



The Bottom Line

with Marilyn A. Parham, CPA

CPA in Your Corner, Episode 004

Setting Financial Goals for Your Online Business

Jessica: Hey everybody! We're going to talk about setting financial goals and dishing on the B-word...so your money always works for you in your online business. Let's roll!

[theme plays]

Jessica: Welcome to CPA in your Corner. We're your hosts, certified public accountant Marilyn Parham and online business coach Jessica Stafford. Join us each week as we help online entrepreneurs fix their finances and keep more of the money they earn.

Hey guys, Jessica Stafford, online business coach with The Bottom Line. I'm in the studio today with certified public accountant Marilyn Parham. And Marilyn, it's a new year!

Marilyn: Yay!!!

Jessica: Happy 2015!

Marilyn: Happy New Year!

Jessica: Yeah, we're about 6 days into the New Year, and it's going to be an awesome year.

Marilyn: Yes it will be.

Jessica: We're really excited about what's going to happen this year, and we've come together today so we can talk about something that maybe a lot of people don't like to talk about, but it's all about goals and setting goals and a few other things that is pertinent to us as accountants who help online entrepreneurs. Like we said earlier, it's all about creating goals but setting financial goals, because we find a lot of times, people go through the process of creating goals but they really don't pay too much attention to these financial goals. Is that how you feel?

Marilyn: Yes, and I don't think we've explained what the B-word is.



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Jessica: Oh, well yeah, of course! You have to go right to the negative thing.

Marilyn: Yes.

Jessica: I'm trying to keep it light here on CPA in Your Corner, we don't like to talk about things that require us to put a bar of soap in your mouth when we're done, Marilyn.

Marilyn: [laughs]

Jessica: You shouldn't talk such dirty talk.

Marilyn: Alright, we'll get to that later then.

Jessica: Okay. So when it comes to setting goals, a lot of people talk about "write your goals down, create a plan. Without a goal it's just a dream, without a deadline..." I mean, I've seen that swirling around the Internet 10 million blooming times.

And by the way, for everybody who's put their name on that quote, I think Napoleon Hill was the one who actually said that in his book, [*Think and Grow Rich*](#). And maybe somebody else way, way down the line, who knows, but never the less, goal setting is a big topic, obviously, at the first of the year.

Marilyn: And it's important. It is important.

Jessica: Yeah. And we've talked about several things over the last few weeks because we've talked a lot about how to leverage all this income you made in the last quarter of the year, and how we're really not going to be able to go fully into our new year until the end of our year.

Marilyn: Right.

Jessica: So a lot of people are probably trying to play catchup, you think?

Marilyn: Yeah, probably.



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Jessica: And so they probably spend a lot of time making a lot of sales and doing a lot of planning before the new year actually got here and now they're--

Marilyn: And now they're catching up.

Jessica: Yeah, now they're catching up. So, how do you feel about goal-setting and are you an avid goal-setter? How do you feel about goal setting and why do we want to address this topic right now?

Marilyn: Well, I think it is really important. You know, you have to collect that data, which we talked about ending the year. Now that you know where you are, it's really important to then go forward with what you have to set realistic goals, and that's the thing. They've got to be realistic goals.

You can dream big and have a plan to get there, but not so big that you can't even attain it.

Jessica: Okay, so let's break down the realistic thing, because that kind of packs into what a lot of people call a smart goal.

Marilyn: Right.

Jessica: That if it's specific and measurable and accurate and realistic and time sensitive and it's smart, then that's a good goal.

Marilyn: That's a realistic goal.

Jessica: Now, we have realistic conversation in my household with my husband where I'm always up here in the clouds and he's always down here on the ground, and I keep saying that he's clouting his pessimism by being a realist all the time.

Marilyn: Yes.

Jessica: And so this word is a little tricky to me, so when you say "realistic" I just want to kind of unpack that for just a minute, because you can have a big goal that is realistic, yes or no?

Marilyn: Yes, you can.



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Jessica: And I think the thing is, is...let's just, for our financial goal, if I want to make a million dollars in 30 days, or I want to make a million dollars in a year, I guess you COULD make a million dollars in 30 days, but depending on all the factors you've got going on in your business...

