PROFESSIONAL CHRISTIAN COACHING TODAY

Chris McCluskey & Kim Avery

The podcast dedicated to Raising the Standard of Coaching…

and Changing the World

Episode 068

Top Tax Questions for Coaches in Private Practice

CHRIS: Top tax questions for coaches in private practice. Well, that title may or may not have actually grabbed your attention the positive way, it might have made you cringe thinking about taxes, but of course, they are a reality and we do have to deal with them. Nothing is certain in life, right, but death and taxes. Here we are tackling an often unpopular topic that's nevertheless critically important for coaches in private practice and we have brought for you today one of our dear friends, Jay Parks. He serves on our core leadership team here at Professional Christian Coaching Institute. In fact, he is our Chief Financial Officer. He is also a certified professional life coach so he understands our profession. He also happens to be a CPA. He has a private firm called Jay D. Parks & Associates, CPA's, and Jay specializes in work with entrepreneurs around planning for and aiding in their financial success. He is arguably one of the best people we could possibly bring on here especially because we know him well as a brother, a strong Christian, and so Jay, welcome to the podcast.

JAY: Thank you so much. It is so good to be here with you today.

CHRIS: I'm saying we and I'm welcoming him as if I'm speaking for Kim but unfortunately, I am without my co-host today because Kim Avery, who of course always co-host these with me is not able to be here today because she has a terrible flu bug. You can lift up prayers for our sister but just know that this is going to be Jay and I going individually with Kim's blessing because we're giving her down time so she can get back up to snuff.

Jay, let's start out with just the big view of money and business ownership and new people entering into this whole field. Not very long ago, Kim and I did an interview here with Michael Gerber, author of The E-Myth, the E-Myth Revisited, and his newest book that just came out, Beyond the E-Myth. One of the phrases that he uses often in his writings for new business owners is technicians having an entrepreneurial seizure and it's his tongue and cheek way of pointing out the fact that most small businesses are not actually started out by incredibly entrepreneurially oriented people who have a great business mind and lots of experience and are trying to set out to make lots of money and a big machine that will work, but instead, they are technicians. They are doers. They are people who love certain things, whatever that thing is and they have this wild hair idea, "Hey, I bet I could launch a business doing this." That's what he calls an entrepreneurial seizure, they just kind of jump in.

Kim and I are aware that a lot of our listeners are in that boat. They would categorize themselves not unlike how Kim and I do as we look back on our own launches, that we weren't entering the field so much because we had a huge vision for our own business and we were excited about all of the business side and administrative side and financial management side and all, but instead because we loved helping people and the thought of being able to build a business that would let us do that from home was incredibly exciting. In fact, it was almost intoxicating, and so here we were launching out. For a lot of our listeners who are not in their head and going, "Okay yeah, that's me." What do you say to them about the importance of mindset, setting out now recognizing, "Wow, I am business owner, now what?"

JAY: The first thing I would tell you is you can do it. This is the great unknown. It's so scary. It's darkness and there's wonder and it's a little like the tooth fairy and the Easter bunny and Santa Claus all rolled up into one and we're not quite sure exactly how to tackle this. The biggest thing that I can get across to people is you can do it. There is no doubt. You have the opportunity to serve, not only serving other people but serving yourself in the opportunities that are presented to you in owning your own business and this entrepreneurial urge that you have. So no matter what, there are plenty of people around to help you, there are things like this podcast that can help. There are tools, techniques, Michael's books. I mean, there's tons of information out there that can help you navigate but never ever forget, write it on the wall, you can do this.

CHRIS: That's reassuring but I'm going to give some pushback there because I'm going to put words in the mouth of some of the listeners and they say, "Yeah, but that's easy for you to say. You're a CPA. I am not only new to business but I was never good in math. I'm more of a people person not a business and numbers person." Maybe a lot of our listeners have had some bad experiences with money and taxes through the years. Almost everybody at some point in their adulthood has overdrawn an account, has run up some credit card debt, has struggled with budgeting, has had drops in income for various things - job loss, illness, or whatever. When you compound those realities with maybe struggling even with just simple things like regularly balancing their checkbook and not just relying on whatever the ATM balance shows that day and then you throw in the fear of this big nemesis called the IRS. I do think that a lot of our listeners really are prone to discount your reassurance as if it's kind of almost too simple, too off handed of a comment. Dig in a little deeper on that.

