/community auctions, free-product giveaways
- Cell phones (You can deduct the calls that are business related.)
- Home office space (if the room you use is exclusively for your business). Ask your CPA about the Home Office Deduction.
- Incentives/Recognition/Team Gifts
- Shipping/postage
- Packaging, gift wrap, etc.
- Baskets, shrink wrap, bows, bags, etc.
- Interest paid on car loan
- Credit card interest for business purchase on your business credit card
- Booth/space rental
- Product/business aides for building your business: presentations, sampling products, hostess/prospect baskets

**This is a helpful list, but may not be exclusive. Consult with an accountant on maximizing the tax benefits from owning your Arbonne business and make sure you track and document all expenses and profits.