

# HOW TO BE A SUCCESS AT HOME

## PLANNING THE PERFECT HOME OFFICE

These notes are from the two shows I did with Chris Vogt as my guest. Since Chris is not only a computer guru but also a Tax Consultant he brought a lot of valuable information and insight to these two shows. Our original intent was to do one show. However, we found ourselves at the end of the first hour and we hadn't even talked about computers or electronic equipment. The following notes are a composite of the information from the two shows and some of my notes regarding all the other facets of setting up a home office. The notes are somewhat brief and in outline form. If you need more specific information, I would suggest that you call Chris or myself at our respective offices. His office phone number is 916-727-7030, or you can visit his web page at [www.computerradio.com](http://www.computerradio.com).

1. It seems that during the past several years the number of people “at least requiring an office at home has grown incrementally. In my Design business I have found that at least 50% of the projects I am currently working on include two home offices, and 100% of my projects include at least one office.
2. Tax Issues – For specific information here, I would suggest that you talk to your accountant or give Chris a call. Some questions you might want to be sure you are up to date on are:
  - ⌘ What percentage of the house payment/rent is deductible? This can be determined by a percentage of the rooms (which are devoted to work related functions) or by the square footage. Interestingly, renters do have an advantage here.
  - ⌘ What about utilities and phone bills? The base bill is only deductible for lines totally dedicated to business use (at least one line is not deductible as far as the basic monthly cost). All long distance bills which can be substantiated as business calls are deductible.
  - ⌘ What about mileage to and from clients' homes or vendors, etc.? According to Chris, IRS says that your trip of each day is considered “commute” and is not considered business mileage. However, you can go by the post office at the beginning of each day to buy a few stamps and then all other driving that day is valid. The current “mileage” rate is \$.325 per mile.
  - ⌘ What about travel? Chris says this is another of those areas that can get pretty tricky. The flat rate per day varies by county that you stayed in. Also, it is figured on four quarters of the day, so you need to leave before 6:00 a.m. and return after 6:00 p.m. in order to deduct for a whole day. Also, you must stay overnight – even if you do not stay in a hotel – in order for it to be considered business travel. Best to check with Chris or your own Accountant.
  - ⌘ When are meals, entertainment, etc. deductible? Be sure to keep all receipts from restaurants and mark on the receipt everyone who was there as well as what was discussed. If you are entertaining in your home, make a separate trip to the store

and have the items for that meal rung up on a separate bill which you will label and retain.

- 💰 What about tools and supplies which ‘cross over’ such as cameras, video machines, computer, typewriter, pencils, paper, staplers, calculators - and even the desk and lamp? Chris says this can get sticky, but if you can substantiate that the equipment is used at least 75% of the time for business it will probably fly.

3. The Plan - Any good plan starts with “doing your homework”. You need to determine just how much furniture and equipment you will need before you start laying out the plan, and certainly before you purchase anything! As you are listing the furniture pieces you will need, be sure to specify the sizes. Obviously, if you need help here please give me a call at 916-987-7868 or 916-531-2364.

 Furniture - It is important that you go through this list and adapt it to your particular occupation. You will need to factor these items into your space plans as well as your budget.

 Desk

 Return or credenza

 File Cabinets - I suggest you take the number of drawers you think might be the most you would possibly need and then double that number. Trust me, you will need them!

 Bookcases - Here again, you will probably need more than you think.

 Storage Cabinets

 Work/Conference Table

 Desk Chair

 Guest Chair(s)

 Computer Table

 Equipment Table (for copier, fax, etc.)

 Drafting (or other specialized) Table

 Note: I recommend that you consider built-ins rather than looking for all the component pieces and trying to fit them together. I have had numerous clients who found that they actually saved money and got exactly what they wanted rather than settling for something that didn’t quite fit. You might want to call Randy or Charlie at Feist Cabinets. 916-686-8230. Please do tell them you heard about them on ‘Home by Design’.

Equipment Needed - It is also important that you go through this list and adapt it to your particular occupation. You will need to factor these items into your space plans as well as your budget.

- Computer - CPU, Monitor, Keyboard, Printer(s), Network Hub and/or Server. When thinking in terms of computers, plan from the beginning that you will eventually probably own all three:
  - Desk top – One is often not enough so you will want to network them.
  - Lap top
  - Palm top

- ☑ A word about your electronic equipment. I have learned from personal experience that there are often not enough circuits in a residential situation to handle all the needs for power to run an effective office. If you are building or remodeling, I would suggest that you run lines from two different circuits to power the receptacles in your office. If you are converting an existing room to an office, you might want to invest in a UPS surge protector to keep from having the frustration I am now experiencing. We actually had quite a lengthy discussion during the second hour, and I have since then gotten a number of items which have been lifesavers! We were going crazy because every time anyone turned on the copier, it would disconnect the phone, fax or even the computer. Anything that was in use at the time would just be shut off. The problem has been alleviated by the use of the following items:
  - ☑ Panamax Max 6 - 6 outlet AC surge protectors
  - ☑ Panamax Max 2 – 2 outlet surge protector
  - ☑ Allpath power protection module for the phone lines
  - ☑ MaxLan Gigabit Allpath Protection Module for the computer
  - ☑ Uninterruptible Power Supply units for each computer
- ☑ Calculator(s)/Adding Machine
- ☑ Fax Machine – We also had a lengthy discussion here about the multi-functional devices. For my office as well as most of my clients', space is such a high premium that this is the only way to go. My most recent purchase was a very high quality color copier which is also a printer, scanner and fax machine.
- ☑ Copier
- ☑ Scanner
- ☑ Modem
- ☑ Typewriter
- ☑ Phone(s) and Answering Machine
  - ☑ Note: Chris also suggested ordering a DSL line for your phone which is 10 times faster than the regular line. Chris says that with this type of line you can be sending a fax and talking on the same line at the same time and no one will even know.
- ☑ Lamp(s)
- ☑ File Baskets
- ☑ Waste Baskets
- ☑ Special Tools - Label Machine, Binding Machine, Postage Machine, Templates, Scales, etc. Whatever is pertinent to your particular job.
- ☑ Printing! - This item is often omitted when planning the budget and that can create a real disaster. Here are some items you may need, but again you will want to edit for your own purposes:
  - ☑ Letterhead
  - ☑ Envelopes
  - ☑ Business Cards