JAY: Harken back to our childhood, Hansel and Gretel, breadcrumbs, breadcrumbs, breadcrumbs. What we're going to do is somehow someway, we're going to need to understand how our bank balance is going to work and you mentioned printing the receipt at the ATM and seeing what our bank balance is. By the way, that's not the way to do it and I don't endorse it. Neither do you. It's incredibly scary but find some way be it the software professional, but leave yourself breadcrumbs. Leave yourself these opportunities to find these simple hacks that can allow you to create an environment that you can thrive in because ultimately, the way you started this conversation was we became coaches because we wanted to serve.

We didn't become coaches, we didn't become entrepreneurs so we could sit around and do bookkeeping, so we could sit around and do these spreadsheets. We want to serve people. We want to touch people. We want to help them change their lives. Find the tools that help you, be it software professional, those things that take little bits of time but provide benefits. Again, the thing that I continue to come back to is Hansel and Gretel. Leave yourself breadcrumbs. We'll spend some time talking about business deductions and business income about the opportunities that are presented in being self employed, but find opportunities you utilize and leverage, apps that are on your phone to help you keep up with some of the deductions, find opportunities to create some of the apps that you use some of the accounting software on your phone. Certainly there are opportunities there. Does that help?

CHRIS: It does and I love the fact that you use the little Hansel and Gretel story because that puts us into our child state. We all go, "Oh yeah, that's right. Wait a minute. They were wandering in the woods. They shouldn't have been out there but they at least had the forethought to put down a little trail of breadcrumbs." It didn't work out so well for them in the end, but I love that fact. I love the fact that the kinds of businesses we're talking about launching here as coaches in private practice are relatively simple businesses. These businesses generally don't even have any other employees. They are just us. I always say they are not a mom and pop shop, they are just a mom shop or just a pop shop. It's truly a solopreneurial venture. There's no stocking of shelves. There's no manufacturing of widgets. We don't have any perishables. No shippable, receivables, there's just very, very little overhead so I want to be so bold as to say that the bookkeeping for the kind of business that we're launching here as private practicing coaches is not much more involved than basic personal checkbook account keeping and a home budget. Is that a fair statement?

JAY: It is. When you look at businesses that have a brick and mortar location, they have employees, they have inventory, they have a retail application, they have advertising, you look at all those expenses that a classic brick and mortar shop has, we don't have those as coaches. With the telephone, a pad and pen, I can recognize my entrepreneurial dream and the great part about it is we both know because we've both done it. We have earned revenue sitting at a beach on a picnic table watching the waves crash or in the mountains. That's the beauty part about it. This is so different than a brick and mortar shop.

CHRIS: I love it. I love it, love it, love it. Jay, one of the many things that I enjoy about you just as a friend as well as working here so closely with me as CFO for PCCI is that you have this teacher's heart about you. You take complex things that are scary for me frankly and you make them very accessible, very simple, kind of stripped down. I've heard you use a metaphor numerous times of cash flow in a business being roughly analogous to blood flow in our bodies. Blood flow is important for us to monitor as human beings because it goes up and down and there are things that can cause that and all. You use that same analogy with cash flow in a business. Can you kind of unpack that little box for our listeners?

JAY: Absolutely. When it comes to us as solopreneurs – and this is true for any business – but specifically to us as solopreneurs, without this cash flow, our business will cease. As much as the blood is important to the body, as important to the lungs, to the feet, to the hands, and to be about the work that we are called to do, cash flow is that as well.

We must make sure that we think ahead. In our businesses, we must understand the relationship between when we bill and when we collect. When it comes to the workings of your body, if you told your left leg, "You know what, why don't you hold on for blood flow. I'll get to you in a couple of days and I'm going to take care of the rest of the body," it doesn't work like that. Cash flow has to be attended to. It has be planned for. You need to be thinking ahead so that when these bills come due whether it's for you personally or for your business, there is planning that is done to anticipate the cash flow, the money coming out the other end of this pipe line.

CHRIS: We go things that we need to track of. Fortunately, there are very few. This is pretty simple bookkeeping to keep track of what's coming in or what's expected to come in, what needs to be build for in order to come in and what's going out. What are our fixed expenses, what are our periodic expenses, the unexpected surprises that come up? If we're trying to set up a simple system for ourselves to keep track of that like we do for our household budgets, what are some of the things that we need to be tracking as small business owners?