Marilyn: It may not be realistic!

Jessica: Can you really push out what's a million dollars in 30 days? We can do the quick math, can't we?

Marilyn: That's...300...I don't know, that's a lot of money.

Jessica: That's a lot of money per day! It's throwing down \$33,330,033.33 a day.

Marilyn: That's right.

Jessica: So if I'm going to make that realistic, I'm going to have to figure out how much do I have to sell my \$297 course to make \$33,300,033.33 a day! How many \$2.99 Kindle books can I push out?

The bottom line is, you got to make a goal that's realistic, but don't water down your goal. You know, I'm kind of passionate about that, don't water down your goal, thinking it's not achievable because it seems to someone else like it's not realistic!

Marilyn: And see here's where Jess and I really are different.

Jessica: Dun dun dun! Yes!

Marilyn: We work very well together, and this is one of the areas where we bring each other to the center.

Jessica: Yes, exactly, because we're in two worlds when it comes to this financial stuff sometimes, guys.

Marilyn: I'm a little too realistic, and she's a little too...in the clouds!

Jessica: Yeah.



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Marilyn: So we bring each other--

Jessica: So you say!

Marilyn: So I say.

Jessica: I mean I think I'm just right on track. So. . .

Marilyn: [chuckles]

Jessica: Now when it comes to goal setting, let's talk about the financial piece. Do you find that people really stay very focused on their financial goals, or do they really kind of just make it a 30,000 foot thing?

Marilyn: They make it a 30,000 foot thing. Most of the time.

Jessica: Yeah. Like, I just want to be debt free. I want to be FINANCIALLY free. I don't want to have to work for nobody!

Marilyn: I don't want to have to worry about money!

Jessica: That's really kind of how they do their financial goals.

Marilyn: Right.

Jessica: But then they say "I want to make a million dollars a year." But why? What are you trying to do?

Marilyn: Right.

Jessica: And so, they kind of have it in their head, it's like math in their head, like, I know...we talk about that a lot, with our business owners and what we've seen over the years is just like them managing their checking account going from their online banking to the accounting system. They're used to just logging online every day and saying "Okay, well, I got this much money and this is how much I think I've got going on and coming out and whatever and this is where I think I am."



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And so it's always just very opinion.

Marilyn: Yeah, the more specific you are, the more likely you are to keep on track to get there.

Jessica: And the reason why this is so important, why we've kind of talked about this is because it's a mindset thing and a discipline thing, right?

Marilyn: Right, both, together.

Jessica: So, set a very specific financial goal for a very specific purpose. So when you say "I want to make a million dollars" be very clear about why.

Marilyn: Why.

Jessica: What you want to do with that.

Marilyn: Mmhmm.

Jessica: Because a lot of times we see these businesses who just blow up, 7 figures, 8 figures--I mean, we even heard somebody back in October, where they basically had a 7 figure launch over a 6 week period of time and at the end of it they didn't have anything to show for it.

Marilyn: Right.

Jessica: And how does that happen?

Marilyn: You don't manage your cost while trying to manage your...

Jessica: You stay focused on having a 7-figure launch and you then figure out all the pieces--

Marilyn: That went into making it.

Jessica: And make sure that you're directing the money in a way that you have something left over at the end of the day.



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Marilyn: That's right. You threw too much payroll at it, or...yeah. There's way too many costs in getting there.

Jessica: Which dumps us right in. And people think that when they do all these big 7, 8, 9 figure, 10 figure things, these people are just rolling in the dough, right?

Marilyn: Yeah, people don't think of the net amount. They just think of that 7-figure gross amount.

Jessica: Right, exactly. And so we often let people know that just because you're in business doesn't really mean anything as far as your worth, in terms of what you can gross. It's really about how you can get to the bottom line, what that looks like.

So, and speaking about directing your money, which is part of that financial goal setting process, I want to get into that dirty word. But before I do, before we break into the negative space that I think's negative--[laughs]

Marilyn: I don't think it's that negative, myself!

Jessica: No it's not. It's a very necessary thing.

Marilyn: It is.

Praise Party

Jessica: And a lot of people don't like it. But before we go there, let's do our thing and break into a praise party!

