



**Professional Practice Building - Part 1**  
**Session 2: Costs, Cash Flow, and Controls: Financial Danger Zones for the**  
**Professional Counselor**

**Webinar Follow-up Question and Answer Session with Bernadette Harris**

**Question from Stephany Del Re**

How do you account for charity work?

**Answer from Presenter**

I'm assuming you are referring to instances when one donates their time to charity. If that is the case, you cannot take a loss or deduct an expense for the time donated. The time given is just that, a gift.

---

**Question from Marcia Ewing**

Is required continuing education deductible?

**Answer from Presenter**

Yes, continuing education is an ordinary expense and is deductible.

---

**Question from Katherine Jones**

What type of business model is most common or desirable from your perspective? Specifically LLC and advantages/disadvantages.

**Answer from Presenter**

Desirable is relative, so I cannot speak to that. The LLC is most common primarily because of the flexibility. The LLC has the capability to be taxed as a sole proprietorship, partnership, or corporation. Because this decision is made on an individual basis, I recommend speaking to an attorney and accountant to determine which entity type is right for your situation.

If you would like to speak with me about your personal situation, feel free to schedule a call on my website. The first call is free. [www.ByTheBookAccounting.com](http://www.ByTheBookAccounting.com)

---

**Question from Delores Livingston**

What does HSA mean regarding third party payor and being a medical provider?

**Answer from Presenter**

HSA stands for health saving account. Health savings accounts are vehicles that individuals use to pay for medical expenses and in turn lower their tax liability. They typically have money withdrawn from their paycheck each month and placed in a special account. Those pre-taxed funds are then used to cover medical



expenses. As a medical service provider, you are able to accept HSA credit/debit for your services. You need to make sure your merchant account provider knows you are a medical service provider. If you are not, their card will not work when you try to swipe it.

---

**Question from Ebony May**

Hello, I wanted to know for the necessary expenses, can we count specialized training we may obtain for the business.

**Answer from Presenter**

Specialized training sounds like an ordinary expense. Necessary expenses are things that aren't always common for your industry but necessary for the way you do business. As long as it's one or the other, it's deductible. Necessary expenses just require more explanation, like my picnic.

---

**Question from Sara Pesic**

Can you say more about HIPAA complying systems (phone line) and where we can research that topic more?

**Answer from Presenter**

I cannot make a recommendation for a HIPAA complying system. I would just suggest you add that to your list of questions when you are researching systems.

---

**Question from Linda Pugh**

Can you suggest a good tele-mental health training?

**Answer from Presenter**

This is not an accounting question.

---

**Question from Eliane Stefango**

When we have a contracted person, a junior counselor, what is the process to tell IRS about it? They sign a I-9 but how do I tell IRS?

**Answer from Presenter**

I-9 is not used for contractors, that form is used for employees. When you have a contractor, you need a properly executed contract that explains all the terms of your agreement (consult with an attorney) and you need to a Form W-9 on file. The form gives you the contractor's name, address, and SSN. You will then use this information to issue at Form 1099-MISC at the end of the year. This form is similar to a W-2, in that it reports the income to the IRS.



Form 1009-MISC must be issued for all contractor payments that exceed \$600 in a calendar year.

---

**Question from Marlene Travis**

What are the steps of how to do a background check?

**Answer from Presenter**

You first need to get the person's consent. If they are unwilling to give consent, that could be a red flag. After you have gotten consent you can request a background check from your local police department. Many of them will have their own form that you would complete. They are usually very cost effective and have 5-7 day turnaround times. There are also online companies that offer this as a service. I cannot make a recommendation to a particular company.

---

**Question from Andrea Westkamp**

What kind of liability insurance would you recommend for somebody just starting out in private practice?

**Answer from Presenter**

In addition to the professional liability insurance you are required to have, you should get a Business Owner's Policy (BOP). The policy typically covers your equipment and business effects. Other riders you might consider are a Cybersecurity rider, or a Dishonest Employee rider.

---

**Question from Andrea Westkamp**

I am wondering if taking on counseling interns would be a good way to have more counselor on staff in my practice even if they are only there for a specific time.

**Answer from Presenter**

Working with interns can be a win-win situation for both parties. I would highly recommend you have a properly executed contract that spells out expectation, terms of payment, exit clause, etc. Consult with your attorney.

---

**Question from Catherine Rich**

Thank you, the content is much more detailed than the PP; is Ms. Harris able to provide a handout?

**Answer from Presenter**

All of the information that I share (less the specific information about HIPAA compliance) can be found in my book, Business Blueprint 2.0: A Guide To Starting Your Business THE RIGHT WAY! The book can be purchased online at: [www.BusinessBlueprintBook.com](http://www.BusinessBlueprintBook.com) and it's available on the Kindle.



---

**Question from Robin Moore**

How do you register as a medical provider with square?

**Answer from Presenter**

When you register with them they will ask what type of company you are. If you are already registered, you can contact them to confirm that you are registered as a medical provider.

---

Enjoy our webinars? Please [support](#) our efforts. Donate [here](#).

---