JAY: Anything that has to do with the profit nature of my business. The technical portion of the tax code talks about ordinary and necessary business expenses. If you want to deduct, it needs to be ordinary and necessary, and that's a great explanation, but my next question is, what is ordinary and necessary? When you go and study the code sections, it comes down to two simple things – does it have a profit motive and would a reasonable and prudent person agree with it?

Let's unpack those a little bit further. You noticed I said "a motive of profit" not "did I make money but do I have the motive of profit? You can look at, say, an advertising campaign. If I were a coach and I use the Facebook program, am I going to make money? Well, I don't know. It is my intent to have profit. It is my intent that I'm going to put money in and get more than that back, but if I don't, I still had the motive of profit and therefore, I met the first test. The second test is a little, I use the word "squishy" and I know that's not a very technical term and probably one of the few times that a CPA uses the word "squishy" in a professional application, but we need to have a true understanding of what a reasonable and prudent person would say. So a silly example, as a professional coach, could you ride off a ski boat? Well, that reasonable and prudent person is going to look at the ski boat and go, "No, that's not just going to work," but there are those of us that could talk ourselves into that application that without my ski boat, I would lose my mind and I wouldn't be able to function, and so therefore, I'm going to deduct it because I think it's reasonable and prudent. It doesn't like that. If you could tell somebody from the IRS with a straight face that you believe that this is a good deduction, then you probably could meet the reasonable and prudent portion of that.

Does it have a profit motive? Is it reasonable and prudent? If it meets those tests, think of it as a triangle. I need to keep my receipt. If it is a business lunch, let' say. the business lunch, I need the receipt from Chili's or whatever restaurant I happen to be at showing that it had two entrees, two ice teas, and an appetizer, etc. It would have a detailed billing of what Chili's charged me. There's the first leg. The second leg is I'm going to put it on a credit card or a debit card. I then need to keep the receipt from the credit card company. Then the third leg of the triangle is I need to keep the statements and the statements, they are plural. I need the statement from the credit card company, I also need to keep the bank statement because in order for these deductions to qualify, they have to have an economic impact, which is a fancy way of saying, "It has got to cost you something."

If I put it on a credit card that somebody else paid and I didn't have to pay for it, I had no economic impact. If I put it on a credit card and I never pay the credit card, I had no economic impact. So if you think it in terms of a triangle – a receipt for the expense, a receipt of how I paid for it, and the receipts from the credit card. So if you write a check, let's talk about that. you have receipt from the restaurant, you would have the canceled check, and you would have the bank statement. So this all continue to revolve around the triangle. You need to keep those for at least three years minimal, preferably five years, and I am of the opinion that if three is the requirement, five is good, seven is best.

CHRIS: Okay. I love those two key concepts there and they really do serve as filters. I'm keeping track of anything that is an expense in my business and that in my best estimation has a profit motive and in my best estimation a reasonable and prudent person would say, "Yeah, that's part of trying to make this business go." Whether it actually succeeds or not, that makes sense to me that that would be part of trying to make a business go. Jay, I know when I'm teaching my introductory coaching business course, the one that helps people figure out how to launch their coaching businesses, one of the most common questions is, "I'm just starting right now. I haven't even filed yet my articles of incorporation. I'm not set up with a bank yet or a merchant account to process credit cards, but I've taken some course work. Can I use my training, the courses as a business deduction?" Well, we could use that right there in your two filters, right? If somebody is saying, is this something I keep track of and you run it up against those two filters, what do you say to them with regard to expenses for training to become a coach?

JAY: I would say it is a deductible expense because you run it through the filters. Does it have the motive of profit? Yes, it does because I am going to bill my clients. The idea is that I'm going to create a business, this solopreneurship. Inherently, I am doing this for the benefit of profit. Would a reasonable and prudent person anticipate that you're going to attend PCCI and have this training? Absolutely, no problems whatsoever.

CHRIS: Okay. So they give me a lot of ooh's and ahh's like, "Ooh, wow. Okay. I need to go back and print out the receipt that I got when I registered for courses." So are you saying there are other things like that like I'm going to use my computer, my laptop for this business. Is that something that I should be keeping track in the purchase? "And software that I loaded into that thing. Wait a minute, I've got a copier, printer, fax machine, and oh my gosh, my cell phone. Wait a minute, can I deduct my internet access and my cell phone bill each month?" What do you say to all those kinds of questions?