Marilyn: Let's go!

Jessica: Yeah, this is where we take a break in the segment and talk about some things that are going good. We kind of love on our clients and people who've been loving on us and share the things that they've been sharing with other people about what we're doing and what we're up to and how what we're doing is making a difference or making them happy, even!



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So this is--I really like this section. It's a new section in our podcast and today we're going to share a praise from friends of ours, we consider them friends, Shane and Jocelyn Sams.

Marilyn: Sams Digital!

Jessica: Yep, of FlippedLifestyle.com.

Marilyn: Right.

Jessica: And if you guys don't know who Shane and Jocelyn are over at FlippedLifestyle.com, I'm almost going to say put the podcast on pause and go check them out, but no, don't. Just hang right here, but...make a note and check them out later!

But these guys are great and they're really on a mission to help families flip their lives upside down by selling stuff online. And I have to say, I'm a huge fan of their podcast.

Marilyn: I am too.

Jessica: Yeah. And everything that they do is just so quality and they just really, really give a lot to their community. And they were so nice to drop by our blog and leave us a comment that says:

"You guys rock! I'm glad we chose the perfect accountant for our online business. YOU GUYS!!" Like, in all caps with an exclamation point. I bet Shane wrote that.

Marilyn: I'm sure he screamed it. [laughs]

Jessica: "And I can't wait to share this with our audience"--meaning the podcast, with a big smiley face.

And so thanks, Shane and Jocelyn, for that shout-out on our blog! We really appreciate all that you guys are doing and putting into the world. And when it comes to goal-setting, they have a podcast that actually came out a couple of weeks ago about goal setting, and they have a free goal setting guide on their website that people can check out.



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I personally went through this goal-setting guide and it's intense, and Shane and Jocelyn make it a habit and they'll tell you to go through this process every six months in their business. And so they know it's important and they're very successful and it's clearly following them.

Marilyn: They are following it! And it shows.

Jessica: Yeah. It definitely shows. So, check them out over on FlippedLifestyle.com...and what else do we want to tell the people about the praise party? People probably say "How can I get in on the party?"

Marilyn: Well, why don't you go to our website and check out our blogs and check out what we have to offer to you and leave us a message?

Jessica: Right! Leave us a message, we'll talk back. [Tweet us on Twitter!](#)

Marilyn: Yeah, go to Facebook.

Jessica: Yeah, @thebttmlineCPA or check us out on [iTunes](#), leave us a review about the podcast. There's all kinds of ways to connect with us and you too can get in on the par-tay!

Marilyn: On the praise party!

Jessica: Yeah! So thanks guys for all that you guys have done and poured into us, for those of you who have shared how we're making a difference. We really truly love what we do.

So we're going to dive right in to, coming from talking about financial goals, setting financial goals, and making your goals not just about the sexy stuff but about the financial stuff, into the B-word, which stands for...?

Marilyn: Budget!

Jessica: [sing-song] BUDGEEEEET! Dun dun dunnnnnnn!

Marilyn: And I have to say, Jessica doesn't like this word, but I frankly love it!



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Jessica: And it's not that I don't like this word...

Marilyn: Well, it's one of those discipline, you know, nitty gritty, not a whole lot of glamor.

Jessica: Yeah, there's not a whole lot of glamor in it.

Marilyn: But at the end of the day, if you do do it, and stick to it, you're going to love the word.

Jessica: Especially when your budget and actuals never seem to work out.

Marilyn: That's' correct.

Jessica: For a minute.

Marilyn: Exactly right.

Jessica: Yeah. And it's a work in progress for everybody, budgets, but Dave Ramsey has a great quote, and it's all about directing your money, you know, that you've got to be a master of your money. You can't let your money be the master of YOU.

Marilyn: That's right

Jessica: And that's what happens when you don't have a goal and you don't back up attaining that goal with a budget.

Marilyn: Because otherwise it goes fast. You don't know where it goes.

Jessica: I think some people think, don't you think like budgets are like, fluid, and they're not just a once and done kind of thing?

