

## In This Issue...

- PORTION CONTROL TIPS
- THE HIDDEN TAX - UNEMPLOYMENT
- THIS IS THE TIME OF YEAR TO CHECK YOUR TAX SITUATION
- MICHIGAN RESTAURANT SHOW -- EFFICIENT USE OF YOUR VALUABLE TIME
- REVISED I-9 NOW AVAILABLE
- CAUTIONARY TALE FROM NEW YORK

## OBAMACARE UPDATE

As I write this, Obamacare is still the law of the land. The Republicans could not pass a repeal nor a replacement bill. They are still working on it but the likelihood of relief before the end of this year is slim.

President Trump signed an executive order giving the Department of Health and Human Services the authority and discretion to roll back certain aspects of the ACA but there has been no guidance so far as to what they intend to do.

The IRS, though, is reminding taxpayers that they are required to follow the law and pay what they may owe. It is worth noting however that Congress did not give the IRS any real funding for enforcement.

So how this affects the employer mandate for restaurants is still uncertain and confusing. Our recommendation, at this point, is that restaurants that were liable last year continue with the procedures that were instituted previously. For Kallas payroll clients, we will perform the calculations to determine your employee counts and inform you of your obligations.

Employers with over 50 employees must offer minimum essential insurance coverage to its full time (over 30 Hours) employees and file forms 1094 and 1095 with the IRS. If your employees decline coverage you have met your obligation. Kallas has the form to use when offering insurance to your employees.

If you have any questions regarding your ACA (Obamacare) obligations, call George Kallas at 313-962-6000.

## THIS IS THE TIME OF YEAR TO CHECK YOUR TAX SITUATION

Restaurant owners and other business owners have to pay attention to their income tax situation more than other taxpayers. Your income can vary from year to year and profits and losses from your business can cause your taxes to fluctuate.

Most owners who have to pay taxes on their profits need to do so through quarterly estimated taxes. Quarterly estimated taxes are a requirement for all taxpayers whose payroll withholding are insufficient to cover their tax liabilities.

If you do not set up proper estimated taxes, you may have an unpleasant surprise tax bill at year end along with penalties for not paying enough.

To resolve this situation, the IRS allows a taxpayer to set up "safe" estimates which is basically 110% of your prior year tax.

Part of our monthly bookkeeping procedures during the year is to keep an eye on your profitability to see if there are major fluctuations. But this is not an exact science and there are many factors that could enter into how you end up at year end.

The best defense against an unexpected tax bill is for you – the business owner – who knows best whether you are having an unexpectedly good year to call our office and have us take a look to see if increase your estimates or create estimates for you.

Items that could cause a too low estimated tax;

- \* High profits in the current year.
- \* Open or close a business in the current year.
- \* Sale of a business or sale of stocks in the stock market.
- \* Loss carryovers end.
- \* Other unanticipated items.

## MICHIGAN RESTAURANT SHOW -- EFFICIENT USE OF YOUR VALUABLE TIME

LEARN MORE IN ONE DAY THAN YOU  
WOULD EXPECT

The Michigan Restaurant Trade Show will be held at the Suburban Collection also known as the Rock Financial Showcase in Novi on October 17 and 18. The trade show is a terrific way for owners to take a break from the day-to-day routine and see old friends, fellow owners and their favorite vendors. It is also a great way to re-new your creative spirits and get some fresh ideas on how to improve your restaurant.

I always get some new ideas when I go to the show and it is a great way to keep up on new pricing, and state of the art products and services. You will see

**TRADESHOW:  
OCTOBER 17 & 18**

demonstrations of new food products, new ideas on marketing, and be able to talk at length to vendors and service providers.

The two days of the show are not only dedicated to providing restaurant owners with an opportunity to see vendors and their new offerings but also to attend valuable seminars and demonstrations and benefit from special show discount pricing.

Kallas Restaurant Accounting maintains a booth at the show. Please stop by. We would love to see and talk to you. And if you are a new Kallas Company client you can meet and talk to staff.

Make sure you mark October 17 and 18 on your calendar this year. A couple hours of your time will give you an enjoyable, educational and sometimes inspiring benefit for years to come.

**CALL KALLAS FOR  
FREE ADMISSION TICKETS!  
WE WOULD LOVE TO SEE YOU!**

## REVISED I-9 NOW AVAILABLE

Article published 07/17/17 at [www.USCIS.gov](http://www.USCIS.gov)

USCIS has released a revised version of Form I-9, Employment Eligibility Verification, on July 17. Employers will be able to use this revised version or continue using Form I-9 with a revision date of 11/14/16 N through Sept. 17.

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### *Revisions to the Form I-9 instructions:*

They have changed the name of the Office of Special Counsel for Immigration-Related Unfair Employment Practices to its new name, Immigrant and Employee Rights Section.

They have removed “the end of” from the phrase “the first day of employment.”

### *Revisions related to the List of Acceptable Documents on Form I-9:*

They have added the Consular Report of Birth Abroad (Form FS-240) to List C. Employers completing Form I-9 on a computer will be able to select Form FS-240 from the drop-down menus available in List C of Section 2 and Section 3. E-Verify users will also be able to select Form FS-240 when creating a case for an employee who has presented this document for Form I-9.

They have combined all the certifications of report of birth issued by the Department of State (Form FS-545, Form DS-1350 and Form FS-240) into selection C#2 in List C.

They have renumbered all List C documents except the Social Security card. For example, the employment authorization document issued by the Department of Homeland Security on List C will change from List C #8 to List C #7.

They have included these changes in a revised Handbook for Employers: Guidance for Completing Form I-9 (M-274), which also will be easier for users to navigate.

