

# You're It!

## SEW Your Way to Home Business Success Now & After COVID-19

### BOOKKEEPING/TAXES & ALL THAT JAZZ

*Organization Never Felt So Good*

SHORT READ



Phyllis Smith

The \$100 Startup for Super-Hero Sewists

**ALTERATIONS BY PHYLLIS**  
with  
**DANCING FABRICS**



If you sew and sew well, you don't need to despair a lost job because you can grab just \$100 from somewhere and get going providing alterations and sewing services including fabric artistry that people are still seeking from the comfort of your home.

The time is now. Get going!

**Home Sewing Business  
Success During & After  
COVID-19**

Created by Phyllis Smith  
Stillwater, MN, USA

<http://www.alterationsbyphyllis.com/video-tutorials>

**Bookkeeping & Taxes PLUS  
How To Invoice, Handle Down Payment  
& Final Payment  
BONUS How To Organize The Client Closet**

**Imagine** that you're sitting in your dedicated sewing room just a year from now surveying all that you've created with great satisfaction.

**In one corner** of the room is your attractive, eclectic and maybe even quirky collection of sewing machines and tools that customers admire.

**Across one of the walls** you display your emerging brand of women's designer clothing line consisting of pullover hoodie, leggings, tank or tee, flared skirt short dress for over leggings and skort/shorts. Just 5 hot items that clients can't leave without.

**And what's a wardrobe without** its designer handbag that you've acquired the perfect machine to stitch up and clients go gaga over.

**Folded neatly on display in another area** is your emerging brand of children's clothing, baby layettes, adorable toys, simple and irresistible designs.

**Available on shelves** are DIY kits of various types – hand embroidery, beginner sewing for kids, fabric painting, fabric marker coloring, cut and sew – you conjure it, you create it!

**Unforgotten** are other fab items you've created that perhaps are not fabric artistry yet are complementary such as paper creations, bead art, ceramics – honestly, don't let me overwhelm you with YOUR.OWN.TALENT.

**How can you achieve your new REAL normal?**  
**Let me show you.**

# **ALTERATIONS BY PHYLLIS with DANCING FABRICS**

*All about running your own alterations & sewing business from home!*

Created by Phyllis Smith - Alterations by Phyllis with Dancing Fabrics - Stillwater, MN, USA

<http://www.alterationsbyphyllis.com/video-tutorials>

## **Are You Ready To Explore Bookkeeping, Taxes, Invoicing & Organization?**

**This Section Is For New As Well As For Existing Sewing Business  
Specialists Specifically During and Post COVID-19 – because your  
intention is to DIVERSIFY and become well organized**

### **How To Organize The Client Clothing Closet**

Try my easy system and then develop your own from these guidelines.

### **Invoicing, Down Payment & Final Payment Handling**

This is how you collect the money and keep track of it.

### **Bookkeeping, Income Tax & Sales Tax**

Oh Joy! The Tax Man Cometh. Let me show you how to take the anxiety out of tax reporting and the pride of making good money from this fab business you created!

## How To Organize The Client Clothing Closet

Wonderful! Your first client is changing into her problem garment and is about to emerge from the changing area. How are you going to document what needs to be done and the associated charge? The answer is with a simple invoice, a sample of which you will find on the following page.

Everything I suggest from this point is just a guideline, and you will become inspired to either copy this system or devise your own.

Once you have noted everything on the invoice that you need to do about the job, received down payment and **REPEATED BACK** to the client what is to be done to make sure you are both on the same page, have the client snap a photo of the invoice with a smart phone to serve as the receipt. Trust me – the client won't ever look at or understand the receipt, so repeating back is best practice.

Next, after the client has left, attach that invoice to the garment. I do this by punching a hole near the top and slipping it around the neck of the hanger.

Before it goes in the closet, I add the client's name, item to be altered and due date to a running list which serves as a quick reference cheat sheet. I number each name in the order the job needs to be done according to due date. If I lose the cheat sheet, no big deal because the items are in the closet with invoices attached. However, the list is especially nice for quick reference that I delight in checking off when jobs are completed.

## Invoicing, Down Payment & Final Payment Handling

So here is what the invoice and cheat sheet look like that you can fill in by hand or computer generate:

Sample quick reference job cheat sheet scribbled on scrap paper

⑬	Phil S multi	→ 10/4
⑭	Anastie band	9/19
⑮	Michelle M band	9/26 → 9/28-10/2
⑯	Elaine + Adam K pants	9/12+
⑰	Becky R band	9/20-21
⑱	Jessica F band	9/20 + 10/18
⑲	Beth D pants	9/9
⑳	Brittany H dress	9/20
㉑	Carol T mob	9/21 + 10/7
㉒	Doug K hunting	9/20-21
㉓	Gina B multi	9/21-26
㉔	Julie D mob	10/17
㉕	Crystal K wed	9/20
㉖	Angela A singing wed	9/19

## YOUR FABULOUS ALTERATIONS COMPANY NAME

Address

Phone number

## SAMPLE

Date 2/29/16	Invoice # 0001 (optional)		
DUE DATE:			
FITTING DATE:			
Client Name			
Phone Number			
Down Payment Amount \$100.00			
Quantity	Description	Price Each	Amount
3	Pants Hems*	\$18	\$54
1	Suit coat shorten sleeves		\$55
1	Bridesmaid dress shorten hem. Cut 5" off now, do not hem yet, evaluate length at fitting.**		\$75
	*Did not bring shoes **Not responsible for snags in sheer fabric		
Subtotal Alterations			\$184.00
Sales Tax			\$ 13.11
JOB TOTAL			\$197.11
Less Down Payment			( 100.00)
TOTAL Amount Due at Pick Up			\$ 97.11

Once jobs are completed, I either hang them in the "finished" closet or, if in the same closet as unfinished, hang the hanger neck

of finished items backwards on the hang pole so I can quickly identify what is and is not finished.