Marilyn: They are fluid. I mean, you've got to start somewhere, so you got to be a once thing, but you know, like we just mentioned with Shane and Jocelyn, going back and making your goals every six months, you have to adjust your budgets, too. They are moving.



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Jessica: They are moving! And budgets aren't just like these big huge gigantic "I have a company and here's my company budget" are they?

Marilyn: They don't have to. They can be...

Jessica: I mean, budgets can be for everything, like if we're getting ready to go into a launch, to launch a course, or...I mean, how often should people try to create budgets? How comfortable should they get with talking about their numbers, not just about the logistics of how their online business works?

Marilyn: Well, the budget's where you start, and I think you ought to readdress it every quarter, when you can. Every sixth month is probably doable, but throughout the year, your goals may, you maybe do better than your goals, so you need to readjust your budget, or you may not hit your goals, so you need to readjust your budget.

Jessica: And you know, this part of, you know, where I do get excited about this is when you really start to pay attention to this and start to play it out and start to be really intentional about how you're going to grow your business and how you're going to achieve those financial goals, the thing that I love about it is we all struggle sometimes, pricing our services and our products?

Marilyn: Yes, we do!

Jessica: Have we ever struggled with that?

Marilyn: All the time.

Jessica: All the time! I had somebody just today tell me we were too expensive on something, and so you know, we've talked about expense and how it's relative and it just depends on how the person values what it is they're getting and things like that, and so, and how you know, you're built for a certain client and, you know--

Marilyn: It's your audience.

Jessica: Yeah, for your audience, and you know, having confidence in your product leads to confidence in the pricing, and then you know a lot of people talk about the psychology of pricing, which we know that that's true. But the budget can be a huge factor on whether you stand confident in that price--



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Marilyn: Absolutely.

Jessica: Or not!

Marilyn: Absolutely. If you don't know where your money is going, you may very well underprice yourself, to where you really can't viably continue your business.

Jessica: And what I've found too is you have this goal that you want to achieve and you think "oh, I'll just sell that for, you know...\$19 or something? Or \$2.99" and then you start to do the math in your budget and you're like "Holy cow cannoli! I'm going to have to sell 33,333.33 people!"

Marilyn: Right, to get what i need.

Jessica: To get to where I want to go! I can't do that! How can I make a bigger bang for our buck?

And I think the pricing piece also kind of helps build your client base and your budget can help drive that because they talk about, if you have a more premium product, you're gonna have a more premium client that's more invested in you. It's going to be a healthier relationship, and frankly your budget should drive all that. Don't you think?

Marilyn: You can't please everyone so you do have to decide where you are in the market.

Jessica: And you have--you and what you want and why you're doing what you're doing to make the difference and the impact in your business that you're trying to make for yourself, for your family, for your community, for your tribe, whoever that looks like.

It really can all start with your financial goal, to your budget, to your reality. Right?

Marilyn: Right.

Jessica: And that's just kind of how you get to those decisions.



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Marilyn: Well, even relating it back to us in The Bottom Line, when we started this online venture ourselves, we had to decide who our audience was, and our passion was to serve online entrepreneurs.

So we priced our products and services to reach that audience.

Jessica: Right. And to reach that audience that wanted to connect with us. That's why the right accountant is so critical. We're not a fit--just because you're an online entrepreneur, doesn't mean we're a fit for you.

Marilyn: No.

Jessica: But at the same time, we know where we want to go and things like that, and a lot of that financial goal planning and setting and budgeting has, you know, kind of evolved the process over the last year and a half.

Marilyn: Sure.

Jessica: And so, I think a lot of times people are intimidated by budgets. How can you take the intimidation factor out of budget? Because I think people see these long, drawn-out budgets and they don't want to get to the end of the budget--can you get around that?

Marilyn: Well, I guess the answer is yes and no. You can make it as simple as you need to make it to start with. You have your financial goals, so you know how much money you WANT to make, and if that's a realistic goal and you believe you can do that, then all you have to do is tell that money where you're going to spend it.

Jessica: Mmhm.

Marilyn: And you can do it not minutely, but in groups.

You know, you can tell it "I want to, here's my marketing part of that budget." I actually would start with things like paying yourself first. Saving first. Those are the things that are most important, and really why you've gotten into your own business, anyway.