## PORTION CONTROL TIPS

The very best restaurants adhere to strict portion controls. Portion controls enhance consistency and reduce losses from waste.

- Ensure your kitchen staff weighs all portions or use standard size ladles so as to meet your recipe specifications on every meal.
- Establish recipes. Restaurant recipes have two purposes: to ensure consistency and control costs.
- Be sure your staff is using scales, measuring cups, measuring spoons and appropriate ladles. Free handing usually results in over-portioning.
- Find a use for all food items. Meat trimmings can be used for soups. Celery leaves can be used as garnishes. Pastry excess can be used for toppings.
- Learn how to cut meats and fish to derive extra portions.
- Maintain a fixed and limited menu. A fixed/limited menu allows for maintaining smaller inventory, easier training of staff and better portion controls. Use specials to break in new menu items or add interest to the menu.
- Soups, breads, and salads have a far lower fixed per plate cost than entrée's. Use side dishes to complete a meal and reduce the portion of the entrée.
- Portion breads, butter, sauces, dressings and condiments according to the number of guests to reduce waste. Bring more if requested.
- Use the correct size plate for each menu item. Plate sizing is important in portion control and the perception of the customer. Experiment with plate sizes. Don't be afraid to use different plates for different entrée's items.
- Staff training is important for portion control. They should know that portions and consistency are important and what goes into the preparation of a menu item.

## Calendar for September, October, November 2017

### September 4

- Kallas closed for Labor Day.

### September 15

- Individuals: Pay the third installment of your estimated tax.
- Partnerships: File Form 1065 if you timely requested a 5-month extension. Deposit payroll tax for Aug if the monthly deposit rule applies.
- Corporations: File Form 1120 or 1120S if you timely requested a 6-month extension.
- Corporations: Deposit third installment of your estimated tax.
- Corporations: Taxes due for June year end corporations.
- Corporations: Estimated Taxes due for corporations with fiscal year ending January, March, June or September.

### September 20

- Michigan Sales, Use and MBT estimates due.

### October 15

- Individuals: File Form 1040, 1040A, or 1040EZ if you timely requested a 6-month extension.
- Corporations: Taxes due for July year end corporations.
- Corporations: Estimated Taxes due for corporations with fiscal year ending February, April, July or October.

### October 17 & 18

- MRA tradeshow at Rock Financial Showplace.

### October 20

- Michigan Sales, Use and MBT estimates due.

### October 25

- UIA form 1020 due for 3rd Quarter.

### October 31

- File Form 941 for the third quarter.
- Deposit FUTA owed through Sep if more than \$500.

### November 15

- Corporations: Taxes due for August year end corporations.
- Corporations: Estimated Taxes due for corporations with fiscal year ending March, May, August or November.

### November 20

- Michigan Sales, Use and MBT estimates due.

### November 23 & 24

- Kallas closed for Thanksgiving.

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## THE HIDDEN TAX – UNEMPLOYMENT

For a business owner, unemployment taxes are not thought of as an important item to be concerned about but in recent years, the UIA (Unemployment Insurance Agency of Michigan) has instituted a new web-based computer system and as a consequence, has increased its monitoring of business taxpayers to a much higher degree.

Along with increased monitoring, stricter rules and penalties have made UIA compliance an important item to manage for better profitability.

Here are some of the ways the UIA can sting you:

1. You have a fire, roadwork or other reason to close temporarily. Your long-time employees collect unemployment benefits for several months while you re-build. All those benefits get charged to your account and could cause your unemployment rate to sky-rocket after you re-open.
2. You buy a foreclosed location that has been closed for less than 2 years. All the former employees that collected benefits will affect your rate as a new employer.
3. You buy a location that was poorly managed. You inherit the bad unemployment rate of the prior owner.
4. You hire people for a day or for a probationary period before putting them on the payroll. If UIA catches it, penalties can go into the thousands.
5. You pay employees as contractors instead of as employees. If UIA catches it, the penalties can go into the thousands.
6. You miss obtaining a social security number for someone or you have an incorrect number. The person leaves and you do not have a way to contact them. If UIA catches it, the penalties can go into the thousands.

There are ways to mitigate all the above problems. If you have any concerns or would like to know more, call our Unemployment Specialist, Lakia at 313-962-6000.

## CAUTIONARY TALE FROM NEW YORK - *IT COULD HAPPEN HERE*

*Thanks to the New York Daily for this article*

“For 25 years, China Fun was renowned for its peerless soup dumplings and piquant General Tso’s chicken. What left a bad taste in the mouths of its owners and loyal patrons was the restaurant’s sudden closing, blamed by management on suffocating government demands.

“The climate for small businesses like ours in New York have become such that it’s difficult to justify taking risks and running – never mind starting- a legitimate mom-and-pop business. The owners stated in a notice posted on the front door.

“The state and municipal governments, with their punishing rules and regulations, seems to believe that we should be their cash machine to pay for all that ails us in society.”

We, here in Michigan, are not as bad as New York yet. And you have Kallas Company to act as your buffer against many of the onerous compliance issues. But still, we recommend all our clients to join the Michigan Restaurant Association and the Michigan Beverage Association as well as the Michigan Chamber of Commerce. These associations have proven over time they represent your interests. With their presence in Lansing and full time lobbyists their main job is to keep the regulators and big government advocates from running roughshod on our industry. So to protect us, we need to support them.

“Insiders Report” is intended as an informational tool for Restaurant and Bar owners. “Insiders Report” is a quick source for new and changing tax laws, legislation and practical management strategies the restaurant and bar owner need in today’s highly competitive food and beverage service industry.

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