JAY: The answer is yes, yes, and yes. Absolutely. All of those deductions qualify for my business deductions. The question that I get more often than not are, and if I could be so bold as to say direct and indirect expenses. Direct expenses are pretty straightforward - my cell phone, my method of communication, the pad and the pen that I might use, and the documentation that I use. What is indirect is my internet service. Would I write off my internet service? My answer is absolutely yes and to somebody that is beginning their launch, there are a couple of things that spin up that are so critically important that can benefit a person in their tax situation especially when they are launching.

The first thing that I tell people is, "Your desk that you sit at in your office, your office chair, your printer, your computer." You've had those things as a discussion point. Let' say you've had them everything for two years. I started my business as a coach last month or the last year. Would I be able to write those off? The answer is absolutely yes. They are deductible when they are placed in service for your business. So you say, "Wait a second, Jay. I bought this desk two years ago." My first question is, Have you deducted it before?" "No, I have not." "We're going to deduct it now." When did it get placed in service in your new business? You deduct only once but you deduct it when it is placed in service for the business. The printer, the digital camera, microphone, the headset, all of the things that you have done to outfit your office have not been deducted previously but they are going to be now. What a great opportunity.

Look around where you are sitting right now or mentally take a picture of your office. The bookshelf, the books, the computer equipment, the monitor, the printers, the scanner, there is a massive amount of tax deductions that are sitting in your office right at this moment that can help you especially in this first year. The way you come up with those deductions is you look at fair market value. If I took my desk to eBay, which is by the way, eBay is the greatest way to determine fair market value ever. I guarantee your desk is out on eBay so we could know what your desk is, what the fair market value is currently, there is your deduction. Same is true of your computer, of your printer. We can go find those things used on a second hand market and there is our deduction. What a terrific opportunity, right?

CHRIS: It is, it is and you mentioned direct expenses and then kind of these more indirect ones. So now, I start to get the questions from students about, "Well, wait a minute. Can I deduct a certain percentage of the square footage of my house because I've set up my office in the old spare bedroom or in the bedroom that my child used to inhabit before they went off to college and now they are married so now I've come in, or an attic space or garage space. Can I deduct something for the value of that square footage of my home? What about utilities expenses, heating, air conditioning, light, light bulbs, and all? Once again, throw those up against your filters there. What do you say, Jay?

JAY: The answer is yes because we passed the profit motive test. Where else am I going to run my business? I'm going to run it out of my house. So I find a profit motive. Is it reasonable and prudent that I'm going to have a place to run my practice? The answer is absolutely yes. Now, in home offices are a creature that are in and of themselves very, very unique. So classically, you have to answer a couple of questions before you get there. The first thing is it has to be defined space. In other words, it has to have four walls. Secondly, it must be exclusive use space. If it is the spare bedroom that has the bed in it and when grandma and grandpa come to visit or the kids come to visit, they sleep in there, by the spirit of the rules, you have violated exclusive use. They want it to be four walls and they want to be exclusive use. If you meet those tests, then, you have a deduction.

The way you're going to deduct it is one of two ways. The first way is I'm going to say, "This office that I have in my house is 10% of my livable square footage. I'm going to take 10% of my utility bills, my rent, my insurance, the trash service, natural gas, or my oil bill. I'm going to take all of the costs of operating the household and 10% of them are going to apply to my in-home office." Now, I've been doing this for 30 years and it is so interesting that every time I run the in-home office computation, it ends up at around $1,200-$1,800 in that vicinity. Almost without question, it ends up in that number for the normal, and normal is a scary word in and of itself, but for the average in-home office.

What has happened is the internal revenue service has come up with the second way to compute the in-home office deduction and interestingly enough, they have named it the simplified method, and it is exactly that. It is a simplified method. So what happens is you take \$5 for each 1 ft^2 of again defined exclusive use space up to 300 ft^2. So \$5/ft^2 for up to 300 ft^2, there is your deduction and I that space which obviously comes up to \$1,500, again, back to that very average number that I see. The great part about that computation is under the simplified method, I have lost the requirements to keep my utility bills, my insurance bills, my rent checks, etc. All I have done is use the simplified method.