Jessica: Right.



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Marilyn: So let's allocate those things first.

Jessica: And that is such a great point, Marilyn, because those are usually the things that get cut first.

Marilyn: Right! And they're usually the things that are at the bottom, and you end up, you don't have any money, so guess who doesn't get paid?

Jessica: Right, you don't!

And what happens is, you go from being on a high and how you have the best business in the whole wide world, to you're just a bitter Betty with a bad business.

Marilyn: And you want to give up and you end up like "I want to get out because I'm not making anything!"

Jessica: Yeah, because you're not getting paid, you're not putting back, and you're not giving out of your money. You're just letting your money rule you and darken you and deepen you into a pit that you don't even want to be into that thing that you got into in the first place.

Marilyn: So why wouldn't you set a budget to where you pay yourself first and then figure out where the rest of it's going to go? Then you know what to work with. At the end of the day, the bottom line of that budget's going to be zero.

Jessica: And you know, it has to go without saying, this whole paying yourself first thing, because I've worked with business owners before over the years, and there's some business owners that really value their pay. And they will drain all the cash out of the business to pay themselves.

Marilyn: And that's overkill.

Jessica: Right! And then they don't have anything left. So...

Marilyn: Again--

Jessica: You've got balance.



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Marilyn: You have to have balance and you've got to be reasonable. If you want your business to grow, you have to leave money in it in order to invest in the business.

Jessica: Yeah, because no joke, I had a business owner that had, like, \$600,000 of capital invested into the business, and a year and a half later they're figuring out "Where can I get more cash?" and looking at their situation, 75% of it went to salary. So there was no investment made in the business whatsoever.

So, in talking about setting a salary for yourself, most online entrepreneurs, unless they're structured as an S-CORP I suppose, or some other structure, they really just kind of make a decision about "Well, I have cash available" but that budget would be like "Okay, I'm going to take out X number of dollars a week" or "X number of dollars a month" or how would you suggest that they do that?

Marilyn: I think that's the healthier approach to it, is to decide what you can pay yourself, here's what I want--and it may even go down from that as far as paying yourself out every single month a certain amount, and then 3 or 6 months into it, you can look at your cash flow. Are you earning more in your business than you anticipated? If so, you can readjust that budget. You can pay yourself out an additional amount.

But, if you start with a base amount and you know that's what you're going to get to live on, then you're not taking out too much.

Jessica: And this is where relationship and working in your budget all by yourself, like don't work on your budget in a vacuum. Don't work your money in a vacuum, because it's like, in our partnership there's 3 of us between me, you and Angie in our business, and then we have other people that partner with us, and you and I especially, we have a great balance, and so you can come up to a good number when you have other people involved in the process, right?

Marilyn: True. And also that makes me think of another angle to this, in that there are times in your business, seasons of your business, that you need additional capital to do things. You need to put extra money in or to a launch. Or a product that you're trying to grow.



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In those seasons, if you budget properly ahead of time, you have savings in which to draw from, so that you can do those things that you need to do. And in some of those seasons, maybe your business isn't doing as well, so you don't have the cash flow in a single month to pay yourself as you have in your budget, but you've got this savings over here, so it doesn't have to hold you up. You can still pay yourself.

So it's important to have what Dave Ramsey would call, the "emergency fund."

Jessica: The emergency fund, and then the savings, so we've got to pay ourselves first, which is nice because we all need to live and nobody should be going without pay in their business. And if they do have to suspend pay, it's not a long-term solution. AT ALL.

Marilyn: No, it should never be a long-term thing.

Jessica: Yeah. You can't just keep feeding the hamster.

So the other thing you talked about saving and giving, we usually talk about giving first, and so is there a good rule of thumb that people should try to start, you know, as far as giving we've talked about before, just start where you are and work your way up, but, 10% usually is a good rule of thumb.

Marilyn: 10% is something everybody's accustomed to. That doesn't mean that it can't be more.

Jessica: Doesn't mean it can't be less.

Marilyn: And it doesn't mean that it can't be less, even if your goal is that. You start where you need to start. Again, you have your financial goals and you know what those revenues are. So, you need to start there and work your way.

