



# Client News

SUMMER & FALL | 2021

## In This Issue...

Business Meal Deduction Changes

Strategic Performance Management

KRD/CAAS Webinars

Child Tax Credit Payouts

## KRD Client Profile

### Family-Owned Business...

*Adapts for Success in a Changing World.*

Your weekly trip to the grocery store.

Titanium fittings for joint replacements.

Essential components that make aerospace travel possible.

Can you connect the dots, or should we say screws? Almost every mechanical device in use today requires some form of screw machine turnings in its manufacture and operation. To give you an idea of the scope, a standard commercial aircraft is held together with over 750,000 fasteners, all made possible by state-of-the-art engineering and CNC (Computer-numerical controlled machining).

### A New World Order Creates New Opportunities.

Founded in Europe prior to WWII, the TAJMAC-Group has its roots in ammunition related manufacturing. Once the war ended, founder Amedeo Tajariol knew a pivot would be necessary to remain in business. The new company, Macchine Utensili Tajariol, started producing and selling automatic lathes for use in a variety of manufacturing applications. Seventy years later, TAJMAC remains a family-owned business and a global entity capable of supplying multi-spindle lathes and metalworking machinery to producers worldwide.

"From the foundry in Czech Republic to our satellite facilities in the UK, Italy, India, China, and North America, TAJMAC is more than just a supplier. We design and produce lathes that significantly reduce cycle time and set the standard for precision, uniformity, and material consistency," comments Jeremy Rose, CEO, TAJMAC-USA.

Rose also mentions that a customer-centric focus on providing tailored solutions, in conjunction with 24/7 parts and service support is what sets TAJMAC-Group apart from other CAM/CNC Machine Tool Companies and instrumental to their success.



### Turning to the Future

With increased life expectancies, growing influence of electric vehicles, and the concept of space tourism becoming more reality than science fiction, TAJMAC-Group has its eye to the future, constantly evolving and developing new technologies to serve the engineers and manufacturers driving this brave new world. The road is not without challenges, according to Rose, inspiring young people to seek a career in CAM/CNC manufacturing is essential.

"There is a shortage of young, skilled machinists entering the workforce able to perform at the extremes of manufacturing, high precision and mass production. As CAM /CNC software and machines become more complex, the skills required of a machinist or machine operator advance to approach that of a computer programmer or engineer and we need to ensure that the appropriate training and support is in place to keep the talent pool full."

### A Partnership for the Ages

The TAJMAC-GROUP and KRD's relationship is long standing, built on a solid foundation of mutual respect and vision. As fate would have it, a social encounter brought Rose and KRD's Gene Barinholtz together. Great things took off from there.

"GB offered to take a look at my books and in just one week KRD and Gene had matters straightened out, they even uncovered employment and R&D tax breaks I never knew were available," noted Rose. "The knowledge base at KRD is an invaluable resource. I have, and will continue to, recommend GB and KRD to all my business associates and peers."



ACCOUNTANTS  
CONSULTANTS  
ADVISORS

*Serving Clients for Over 30 Years*

GGI  
INDEPENDENT MEMBER

[krdcpas.com](http://krdcpas.com)

## Business Meal Deduction Changes With the Consolidated Appropriations Act

The Consolidated Appropriations Act that was signed into law December 27, 2020 includes a temporary provision allowing a 100 percent write-off for business meals from January 1, 2021 through December 31, 2022. The food and beverages must be provided by a restaurant, although they do not need to be consumed on a restaurant's premises. The deduction also includes any delivery fees, tips and sales tax. This is an increase from the 50 percent deduction that applied for 2020 and earlier years.

It is important to note that other than lifting the 50 percent limitation on deductions for meal expenses, this legislation doesn't amend any of the other rules related to business meal deductions.

Therefore, to be deductible:

- ***Business meals should still have a business purpose and involve dining with current or prospective customers, clients, suppliers, employees, partners, or professional advisors.***
- ***The food and beverages should not be lavish or extravagant under the circumstances.***
- ***You or one of your employees must be present when the food or beverages are served.***

Although meals are 100 percent deductible, entertainment expenses are still disallowed. So, while taking a client out for a dinner is tax deductible, the cost of the baseball game after dinner is not. Furthermore, if an entertainment event includes food and beverages, they must either be purchased separately from the entertainment or broken out on a separate invoice or receipt. Be sure to update your chart of accounts to make an account for meals and another for entertainment.

## Client Accounting & Advisory Services (CAAS) Fall Webinar Series

Many clients are still reeling from the impact of the Coronavirus pandemic and other changes in the way they do business. It has never been more important for a company's reporting system to be in line with company goals.

This is where the right accounting firm comes into play. It's no longer sufficient for accounting teams to focus solely on back-office functions. They need to help clients make the connection between their daily activities and their financial outcomes.

KRD's CAAS Fall Webinar series will showcase financial reporting tools that will equip small and mid-size enterprises with the knowledge to make confident financial decisions in an ever-changing business landscape.

All webinars will be at 11 am CST.

**Tuesday, September 28 | Tuesday, October 19 | Tuesday, November 16**

Register for our webinar at:

<http://krdcpas-5829586.hs-sites.com/metricsandbusinessperformance-september>

KRD is enrolled in Mentor Plus Level 5 Advisory training, a program designed for proactive accountants to help businesses understand their financial results and then set goals and identify actions to achieve them. Level 5 goes beyond traditional service offerings and provides KRD with systematic, proven approaches for addressing challenges faced by our clients.



## What is Strategic Performance Management?

Strategic Performance Management is a comprehensive approach to driving repeatable results in a business. It reaches across all areas of that business from finance to sales and marketing to operations and people. It starts with a clear business strategy and requires an appreciation of the contribution of teams in driving successful results. Done properly, it empowers people to consistently apply processes in completing activities that move them toward measurable goals.

