



FINANCIAL & TECHNOLOGICAL GUIDE

Small-Medium Business Owners

Acumerica, Inc.

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Accounting Humor:

“Be audit you can be. “

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“Your gateway to Financial and Technology solutions”



Breaking, Industry-Related Trends or News!

Welcome! This is an introduction of who we are and what we do.

Who we are

Acumerica, Inc. is an out-source financial and technology service firm that provides a broad spectrum of services to meet our clients' needs. This includes day-to-day accounting, strategic finance, tax preparation, as well as business and computer networking consultations for small to medium businesses, freeing you to focus on running your company.

What we do

Acumerica can help streamline your business's financials and technology solutions. We will assist in growing your business for continued success. Our services will help provide the stability and confidence you need to build a



strong reliable business. We are American owned and operated, with more than 10 years of experience in accounting and IT consulting. We maintain a competitive edge by selecting and employing the most highly qualified and experienced professionals to deliver efficient results. Our expertise extends to cloud bookkeeping, tax

services, end-to-end accounting, financial reporting, computer consulting, business network configuration, network administration and maintenance, and Special Project. We understand each client's unique financial and technological aspiration; we provide the expertise of our dedicated specialist to present an integrated solution.

Client Referral Program

At Acumerica, we offer five main **Accounting & Bookkeeping Packages:**

1. Starter
2. Enhanced
3. Enterprise
4. Deluxe
5. Premium

Our IT department offers **Computer Consulting Packages:**

1. Starter
2. Enhanced
3. Enterprise.

Refer a client for our monthly bookkeeping and/or IT consulting packages and receive **15%** discount toward future work. Earn **\$50** for each individual tax return client you refer.

We invite you to visit the website at: www.acumericainc.com for a full listing of our services & prices.





“Contact us for a free 30 minute consultation. Our Certified Accountants and IT Professionals are available to answer your financial and technological questions, streamlining your business, accounting, bookkeeping and IT operations.”

Ways to Maximize your Return

There are several ways an individual, as well as a business can minimize their taxable income in favor of their tax liability being less.

How Income Tax Works

When you receive income from working in a profession, you have to pay taxes. The amount you have to pay is called your tax liability, based on your gross income. After summing all of your taxable income, and regarding the category you fall under in the IRS tax bracket, you will identify which is your tax liability percentage. See Table 1 for IRS tax bracket. Not all income is taxable; some is tax free.

What is Taxable Income?

Income can be defined through money, property, services, or other sources like rent and investments. Depending on the type of income, it can be taxable or non taxable. Taxable income include: Cash income, gambling winnings, and alimony. Non taxable include: child support, combat pay, and gifts. A taxable income is the amount of your income that is subject to income tax.

The different ways that you can minimize your taxable income are personal exemptions,

standard deduction or itemized deductions, IRA contributions, retirement saver’s credits, and investment interest.

Personal Exemption

Personal exemptions can help reduce your tax liability. You can claim yourself as an exemption, a spouse, and eligible dependents. The exemption amount for 2016 is \$4,050 for individuals. When your Adjusted Gross Income (AGI) is above a certain amount, you will lose a part of your exemption. For the phase out on the AGI, see Table 2; PEP (personal exemption phase out).

Standard or Itemized Deductions

Standard or itemized deductions can also minimize your tax liability. The standard deduction is a fixed amount in contrast to the itemized deduction that is based on your qualified expenses. For the standard deduction amount based on the different filings status, see Table 3. The itemized deduction is the deduction that you would use instead of the standard deduction— you can not use both of them. Sometimes people use the itemized deduction because it is higher in return value than the standard deduction, or they do not qualify for the standard deduction. Itemized deductions include: medical and dental expenses, sales tax, personal property tax, mortgage interest, casualty or theft loss, charitable contributions, Tax preparer fees, and unreimbursed employee business

expenses.