Jessica: And I think it's worth saying that there are people out there who have walked a path who have gained wisdom along the way and they're sharing their knowledge and their wisdom with the world, the same thing that we're all doing in our online businesses to make a difference and an impact in the lives of other people. But, it's still at the end of the day me, and what is in me and what I want, and what I feel is good for me, and good for my business.



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Marilyn: That's right.

Jessica: And don't apologize for that being the way you want to run your business, right?

Marilyn: That's right.

Jessica: Don't run or create a business that somebody else wants you to have. Have your business.

Marilyn: It goes to the money mindset, and what's important to you and what you want to do.

Jessica: Right.

And so, then talk about savings. So, do you feel like what you give, you should really kind of mirror that in the saving?

Marilyn: Yeah, I think you should at least match it.

Jessica: And is the saving, does that include retirement and stuff too, or is that totally separate?

Investing.

Marilyn: well, there's saving and investing. To me, they're somewhat similar, and I would start out with one sort of goal there. Combination.

So you just set aside money. If it's 10% for giving, I'd set aside 10% for saving, and you can decide what to do with those savings. As it grows, you might want to maybe invest it in something. Or at the end of the year when you're putting into retirement, that's where you would draw that money from.

It's really important and we'll talk later I'm sure in another podcast about the compounding of those monies that you save and how crucial that is to--

Jessica: Where every little bit counts.



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Marilyn: Yeah, \$5 a week!

Jessica: You'll make a million dollars someday. It really will!

Marilyn: I know it--

Jessica: Might take you 33,300,033.33 days, I don't know if that's the right math, but that's just a cool number so we're just going to keep saying it throughout the podcast!

Marilyn: Eventually with our financial boot camp or something that we offer, I'd like to put out the chart in there that shows you how important is saving early. Don't wait! Because the earlier you save, the more that's going to mean.

Jessica: And you have enough to save something.

Marilyn: Yes. Right now.

Jessica: Save something. Now, this also I want to talk about. There's a budget for your business, and there's a budget for your personal. So when I talk about saving, I'm thinking about myself personally. But your business, like you said, to your point, has savings too, and a lot of times people might call that retained earnings.

Marilyn: Yeah.

Jessica: And not savings.

Marilyn: Right. It's retained earnings, is what it is.

Jessica: Where you're just pushing back some cash for a rainy...let me go buy a new online course day.

Marilyn: That's right. Or, hey, I want to do, I'm going to try this angle for my business, let's put some capital into it.

Jessica: Which that's a good thing too about a budget because when you have partners, you know, we have husband and wife teams that are clients, and people who are friends and family. A budget--what happens is, people's priorities come out in the money.



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Marilyn: Right.

Jessica: Right?

Marilyn: Right, that makes sense.

Jessica: So a budget can really kind of make, again, make your money work for you, tell your money where you want it to go instead of your money just kind of dragging you around, and when you have partners or whatever especially, that's where you can get balance in that relationship.

Marilyn: It's all in expectations. In any area of your life, I find that to be true. So in money, more so than most other things, it's all in your expectations. So if you set out that budget, if you've got partners, they're not guessing what they're going to be paid or what's, you know, available to them. You've got it already down on paper.

Jessica: It's kind of like you tell me, "Jess, if you buy one more online course, we won't have utilities." No, it's not that bad, but...

Marilyn: "Jess, I'm only going to give you \$2000 a month for online courses! That's all you can take!"

Jessica: Yeah, whatever that is or whatever that looks like down the road, because trust me that is not the online course budget at The Bottom Line. Let's just be clear about that, because MAN I'd be so happy!

But, um, yeah, because you know, I love education and training and so I'm just going to want to dump any--and cool equipment! My buddy Marcus here, he's always sending me links of things to buy, and I'm like "Yeah, let's get it!!"

And Marilyn's like "Let's not! WE CAN'T DO THAT!"

Marilyn: "Not yet! Give me y months, then we'll look at it."

Jessica: So that's part of partnership and balancing of priorities when it comes to your finances.



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Marilyn: Right.

Jessica: and it all started because you created a goal and you created a goal that was, I don't know, I'm tired of using smart--we're going to come up with a different one, because we like going against the grain here at The Bottom Line. We're going to call it something different, I don't know what.