Now, my recommendation as a tax professional is if I have the opportunity to use the simplified method, I'm going to go there first as long as it doesn't hurt me personally. Again, I think that's why it's so important when I have done this over these many years, those deductions end up at that same space almost every time, so I'm very, very happy and very, very comfortable with that \$5/$ft^{2.}$

CHRIS: I love it and simple is sweet. That's nice when things are provided for us. We're not used to thinking about the IRS making our lives easier but that's an easier way to calculate that. I love that. It's just a general tip. So we're getting the idea that there are any number of things that reasonably and prudently can be calculated as deductions from your business expenses because they are needed for making that business, at least have the potential of making money. At the end of the year, the business may have made money or it might have even lost money, but there are real advantages to a person owning a business, kind of like the advantages that we have of owning a home instead of renting or leasing a home. There are tax benefits of owning a home. There are tax benefits of owning a business even if it doesn't make very much money, even if at least for a period of years, it loses money.

If we're catching this concept and we're recognizing, "Okay, the keeping track of it is, actually, that's sounds all pretty much what Jay is saying is like what I do for our personal household expenses and taxes anyway each year. Maybe this isn't so scary." Here's my next question to you. What are some tips that you have for how to systematize this? You're setting up a new business. What kind of systems can be put in place right at the beginning so that keeping track of this stuff doesn't become a nightmare at the end of the year and here we are 11 PM on the night before taxes are due scrambling to find receipts and such. Give us some easy systems.

JAY: The greatest thing to do is to go to an office supply house. Get 12 envelopes. January through December, in those envelopes, I'm going to put copies of invoices that I send to clients. I'm going to submit copies of checks that I received from clients, credit card statements, bank statements, receipts. Everything that has to do with that particular month is going to go in that envelope. I'm going to put those 12 envelopes in a box and at some point, I'm going to hope I never have to touch them again. The idea is that we have created the backup. In case the question is ever asked, we have the backup from the actual activities.

The other thing that I would tell you is again, being a CPA, go find a professional, somebody to help you in regards to software. The software choices are plentiful. There are some that are cloud based. There are some that are embedded into your computer. Some CPAs offer software that you can use that is their license and you simply dial in via the internet and it allows me as a tax professional to see what's happening with your income real time. That creates such a tool for me as your tax preparer, as your tax professional to give you information to help you in understanding where your income is. Do you have a tax liability that is larger than what we had planned for? Do you have a tax loss? We have an opportunity where we can possibly offset maybe some of your other income or offset some of your spouse's income. In the systematization, we need to have some software, some communication with the tax professional, there needs to be this gathering of envelopes so that the documentation is there.

The thing that I would tell all of the people that are listening today is when you find a professional, there are no silly questions. Ask the question because everybody is going to be a little bit unique.

CHRIS: I always emphasize to our new people transitioning to the field, when you find a CPA, ask that CPA, "What system do you want me to use?" If that CPA says, "I really love QuickBooks," guess which software I'm going to buy and load into my computer and ask them to help me set up with categories and all. It's going to be QuickBooks. If they like Peachtree, I'm going to buy Peachtree and they are going to help me set that up. Once it comes down to you working with an individual, just find out what language that individual CPA speaks, so to speak, what software, what system do they want. Meet them on that plane. Have them help you set it up and once you get a nice flow back and forth there, one of the single biggest scariest pieces of launching a business has just been addressed.

JAY: I use my brother as a great example. This is such a powerful tool. My brother was a very successful veterinarian. Obviously, being a veterinarian, tons of schooling, tons of education, tons of very technical information, graduates from veterinarian school, basically starts his own hustle and I will never forget one of the most powerful simple phrases, he told me, he said, "They taught me how to be a veterinarian. They did not teach me how to be a businessman," and those are two entirely different things. I have carried that across a 30-year career.

CHRIS: Absolutely. One of the other big scary things that I think comes in and we would be remise, Jay, if we don't address this today on this interview is that having set up a way of keeping track of the cash flow, the money coming in, the money going out and how it's going to be categorized in its various categories and deducted on taxes and all is this issue of estimated periodic tax payments. We have to actually begin to interface with the tax entities that we're responsible to by making our best estimation of periodic payments over the course of the year. Now, I'm just waiting until the end of the year and suddenly sending in a huge check or being shocked by how much they say we owe or something. I guess we got to approach this one too. This is another critical place where the CPA comes in with advice, but what's the heads up to all of our listeners with regard to estimated periodic taxes?

