

MONEY 101 EDUCATION

2.91a – ASSIGNMENT #2 Foundation Segment

In the first two classes, we covered a lot of ground; the key is to be sure you are comfortable with the following:



- Form W-4 – where you declare your marital status and dependents for tax withholding
- Typical deductions from a paycheck include Social Security and Medicare tax.
- How do you read a W-2 and find TAXABLE federal, state, and local (city) wages and the amount withheld for federal, state, and local taxes?
- Understanding overtime rules – and knowing how to protect yourself.
- Understand IRS rules regarding what qualifies someone as an independent contractor rather than an employee.
- Form W-9 – where an independent contractor gives their EIN or Social Security number
- Form 1099-MISC includes instructions on how to prepare one for an independent contractor AND when it is required.
- Form Schedule C for Entrepreneurs and how to report business income and expenses.
- Difference between a ROTH and a TRADITIONAL retirement savings plan
- The concept of an "employer match" and "vesting" for retirement plans

That's a lot of new knowledge.

ASSIGNMENT:

1. READ AND COMPLETE 6.31a EXERCISE - PREPARE Maria's SCHEDULE C. through line 29
Email Maria's Schedule C completed to line 29 to the instructor.
2. **EXTRA CREDIT** - If you found the exercise manageable, consider doing Exercise 6.32 to calculate Maria's home office deduction and put the information on Schedule 8995. This is a challenge as the concepts were not covered, but for any entrepreneur, it is critical

To be prepared for class #3

3. PRINT 3.01 Cash Flow Statement (aka Budget) and 3.11a EXERCISE: Calculate Maria's Cash Flow Statement. **A printed version is necessary for class #3.**

Finally – here is a lovely quote a student gave me a while back from <https://jamesclear.com/focus>

Unfortunately, we often avoid measuring because we fear what the numbers will tell us about ourselves. The trick is to realize that measuring is not a judgment about who you are; it's just feedback on where you are.

Measure to discover, to find out, to understand. Measure to get to know yourself better. Measure to see if you're spending time on the things that are important to you. Measure because it will help you focus on the things that matter and ignore those that don't.

This concept will apply to classes #3 and #4.