BUT The Bottom Line is, it's reasonable, realistic, and you can back into it, run over it, it's still going to come out in the wash, right?

And then it goes to a plan and the plan is really just a budget.

Marilyn: That's all it is.

Jessica: And you just need to make this dirty, nasty B-word be a part of your sexy fun new year, I'm going to rule the world plan, right?

Marilyn: If you don't want to call it a budget, call it something else. Call it a plan, call it a--

Jessica: I tell you what, let's have a little contest! Put a little comment on our blog and the person who gives us the coolest name to call a budget without calling it a budget gets a \$50 Amazon gift card!

Marilyn: Alright, Jess, there's my budget! Alright, we'll have to put that in the budget!

Jessica: I just threw that on here. And she's like "Oh my gosh, what did you just do?" I've got to tell you, we're in the studio, she's going to choke me after this podcast is over.

But, anyway, so if we can call it something different, make it sexy enough to make it fit into your sexy plan, then I think we've done our part today, don't you?

Marilyn: I do.

Jessica: Yeah. So that's all about setting financial goals that matter to you, dishing on budget, and just always making sure that your money's working for you instead of your money ruling you.



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with Marilyn A. Parham, CPA

So, that's going to dump us right into...

Conversations and Celebrations!

Marilyn: Conversations and Celebrations!

Jessica: You're so awesome Marilyn. I love you. That's very cool.

Marilyn: I've got it today!

Jessica: Yeah! I love this section of the podcast. It's just the nice, good feel-good stuff. I know I keep saying that, but a lot of times our clients make it into this section, or our friends or people we work with or people we do business with.

I'll tell you what, we love bragging about our community and talking about our clients and our community because they are such awesome people and we just really try to do our part to make sure that everybody knows about who our clients are if they give us permission to share that, so.

We have a new client that we were working with recently, and they come to us through a referral, and they were interested in our business entity start-up service, right?

Marilyn: That's correct.

Jessica: Which is basically if you're looking to start a business, start here with us as your CPA and we can help get all that paperwork filed and figure out the right tax structure for you, and all that stuff, so it's a nice compliment to that attorney conversation you had, right?

Marilyn: Right.

Jessica: And we kind of take care of the whole process for you.

Something surprising happened in this "Let's start a business" conversation. So what was that about, Marilyn?



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Marilyn: Well you know, of course they called us just to talk about this business. I think if I remember correctly they were sole proprietor, small business, and they want-- they needed to formalize it better. And so they were talking to us about what kind of entity structure to be and they were talking through what they did.

And somewhere in the conversation, they were talking about their contractors. And they were speaking, they told us they had actually been paying one of their parents.

Jessica: Well, their parents, they were helping their parents and they were trying to figure out a way to put their parents into the business?

Marilyn: Well, yeah, and I think they had just started and they were talking about "How do we get them into the business and what does this mean to them?"

Jessica: How can we work them and pay them?

Marilyn: They had actually become unemployed recently, and they were really just trying to help them out.

And so they, in their heads thought "Well, we've just got to employ them in our business and pay them that way."

Jessica: A very successful business.

Marilyn: Yes, a very successful business, and they wanted to help them out.

Well, as we started talking, I was able to tell them they had other options there.

For one, if their parents aren't going to be helpful in their business, if they're not geared in the skills to actually help them in their business, day-to-day activities, they had other options, and the big one is they could gift money to them tax-free.

So they could actually, and I don't know if you guys might know, but the IRS allows each individual to gift up to \$20,000 to any other individual tax-free in a given year.

Jessica: And a lot of times, I think what happens is, when we have our businesses, we want to help other people. You know, because we're givers and we're helpers, traditionally. I mean, all the people we work with, that's their heart and that's who we



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are, and it just doesn't always really work when you try to blend all that friend-family business stuff.

Marilyn: It's hard to work with family, and friends sometimes.

Jessica: And then trying to manage the whole "Are they really a contractor? Are they really an employee?" Because you know, they want to do the right thing.

Marilyn: Well, then they have to report the income if you're paying them as a contractor.