JAY: This is such a big issue that I deal with and I have dealt with it. It's so emotional because I'm the one that has to tell somebody, "I'm sorry. Here's the amount that you owe," and then I have to pick them up off the floor because it is not a happy day to tell people how much they owe in taxes. From a federal perspective for the United States Treasury, you do this on the Form 1040 ES and that stands for Estimate. You are required to do that on a quarterly basis and the due dates for those quarterly estimates are April 15th, June 15th, September 15th, and January 15th. Each one of those dates look to the previous month end that's why the January due date is actually for December 31st, but the target that you are attempting to hit with those quarterly estimated tax payment is at least 90% of your current year's liability.

To give that as an example, if I believe I'm going to owe $1,000 in taxes, those estimated tax payments need to equal $900. If they don't, a penalty is going to be imposed upon me and the part that really troubles me in my practice is you get no benefit from that expenditure to the IRS. The IRS is the only one that gets in rich in that. It costs you money and it does not help you at all. The first thing I want to do is I want to find a professional, have them help me with determining what my income I believe it's going to be and again, it's called an estimate. "I don't know how much I'm going to make." Well, make a guess. I get this all the time, "I don't know." You're the only one that can know. You're going to need to give me some information. What is your target?

Maybe we start with how much are your monthly bills personally? That kind of gives us some insight into what your target is to earn. Maybe we come at it from a different angle but we're going to determine what we believe your income is going to be. From that, we determine what your tax liability is going to be and we can divide it by 4 and attempt to send that in. Now, I live my life as simply as I can and what I mean by that is sometimes, I am so busy running my business that I don't tend to my business. What I would suggest and literally this is one of those things where the doctor takes his own medicine. What I have found is I use a percentage of my total revenue and I created this separate account. I went to the bank and I told them, "I want you to put Jay Parks on this account and underneath it, I want the bank statements to show tax accounts."

So I make my deposits into my business checking account and I take percentages from those deposits and I slide them over to this tax account. As I make my anticipated income if it is exactly what I thought, I have sequestered this money over to send money to the IRS or to whatever state or province I happen to live in. I have taken their money and I have moved it over here and put it off to the side so I'm going to spend this other pot of money on my utilities, my food, and those necessities of life, but I'm going to leave this account for the Internal Revenue Service. If I make a lot of money, I have still sequestered a larger dollar amount, the same percentage but a larger dollar amount.

The thing that I love about this system is it allows me as a coach to focus on my clients, to focus on getting ahead of the telephone calls, to get ahead of where they are going to go next to help them with the various aspects of our relationship. It allows me to focus on the relationship more so than the business things that I need to do. I love the percentage of gross revenue sliding over into an account. When those due dates come up as we discussed a moment ago, I have the money sitting over there. I write the checks. It's not a happy day. It's never a good day to write those checks, but when I contrast that to arriving at April 15th and I get to tell somebody how much they owe, it's not a happy day. By sequestering the money, it allows me to simply write the checks and I have already paid Cesar what is due to Cesar.

CHRIS: I love that you've basically gotten it out of your field of vision. You've said, "Okay, that money came in but guess what, I know it's not mine to keep. It's going to the Feds and the state and all for taxes so I'm going to remove it immediately from my checking account. I'm going to pop it over here into this savings account that really isn't even going to bear me much money in terms of savings. It's just a way for me to get it out of my field of vision so I just know. Every three months, I'm going to be paying that money to the IRS so it sits over there and when it comes time to cut that check, I'm not happy about it but I know the money is there. It's set aside. I don't have to scramble and try to come up with it and worry about where it should be. I moved it there every month as it came in to the side based on the percentage that is my understanding of what I'm actually going to owe.

Once again for our listeners, if this is starting to sound like too much math and going over your head, remember what Jay has emphasized and I'm underscoring it. This is one of the critical pieces of owning your own business and it's why you secure a CPA services right up front. You are a professional entering into a profession. You want to run it as a professional business person. If you don't have that background, if you don't have a tax and accounting background already yourself, which most of us don't, you contract with somebody to serve in that function for you, have them help you set up the system that will work best for you and them and then you just work that system.

I'm going to pull us back to one of the many Michael Gerber-isms from his E-Myth book series. he always says, "In the end, if you had a viable business idea, there was a market for the service that you wanted to offer and you set it up, but that business fails, it's not the business that failed, your systems failed. You did not put the systems in place to allow that business to succeed because it could have or you put them in place but you didn't work those systems. You didn't stick with the system that you established. If we will systematize in manners, Jay, like you're suggesting here, just keep it really simple. How much am I going to owe? Let's just push off the side and set it there and every three months, fill out the paper work and send it in like clockwork. If you work those systems, then your business can succeed. That's true across the board whether we're talking marketing or in this case, taxes, or any other piece of serving your clients well. It takes us all the way back to the beginning of this interview where your first words to us were, "You can do this."