IRA Contribution

When you contribute to a traditional IRA (Individual Retirement Account) it can reduce your taxable income as well. They are deductible in the year that you’ve contributed, up until the tax filing deadline of April 15. The full amount might be deductible if you or your spouse is not covered by a retirement plan at work but if you are covered by a retirement plan, the deductible amount will depend on your AGI. You can contribute to an IRA at any age and the contribution limit is \$5,500, or \$6,500 if you are 50 or older.

Retirement Saver’s Credit

When you contribute to an IRA or 401K, you might be eligible to claim the retirement saver’s credit. The credit can be up to \$1,000 for individuals and \$2,000 for couples.

Investment Interest

You can deduct investment interest when you borrow money to buy property that is held for investments. The interest you paid on the money you borrow may be deductible.

Our Firm Motto

“It’s not what you earn, it’s what you keep” — We are here to help you identify all the possible ways that you can maximize your return. We are just a phone call away.

Table 1

2016 Taxable Income Brackets and Rates (Estimate)			
Rate	Single Filers	Married Joint Filers	Head of Household Filers
10%	\$0 to \$9,275	\$0 to \$18,550	\$0 to \$13,250
15%	\$9,275 to \$37,650	\$18,550 to \$75,300	\$13,250 to \$50,400
25%	\$37,650 to \$91,150	\$75,300 to \$151,900	\$50,400 to \$130,150
28%	\$91,150 to \$190,150	\$151,900 to \$231,450	\$130,150 to \$210,800
33%	\$190,150 to \$413,350	\$231,450 to \$413,350	\$210,800 to \$413,350
35%	\$413,350 to \$415,050	\$413,350 to \$466,950	\$413,350 to \$441,000
39.6%	\$415,050+	\$446,950+	\$441,000+

Table 2

Filing Status	PEP Threshold Starts	PEP Threshold Ends
Single	\$259,400	\$381,900
Married Filing Jointly	\$311,300	\$433,800
Married Filing Separately	\$155,650	\$216,900
Head of Household	\$285,350	\$407,850

Table 3

Filing Status	Standard Deduction
Single	\$6,300
Married Filing Jointly	\$12,600
Married Filing Separately	\$6,300
Head of Household	\$9,300
Qualifying Widow(er)	\$12,600



“Personally, we believe that our primary goal in life and here on Earth is to love and help others.”



Hurricane Matthew

Hurricane Matthew landed in Haiti on October 4, 2016; a catastrophic natural disaster in which many of its inhabitants died, leaving others orphans and widowers. Today, there are citizens with no homes, families, or friends to go to. These people aren't living, but existing with fleeting goals, having no idea where their lives are going as the future draws closer.

The cities that were the most affected include: Port Salut, Les Cayes, Jeremie, and Petit Goave. In some cities, it was difficult for the people to commute due to the water levels being as high as human height. In others, bridges were destroyed, leaving countless

stranded and in need of help.

This was an event in which people of all walks of life were emotionally touched. Whether you are Haitian or not, there is a sense of compassion and concern for the stability of this nation. Many people express their emotions in various ways, whether it be contributing to charities, prayers, or visiting Haiti personally to offer aid.

If you have already helped in any way, we at Acumerica appreciate your commitment to making a difference. If not, like the old saying goes: It is never too late to do something good. Do not stay silent; be the change.

“Was it you or I who stumbled first? It does not matter. The one of us who finds the strength to get up first, must help the other.”

— **Vera Nazarian**, The Perpetual Calendar of Inspiration.



Understanding a Retirement Plan

A retirement plan is a financial contribution that an individual makes so that when they are retired they can still have income coming in.

There are different types of retirement plans: IRA, Roth IRA, 401(k), 403(b), Simple IRA, health savings account, Simplified Employee Pension (SEP), and Solo 401(k).

In order to determine which retirement plan is best for you, you need to identify your eligibility, the disadvantages and advantages the plan offer. The most common plan are 401 (K), Roth IRA and traditional IRA.