Because of the way my space is set up, it is not practical to have the laptop by my side while fitting clients, so I fill out the invoice by hand. However, you may find having your laptop or tablet right there to be best, especially for the convenience of credit card readers.

At the end of the day or week – try not to let too much time go by – it is time to record the invoices, whether in a traditional ledger, an online invoicing and accounting system, a system of your own design or any combo thereof.

Currently, I enjoy using the free version of *Wave* online. I do not utilize it fully, but I do use it to connect to all my bank accounts and PayPal so that I can see transactions of money in and out. I could invoice with *Wave* but, again, my habit is to use the simple paper invoice and record each invoice manually at a convenient time either as below or in a spreadsheet:

Date	Invoice #	Client Name	Amount	Sales Tax
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So, using the sample on the previous page, along with other fictitious entries, that would look like this:

Week of: \_\_\_\_\_ through \_\_\_\_\_

Date	Invoice # (optional)	Client Name	Down Payment	Total Amount Paid	Sales Tax (MN)
2/29/16	00541	Their Names	\$100.00	\$197.11	\$13.11
2/29/16	00542	Her Name	\$ 45.00	\$ 89.00	\$ 6.34
3/2/16	00543	His Name	\$ 15.00	\$ 27.00	\$ 1.92
TOTAL				\$313.11	\$21.37

This way, I know how much to put aside for sales tax in a savings account, while depositing the rest in a business checking account.

Make certain to collect sales tax which is a fact of life in most states. Don't forget so that you don't end up paying it out of your earnings.

Now – a good question becomes – because of the down payment system, when should you record? Should you record twice per each payment, on the transaction date leaving a blank until paid, or use the final payment date and record the total? I use the original drop-off transaction date, fill in down payment and leave *Total Amount Paid* blank until all is paid for the sake of simplicity. You should use the recording system that makes the most sense to you, recording as many columns of information as feels complete to you.

Also, make sure you have firm policies in place for taking cash, checks and credit cards.

Finally, about bookkeeping, allow this administrative task to be fun and take pleasure in collecting in, as well as paying out, that which is due you, that which is owed, and how measurably you are growing your business!

Date	Invoice #		
Client Name			
Phone Number			
Down Payment Amount			
Quantity	Description	Price Each	Amount
Subtotal Alterations			
Sales Tax			
JOB TOTAL			
Less Down Payment			
TOTAL Amount Due at Pick Up			

## Bookkeeping, Income Tax & Sales Tax

Paying taxes causes for an emotional mix of dread over getting it right and elation over getting it paid for yet another year. Here is how to subdue dread and experience more elation.

Pay [sales tax](#) by February 15 and you are good to go! Mark it on your calendar because you will not be reminded before that date. If you forget, you will be sent a reminder after the fact and experience some penalty; however, just go ahead and pay it online, ideally. Your state department of revenue website will walk you through the procedure rather easily. Be glad you are so successful that you can do this. It is truly a milestone to be enjoyed.

Best practice to calendar these dates which you will be provided with when you use tax software such as *TurboTax*, for example. Avoid resistance to getting professional help if income tax software feels overwhelming for you to wade into yourself. You may wish to hire an accountant right out of the gate so that the task of taxes is not so monstrous.

When you keep good records throughout the year on this simple small business of alterations out of your home-sweet-home, tax time goes smoothly. If you experience years that are bumpy at times preparing for tax time, ride it out and learn from it – I mention this because I had to learn some discipline for myself.

Keeping good records includes hanging on to receipts and keeping track of business-related expenditures. Again, an online program, such as *Wave* (and there are plenty more to choose from), makes everything so much easier. Remember the Skills Assessment section recommending getting business savvy along the way? That

means you, super-hero sewist, and if you make mistakes along the way – guess what – you were never going to be the only one to have that experience!

While this section was largely geared toward the organization of your alterations service, you can be sure this system is useful across the board of all your creative endeavors.

Visit my Amazon [author page](#) and consider a few other short reads to round out your business skills.

Or visit my website for an even better short reads deal [here](#).

Skills Assessment – Do You Have What It Takes?

14 Essential Business Setup Tasks, Step-by-Step, In Exact Order

How Much Money Can I Expect To Make?

How To Prevail Alongside Competition

How To Write A One-Page Easy Business Plan

How To Deal with Invoicing, Bookkeeping & Taxes

Tools of the Trade

How To Write Store Policies To Save Your Butt

Don't Want People In Your House? Loads of Alternatives, Darling!