I'm watching the time and I'm aware that we're coming to a close. What are some final words that you would say to our listeners with regard to the whole matter of keeping track of your moneys and estimating and paying your periodic taxes, filing at the end of the year, keeping track of all of that? Final thoughts for us.

JAY: The thing as self-employed people, as entrepreneurs, there is so much more complexity to our finances and to our tax structure than when we worked as a W2 employee for somebody else, but in that complexity is what creates opportunity. So leverage and again, you used the word systematize. Leverage being self employed to help minimize your tax liability. Leverage being self employed so that you can create for yourselves these buckets, these structures, these bank accounts that enable me to focus on my clients rather than focusing on trying to be a bookkeeper. Hire the people that can help you, that can serve you, and go do what you were called to do because you were called to do it.

CHRIS: Well, this is an awful lot of gold to be mined here. This is probably an episode that people are going to need to listen to again and of course the primary action point that they will need to do is to follow your advice, find themselves a CPA, and get those systems set up if they don't already have them in place.

Let me just tell our listeners, if you are interested in connecting with Jay or you simply want to find out more about the services that he offers, you'll find him online at ParksCPA.com. Again, he has a full service CPA firm. Among the things that he works with is taking a coach approach to your personal finances and your business finances, estate planning, elder care services, payroll, the yucky stuff like audits and reviews and compilations, business valuation, some of you may have businesses that need to be valued to see about possible selling, succession planning, obviously tax preparation and tax problems, liens, all that kind of yucky stuff as well.

Jay, one of the many things that I'm very excited about with you is that you have a forthcoming book and maybe we need to let our listeners know a little bit about that, right? You've used the term 'bucket' a couple of times here. That figures heavily into the title of your book. Can you tell us a little bit about this thing?

JAY: Absolutely. Thank you. It is Bucket Wise is the name of my book and very briefly, where it comes from, what I do as a CPA is so technical and it is so heavy. My mother, when she began her journey as an artist and she started painting, the first picture that she painted was of me as a 2-year-old sitting in a sandbox with a bucket and a shovel. One day, I looked at that painting and I said, "Life was so simple as a 2-year-old." We just had this bucket and we just carried it around with us. We just kept putting stuff in our bucket and life was grand. All of a sudden one day it hit me. Wait a minute. That's what I do as a CPA is everybody has a metaphorical bucket and my job as a trusted advisor is to give you information for you to put into your bucket but also to put it in your bucket in such a way that you carry it around with you, that it becomes embedded in who you are and what you think and the way you live your life.

CHRIS: That's beautiful. If you want to be keeping an eye out for that, I guess it's due third quarter this year. 2017, third quarter we can be watching for Bucket Wise by Jay Parks.

I got one final tip for our listeners here. You know Kim and I are now doing these monthly gatherings that we call Christian Coaches Café that is live by video gathering of Christian coaches all around the world. You're able to connect with Kim and I live for 45 minutes on the first Monday of every month. As we're coming up on the month of February here for those that are listening as soon as this is released, February 2017 on the 6th, that's the first Monday, we're going to have our next Christian Coaches Café and Jay Parks is going to be joining us in there to, in a very timely fashion, handle any questions that you may have as a business owner about tax preparations, deductions, and all that kind of good stuff. Jay, I'll thank you again for being willing to join us on that.

All of our listeners, be sure if you want to join us for the Christian Coaches Café, February 6th, you go out and register for that. You'll find the registration on our website at ProfessionalChristianCoachingToday.com. Just register for Christian Coaches Café. While you're there, Jay has very graciously offered us a free download that probably will interest everybody listening here. Be sure and click on that as well. That download is called Serious Tax Savings for Christian Coaches. Pretty easy to remember, go to ProfessionalChristianCoachingToday.com, download Serious Tax Savings for Christian Coaches and you'll get quite a hit list there from Jay Parks.

Again Jay, thanks very much for joining us.

JAY: Thank you so much. I look forward to helping serving. I'm so looking forward to February 6th, timely opportunity to serve your team and your students. It is going to be a great time.

CHRIS: Until next time gang, keep raising the standard of coaching and changing the world. God's richest blessings to you.