



Navigating Tax Season with Ease: 10 Essential Tips for Businesses

As February unfolds, it marks the commencement of tax season. At IPS, we understand the significance of a smooth tax process for our clients. Here are some essential tips to help you navigate this financial season with confidence:

1. Early Preparation is Key:

Begin gathering your financial records early. Timely organization will make the tax preparation process smoother and less stressful.

2. Leverage Tax Software:

Utilize accounting software tailored for the tax system. Cloud-based platforms can simplify record-keeping and offer insights into your financial health.

3. Stay Informed on Tax Code Changes:

Tax laws are subject to change. Stay informed about the latest updates to ensure compliance and make the most of available deductions.

4. Seek Professional Advice:

Engage a qualified tax professional. Their expertise can help identify potential deductions, ensure accurate filings, and navigate specific tax scenarios.

5. Take Advantage of Business Deductions:

Identify eligible business expenses and deductions. Understand how these impact your overall taxes.

6. Employee Tax Considerations:

Ensure that employee tax-related documentation is accurately prepared and distributed.

7. Plan for the Future:

Assess your overall financial strategy focusing on long-term goals, investments, and tax implications.

8. Separate Personal and Business Finances:

Maintain a clear distinction between personal and business finances. This practice simplifies tax filing and helps adhere to regulations.

9. Take Advantage of Tax Extensions:

If you need more time for thorough preparation, ask for an extension. However, be aware of any associated penalties associated with extensions.

10. Stay Organized Year-round:

Implement year-round organizational practices to ease into the tax season.

We hope this month's InfoPays offered some helpful ideas for your 2024 tax season. Wishing you a stress-free tax process and a successful year ahead!



How to get Customers who Pay on Time

“Money is only a tool. It will take you wherever you wish, but it will not replace you as the driver.”-- Ayn Rand

Before banks extend credit, they undergo a due diligence process to ensure the applicant can repay the debt. When you sell on credit and extend 30/60/90-day terms, you practically lend money as part of the trade finance industry. Assessing creditworthiness should also be applied in this sector, but that is unfortunately not the norm. As a result, it is too familiar for companies to find themselves with bad debts and losses on their invoice receivables.

In this month's InfoPays, we are listing a few suggestions that you can implement in your business to ensure that you minimize any losses when selling on credit:

1. Check trade references.

When extending credit to customers, it is important to check the customer's trade references. This helps assess the customer's ability and willingness to pay and can help you make an informed decision. Checking references is a simple process that takes only a few minutes, but it can save you time and money in the long run.

When checking references, contact both current and past trade references to get a better understanding of their payment history. Ask questions about how long they have been doing business with the customer and their payment record. In addition, you should ask if there are any past due payments. This can give you an indication of how reliable the customer is when it comes to timely payment.

2. Research the company.

When offering credit to customers, a business must take the time to research each customer's credit history. This will help them determine whether the customer is a reliable borrower and if they can repay the loan. By taking this step, businesses can decide how much credit to extend and the repayment terms.

3. Access credit agencies' data.

Finally, you should also consider running a credit report through companies like DnB, Equifax and TransUnion. This allows you to verify the customer's credit history and get an overall picture of their financial standing. A credit report can provide you with more robust information, such as payment history and any public records that may be associated with the customer.

Our current clients can access the IPS Payment Index (PI) free of charge. Through dealing with thousands of companies across North America, the IPS PI provides the average Days Sales Outstanding (DSO), or the average number of days a company takes to pay its receivables. We encourage anyone seeking to extend credit to a new customer to check with us for information from our growing database as this can offer some information about a company's credit standing. A PI of 120 days will at the very least give you an alert, whereas a PI of 36 days will provide you with the much-needed reassurance to go ahead with the opportunity.

Created by the IPS Business Owner Success School (BOSS) 



Guarantee your liquidity within 8 business hours