### Our View of Strategic Performance Management\* Encompasses Three Main Truths:

- 1 ***A company's profitability depends on how well people consistently perform specific activities.***
- 2 ***People perform best when they understand the rules of play and the scoring method is clear.***
- 3 ***Small incremental changes in key areas (activities) can have a profound effect on the bottom line.***

We support companies in first creating strategic plans that describe WHY they exist, how they deliver their products or services and what they believe. We help them identify their ideal clients and then focus their activities on exceeding their expectations. Once the plan is in place, leaders, with the help of their teams, can create more detailed plans and budgets.

Next, we work with companies in reviewing their processes to determine if they support internal success while also delivering value to external customers or clients. We often find that poor employee performance is a direct result of non-existent or poorly defined processes. We have teams walk through every customer or client touch point to determine where gaps, delays, or challenges exist from the customer perspective. Then we work with leaders and their teams to identify solutions. Next, we engage teams in designing metrics and measures to track progress along the way.

While management sets the overall goals, we seek input from front line workers who often have the best insight into potential challenges and how to address them.



As advisors, our role at KRD is to facilitate new discussions among the internal experts inside the business. Rather than offering all of the answers, we seek to ask different questions, provide new insights, and identify sources of data. We help leaders identify new ways to apply automation in making key insights more visible in an immediately accessible way.

*\*Based on the Level 5 Certified Advisor training from Mentor Plus*



## International Corner

KRD's membership in GGI allows us to keep our clients abreast of international tax and audit considerations and allows us to provide contacts for international law issues if needed. Our firm publishes articles in GGI newsletters several times a year, which can be found on our blog.





# Client News

SUMMER & FALL 2021



ACCOUNTANTS  
CONSULTANTS  
ADVISORS

1051 Perimeter Drive, 9<sup>th</sup> Floor  
Schaumburg, IL 60173

35 East Wacker Drive, Suite 690  
Chicago, IL 60601



INDEPENDENT MEMBER

[krdcps.com](http://krdcps.com)

## In This Issue...

Business Meal  
Deduction Changes

Strategic Performance  
Management

KRD/CAAS  
Webinars

Child Tax Credit  
Payouts

*Serving Clients for Over 30 Years*

## Child Tax Credit Payouts – What to Expect.

The Child Tax Credit (CTC) is not new, but it was expanded as part of the American Rescue Plan Act of 2021, and you may be wondering what that means and how it will impact your situation. The biggest takeaway is that instead of waiting until filing your 2021 tax return (in 2022) to take advantage of the credit, you can instead opt to receive part of the credit in advance, during 2021.

First, the overall amount of the credit was increased for taxpayers under a certain income level. For those individuals, the CTC is \$3,600 for each child 5 and under, and \$3,000 for each child between the ages of 6 and 17. This is an increase from \$2,000 per child under the existing rules. To receive the full amount of the expanded credit, your Adjusted Gross Income (AGI) must fall within the following limits:

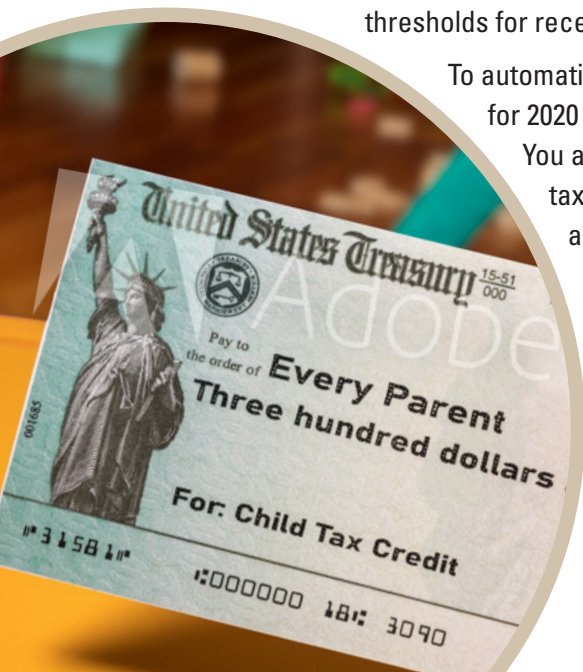
- **Single Filer – \$75,000 or less**
- **Head of Household Filer – \$112,500 or less**
- **Joint Filers - \$150,000 or less**

Beginning on July 15, 2021, the IRS began sending monthly payments to parents with eligible dependent children. These payments represented an advance on the full CTC, and the rest can be claimed on the 2021 tax return. The full monthly payment will be \$300 per child under 6 or \$250 per child 6 to 17 years old, and will be paid each month from July to December 2021. Keep in mind that if you are over the above income thresholds but within the existing income thresholds for receiving the CTC, you can still receive up to \$2,000 per child, just like in years past.

To automatically receive these payments if eligible, you need to have filed a tax return for 2020 by the extended May 17, 2021 filing deadline, even if you are usually a non-filer.

You are eligible for these payments even if you do not have any income to report or taxes due. If you were not able to file by then, you will still get the higher credit amount if eligible, but will need to wait until filing your 2021 tax return to take advantage of it.

If you would prefer to NOT receive the advance payments and instead take advantage of the full CTC when filing your 2021 tax return, you will be able to opt out using an online portal that the IRS opened on July 1, 2021. There will also be another portal where you can update your information, such as changing the number of dependents you have.



1051 Perimeter Drive, 9<sup>th</sup> floor, Schaumburg, IL, 60173

**847.240.1040**

