



### Quote of The Day

"Every new year, I adopt a couple of old maxims as my beacons to guide my future. This self-prescribed therapy has ensured that, with each passing year, I grow wiser and not older.

**Earnings:** Never depend on a single source of income.

**Spending:** If you buy things you don't need, you'll soon sell things you need.

**Savings:** Don't save what is left after spending; Spend what is left after saving.

**Borrowings:** The borrower becomes the lender's slave.

**Risk-taking:** Never test the depth of the river with both feet.

**Investment:** Don't put all your eggs in one basket."

By Warren Buffett

### Turbulent Economic Times

- To get a better sense of where you stand, begin by reviewing your cash position and anticipated cash needs. Are they in line with your business' short-term needs, goals and risk tolerance?
- Take a fresh look at your monthly income and expenses. Have you been meeting your budgeted projections? What are your cash-flow needs for the next 90 - 180 days?
- Eliminate your reliance on credit by disciplining your spending.
- Refocus on your balance sheet and how much credit you are extending to customers.
- Re-think your business strategies and update projections. Review your product/service lines to identify the most profitable items, and determine how to leverage for future growth in profits.

Finally, remain focused on your own advantages. Remember that:

- Small businesses have greater flexibility and can more easily adjust to changes in the economy than their larger counterparts.
- Small business owners can use the recent crisis as an opportunity to buckle down, refocus, assess and make their company more financially sound, disciplined, and less reliant on credit.

### Tax Tips for Mitigating the Economic Crisis

- Update us on your 2009 forecast - this may facilitate reduced interim payments (mikdamot) for Income Tax and Bituach Leumi.
- Optimise (don't increase!) expenses/deductions - these include:  
Local and foreign travel \* Gifts \* Entertainment \* Advertising \* Depreciation (on assets) \* Finance charges \* Professional fees \* Management charges (investments) \* Various others (incl. inventory valuation in these times) - all within the legal parameters.
- Review entity structure re tax (and cost) efficiency (corporate, individual, partnership, trust, foreign).
- Help us expedite your 2008 tax return, particularly where there is an expectation of an Income Tax and/or Bituarh Leumi refund.
- Consider options available for taxation of income from rental on residential property. (May also reduce Bituach Leumi payable.)

**Marketing in a  
Recession  
(from unknown  
Internet contributor)**

- Follow up on old leads.
- Take extra care of your existing clients.
- Take the road less traveled to find new clients.
- Increase your level of service.
- Give your clients something more.

**C + C (Coffee + Chat)  
(or - Focus on the  
future - not the past)**

As you can see, we have a new slogan .... which means please come in for a coffee (or tea!) and chat . . . about planning taxes, difficult economic times, creative thinking and such like. *We await your call!*

**Tax Tips for Mitigating the Economic Crisis (cont'd)**

- Salaried taxpayers - who are not legally obligated to submit tax returns - should evaluate the possibility of claiming certain additional expenses and tax credits, not included in the payroll calculations.
- New and returning residents (including the "not-so-new") should monitor closely their legal status (tax) so as to utilise any tax benefits available under the Income Tax Ordinance, including - but not limited to - the tax reforms (relating to new and returning residents) of 2002 and 2008.
- Accounting system should be examined as to maximisation for tax efficiency.
- Give thought to possible set-off of capital losses on securities against dividend and interest income on securities (in same year).

**Assisting Your Parents With Their Finances**

Discussing financial matters with your parents can be difficult. You don't want to seem concerned about how much money they might leave you, while they may feel you are interfering in their affairs. Yet, if you don't discuss these matters now, you may have trouble finding all their financial records or determining their wishes when you need to take over their finances.

While these topics are sometimes not easy to discuss, they are important to know, in case you need to help your parents with financial matters. (With thanks to Gerber & Co., C.P.A., Los Angeles)



*May we take this opportunity  
to wish you and your family  
Chag Kasher V'Sameach!*