A 401(k) is a match retirement plan. The companies that offer 401(k) usually match 3% to 6% of an employee's pay. The employee must contribute a specified percentage into the plan to receive the contribution from their employer, the contribution is excluded from the taxable income. A Roth IRA is an after tax dollars contribution, it's not tax deductible. Withdrawals are tax free with few conditions. A traditional IRA is a retirement plan that you can contribute pre-tax or after tax dollars which are tax deductible. It is tax deferred, meaning that you only pay taxes when you make a withdrawal.

It is recommended to start a retirement plan at an early age— Your investment can grow over time.

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Delivering Packages with Automated Drones

UAVs, or “Unmanned Aerial Vehicles”; a *Call of Duty Black Ops III Multiplayer Scorestreak*, are available to any player combatively and technically adept enough to score around 500 and call it in. The UAVs are *assault drones*, operating similarly to flying sentries in the way that they distribute firepower unmanned, developing aerial dominance and aiding individuals or teams, while simultaneously harming their adversaries.

All drones, however, are not weapons of an assaulting nature — in fact, drones are simply just flying robots bent on changing the way human beings interact based on intelligence shared across platforms or parties. Today, drones are on the cusp of changing the way parcels will be delivered worldwide.



Awesome Shooter Game Reviews: How to Level up Fast in Black Ops 3

Uses Over Time

If everyone took more time to look at the world surrounding them, they would recognize that the use of drones has become a staple across multiple industries. From major Hollywood productions and sources of entertainment to capturing footage of active volcanoes and hurricanes, drones are

fueling human imagination and innovation.

Moreover, unmanned aircraft is saving lives. A limited number of drones have been developed to deliver vaccines, food, and other essentials in developing or underdeveloped countries, as well as areas affected by natural disasters.

Amazon Prime Air

In an interview for *CBS Sunday Morning* and an article for *Yahoo! Tech*, Amazon's vice presi-



Engadget: Amazon Prime Air drones aim to deliver in 30 minutes

dent for global public policy, Paul Misener established goals for *Prime*. Misener unveiled that parcel deliveries are going to be limited to 30 minute ranges from any Fulfillment Center. Over 80% of the items sold through Amazon weigh five pounds or less, which will tremendously aide the 55 pound drones. GPS is planned to be in use when guiding the drones to and from destinations.



Amazon: “A future delivery system from Amazon designed to safely get packages to customers in 30 minutes or less...”

Amazon has been testing their drones rigorously with prototypes as of late in order to improve the structural integrity regarding various climates and continuous use. In addition, they have been working hard to reduce dependence on parcel delivery providers such as *FedEx* and *UPS*.

Enter the *Amazon One*; a product of the Prime Air division of Amazon; 40 branded cargo planes leased from *Atlas Air* and *ATSG*. Until Amazon can clear regulatory hurdles with their delivery drones, Amazon One will be their speedy parcel delivery conduit of choice.

“As of January 2016, only mili-



The Christian Science Monitor: Amazon unveils Amazon One

itary and hobby drones are cleared for flight. The FAA has yet to establish regulations for commercial drones. That could take months or years” explained Richard Best of *In-vestopedia*.

Amazon Fulfillment

According to Amazon, “Fulfillment is at the heart of the Amazon experience. We deliver millions of products to hundreds of countries worldwide.” There are over 80 million Fulfillment Centers; each determined to carry a diverse selection of products at all times while providing the fast-

est service possible. Amazon Fulfillment is where all Amazon orders come to life. Using a high-speed picking and sorting system, Amazon is able to fill orders as they are requested, with customers being given the authority to follow along with tracking information.

Fulfillment allows the world's largest online retailer to increase its selection of goods without having to invest money into inventory, providing adequate time to further innovate how consumer goods are bought and sold. Sellers have the authority to advertise their items on Amazon's website to potential buyers and outsource the shipping.

Divorce from FedEx & UPS

Amazon isn't looking to only cease dependence on FedEx



PBS: Ground war between FedEx and UPS

and UPS shipping services; they're looking to replace the longstanding providers with shipping services of their own. According to an article by *Arstechnica*, “...the company spent \$11.5 billion on shipping just last year, amounting to 10.8 % of sales.” Amazon's departure would spell disaster for FedEx and UPS' revenues and cost effectiveness.