Jessica: And then they have to pay tax, and...

Marilyn: They have to pay their own taxes.

Jessica: So I feel like they were just really relieved to know that "Hey, we could just give people money!"

Marilyn: Yeah, and that's really their goal anyway.

Jessica: Mmhmm.

Marilyn: Is "How can we help them out and you can still do, it's your business, it's your money personally, you can gift that money to whoever you want to and it's no tax implication to either one of you.

Jessica: Yeah. And so that was just really good and really cool, because frankly I didn't know that limit. That's a pretty high limit.

Marilyn: Yeah it is.

Jessica: you know, that you can just gift people without repercussion to them. And you know, it's important to know that you can do things without always having a tax deduction tied to it. That should NOT be your single motivation for spending money! Because you want to save on taxes!

Marilyn: In this instance, their tax deduction was actually not, because their parents had to pay those taxes on it, so it was not a true tax deduction for them anyway.



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Jessica: So that's pretty cool, you know? And again, that little problem cropped up on something totally unrelated that we were working with them on, and that's just always so cool, that we get to actually have these real conversations with our clients about what's going on and the kinds of problems they're facing, and that we can really give them solutions.

Marilyn: And that's why partnering with someone is so invaluable to your business and yourself.

Jessica: Absolutely.

So, that's our [sings] ceeeeelebrate good times COME ON! Don't ya'll wanna just sing along with me?

Marilyn: Yep.

Jessica: And that dumps us right into...

Power Play

Marilyn: The Power Play!

Jessica: The Power Plaaaaaay!

[BIG POWER PLAY MUSIC THING]

Jessica: I didn't say that all...power-y. That was more powder puff, but OK. The Power Play.

This is the section of the podcast where we get to, where we give you one thing to walk away with this week that you can take action on right away to make some big gains in your online business. So, Marilyn, you're the expert here, what is the one thing that you want every single person listening to this podcast to walk away and do today?

Marilyn: First thing is, set at least one financial goal.



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with Marilyn A. Parham, CPA

Jessica: One financial goal for your business, and one financial goal for your personal, or just one?

Marilyn: Just...let's just do the one financial goal for your business, okay? Because it'll bleed over into your personal.

Jessica: It'll bleed into your personal.

Marilyn: One financial goal for your business.

Jessica: Right. And be specific about it!

Marilyn: Be specific and crunch the numbers and figure out how you're getting there.

Jessica: And when you set the financial goal, create the plan for this instrument that's been called this B-word for millions of years that we're going to re-engineer into something new because some creative entrepreneur is going to give us some dynamic new name for this B-word, and they're going to get a \$50 Amazon gift card.

Marilyn: Yes, they are!

Jessica: That's going to come out of my online budget.

Marilyn: Yes, it is! [laughing]

Jessica: So, set a goal. And then make a plan in the form of a budget on how you're going to achieve that goal.

Marilyn: Write it down!

Jessica: Write it down. And share it!

Marilyn: Share it!

Jessica: Share it with somebody and have somebody help you be accountable for that.



The Bottom Line

with Marilyn A. Parham, CPA

That sounds like a good power play to me! I think we need to hop off this podcast and go do some planning of our own, don't you?

Marilyn: We should do it ourselves! That's actually right!

Jessica: We do, do it. But we need to do it more.

Marilyn: Yes.

Jessica: Because we're just like you guys, just trying to work this thing out as we go as well.

Thanks for hanging with us today, we hope you got a lot of good nuggets, a lot of good value out of our discussion today. Set that goal for 2015, make that plan, and we'll see you next week!

Marilyn: See you later!

Jessica: Bye.

Jessica: Hey guys, Jessica here from the CPA in Your Corner Podcast. Just want to let you know that everything we discuss on our podcast is general in nature. This is in no way free to take the advice and apply it to your own personal situation. Everyone's personal financial situation is different. Marilyn is a smart, savvy CPA, but until she has a conversation with her clients, she can't really tell them the facts.

So just know that you're learning from us as we go, and you need to start a conversation with your own accountant. If you don't have an accountant, and you're interested in learning what the right accountant can do for your business, make sure you tap us online for a [free discovery call](#).