



*How do you maximize the benefits of traveling as a small business owner?*

In this episode Eric & Melissa tackle the two scenarios you can have when traveling and getting a tax write off for your trip.

In some cases, a trip may be pre planned to be only for business related purposes such as meetings, networking, continuing education, etc.. *What if you want to take a trip somewhere but turn it into a business related trip for tax write off purposes?* Regardless of your plan the IRS code is straightforward with its rules on making your trip a legitimate business deduction.

**It's all about the proof.** As long you have proof (that you actually took the trip) and a legitimate business purpose for the trip you are covered.

**Documentation is key.** Keep track of all payments for lodging, food, transportation. Make sure any other expenses having justified reason as related to your business. Providing reasoning and proof are incredibly important. Another source of documentation can be meeting agendas such as or even quotes from a dealership for a company car that you may be traveling to purchase.

Remember, documented proof is always better than just word of mouth.

**Per Diem is not a winner for business owners.** On the topic of tax write-offs for trips "Per Diem " is not a good tax strategy to use for yourself as a business owner or sole proprietor of a company due to the Per Diem rules not benefiting you as much as it would if you were an employee. Per Diem is best used for sending employees on business trips because it gives them a set amount of money for food and lodging per day.

**A few words about Reimbursements.** As a business owner you want to keep your business and person financial accounts as separate as possible. Of course there are times where mistakes happen and you may accidentally use your personal card for a business expense or the other way around and use your business card for a personal expense. As a business owner if you accidentally use your personal account card on an expense that should have been charged to your business account such as an employee dinner. You will want to *write up a reimbursement request* to your own company and include your receipt for the purchase. You will sign off on it yourself as the business owner and your business will reimburse you personally for your payment with a check for the exact amount. The same thing goes for if the situation is switched. Accidentally using your business card for personal expenses will be considered owners draw and you will just reimburse your business with a check for the expense amount in question. Do not round up or down.

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Eric & Melissa Broughton are Co-Owners of Busy Bee Advisors a Northern California Based Tax and Accounting Firm specializing in helping their client to pay their fair share in taxes. They are also hosts of the popular podcast **The Real Buzz: Taking the sting out of Taxes** (available to download on all major podcast platforms). Melissa is proud to be the author of **Busy Bee Advisors Guide to Basic Bookkeeping** and **The 4-Hour Bookkeeper** both titles are available at [NeedBookkeeping.com](http://NeedBookkeeping.com)

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