

Your 2011 Business Life Calendar

With a new year, comes a new calendar and a new set of reminders of key dates, rates, and deadlines for your business. Throughout the month of January, you will find yourself inundated with such reminders for everything from payroll, deductions at source, HST, income tax filings, instalment payments, cheque runs, contract renewals, and more.

With this, our opening newsletter of the year, we thought it would be fitting to offer you a different, more refreshing set of reminders for your 2011 calendar. So, just as you set your 2011 calendars with reminders to ensure the financial health and upkeep of your business, we hope you consider setting the reminders below to ensure the overall health and upkeep of your *other* business – the business of life.

Daily

- 5 minutes: laugh out loud.
- 10 minutes: Sit in silence. Reflect. Clear your mind.
- 2 minutes: Exercise conscious gratitude for one thing.
- 1 minute: Be mindful of the effect you have on the environment. Reduce your environmental footprint.

Weekly

- Perform one random act of kindness. Hold the door open for the next person, let someone in on the road, fill an expired meter, pay the coffee for the person next in line. Anything goes.
- Tell one person something you like about them. Look them in the eyes when you do this.

- Spend one-on-one time with someone in your life. Go for a walk, see a movie, go for a coffee, do a puzzle, go out to dinner, play a board game.

Monthly

- Donate your money/time/services to a worthy cause. Make it a 'charity of the month'. Get your family or business involved. Get creative, or just cut the cheque.
- Try one new thing. Anything.
- Think of an area in which you may be closed minded. Open your mind and let fresh air in.

Quarterly

- Do / try one thing that takes you completely out of your comfort zone. Try laughter yoga, zip lining, zumba.
- Surprise someone. Offer a gift to a loved one. Send a job offer to a candidate.
- Do a level set. Get your house in order. Get up to date and onside. Change your filters, pay your outstanding bills, get your haircut, get your bookkeeping up to date.

Annually

- Get an annual physical checkup.
- Celebrate your successes of the past year.
- Go on a vacation
- Get your personal and corporate taxes filed on time (call us!)

Tack these reminders at your desk, or put them directly into your electronic calendar. Track your progress against these regularly.

Have a safe, happy, peaceful, and meaningful 2011!

Vehicle Logbooks—new CRA Policy

As many of you know, if you use your vehicle for business purposes, and you wish to deduct vehicle expenses from your income, you are required to keep a logbook. A vehicle log supports and documents the actual business use of the vehicle. Most of us use our vehicles for both business and personal purposes. By keeping a logbook, we are able to identify the exact usage that relates to business.

Keeping a logbook really isn't that difficult. To begin, you document the odometer reading at the start of the year. Next, during the year you log business trips made with your vehicle. For example, if you visit a client at their business place, you should record the date of the trip, the distance, and the purpose of the visit. Finally, at the end of the year, record the vehicle's closing odometer.

By following these steps, we can very easily determine the business portion of the vehicle, by simply adding up the business kilometres, and dividing this by the total kilometres driven. To illustrate, suppose your business kilometres add up to 10,000, and the total distance driven with the vehicle during that year was 20,000.

That means that you can claim 50% of your vehicle costs as business use vehicle expenses.

In the past, you were required to keep a log book all year, every year.

The new CRA logbook policy still requires to keep a full 12 month log to establish a "base year." Following that base year, you only need to keep a log book for 3 months of the year, referred to as the "sample period." This sample period will be used to determine your full year's usage.

However you cannot use the sample period if:

- You have not previously completed and retained a logbook covering a full 12-month period (the base year).
- You have not kept a 3 month sample period logbook for each year since then.
- The business use of the vehicle changes by more than 10 percent, either up or down.

To summarize, CRA recognizes that maintaining a log book is difficult, and has attempted to make things easier for small businesses.

This'n That at Logan Katz

January Breakfast Seminar

We hope to see you at our breakfast seminar to be held on January 24. In collaboration with the *University of Ottawa* and *BMO Bank of Montreal*, Logan Katz is pleased to welcome Douglas Porter, Deputy Chief Economist of BMO Bank of Montreal who will offer an economic perspective for 2011. Book your space now by visiting our Events page at www.logankatz.com.

New and Returning Faces at Logan Katz

Logan Katz welcomes Adam Bleackley and David Hamilton, students of the University of Ottawa co-operative program. They will be with us for their first co-op term until April 2011. We also celebrate the return of Luke Hudson for a second co-op term, as well as the arrival of Martin Rancourt who has accepted a permanent full-time position with our firm after two successful co-op terms.

Logan Katz in the Community

Logan Katz donated over 50 lbs of non-perishable food items to the Ottawa Food Bank. We thank our staff and all of you who donated by dropping food at our offices or at our December breakfast Seminar.

Denis Chainé participated as a member of the jury at the recent *Jeux du commerce*, a business competition involving all Québec-based universities as well as the University of Ottawa and Université de Moncton. The event which consists of competitions in various business fields, including accounting and taxation, was held in Ottawa and attracted hundreds of participants from 13 universities.

CRA's Letter Campaign Initiative

Canada Revenue Agency is currently conducting a letter campaign in an effort to provide Canadians with the information they need to understand their tax obligations.

Two types of letters are sent to Canadians across the country which some of you have received. Some will receive a letter providing information about the eligibility criteria for certain deductions they have claimed on their recent income tax returns. Others will receive a letter with the same information; however, it will also inform them that their income tax returns may be selected for audit.

CRA's stated goal is to educate taxpayers about certain claims made and to promote compliance with the Income Tax Act. CRA is asking individuals to review their income and expense claims related to rental and/or business activities.

You will note they also want to provide the "opportunity" to amend your income tax returns by completing an adjustment request in case you may have claimed deductions in error or provided inaccurate information.

We suggest you simply read the letter and not take any immediate action, unless you have particular concerns in which case you should contact us.

We're Throwing a Party!

Join us on Sunday, February 6 for our first ever *Super Bowl Bash* at Dooly's Ottawa. Please let us know if you'd like complimentary tickets.