

Money Management

The amount of profit you take from your business will depend on the amount of inventory on your shelf! Let's say you have a full store (\$3000-\$3600) and you sell \$600 at your party. You will take half of that to reorder your product because you want to keep your shelves stocked. Wal-Mart doesn't run out of all of their shaving cream before they reorder. The other half would be your profit. With any smaller amount of inventory you will want to take some of your profit to build your inventory to the \$3000-\$3600 level. You must have inventory to have longevity in this business. Makeup is an impulsive purchase and women don't think two weeks ahead what they will need!

I recommend you also set aside some of your profit each week to pay towards your investment method. Let's say you sell \$600 in a week. From your profit of \$300, maybe you would take \$75 to set aside towards your loan, credit card, etc. The goal is to NEVER use your investment method again. After you have a party, put your money into a separate MK account and then use your debit card to reorder your product. If it is a weekend and you just can't wait to get to the bank then use your credit card, but go ahead and write out your check to the credit card company. I am sure you have all heard of people who get \$8,000 on credit cards with Mary Kay. Let's be clear they were in no way instructed to do that. They did not follow the money management plan. WE do NOT want you do get into trouble so please, after purchasing your inventory, be disciplined about paying off your investment and reordering your product.

Another situation that occurs on a regular basis and is sure death in this business is what we call embezzlement. You sell \$600 this week and you get an unexpected bill for \$600 so you use your MK money to pay that bill. THIS IS A HUGE NO NO. Now next week a customer wants an Ivory 3 cream to powder foundation and some Timewise skin care. Well you had some on your shelf last week but sold it at your party and now you don't have it anymore because you used your reorder money for paying a bill. YOU cannot do this. You must always remember that half the money you have is not yours, it is for your products! If you were to continue this pattern for several weeks you would be totally out of products and still have your initial investment debt. So if you get an unexpected bill for \$600 you need to sell \$1200 so you can still reorder your product.

What is a summary sheet?

There is a copy of a weekly summary sheet or weekly accomplishment sheet in your kit. You can also fill this form out online. You must bring this form with you to the meetings! It is a sales summary sheet. If you need help filling out your first one let me know!

Tax Information

For each month of the year you will need two manila envelopes, one labeled income and the other expenses.

In the Income folder you will place:

Your weekly summary sheets attached to a copy of your sales tickets for the week
Commission Check Stub (if you get one)

In the Expense folder:

Receipts from everything...

Product receipts

Postage

Food

Your own cosmetic use

Phone bill (if applicable)

Cell Phone

Internet

Mileage

Child Care Expense

Mortgage Payment and Power Bill (if applicable)

Travel Expense

Rent Money (\$5 at meetings)

Office Expense

Health Insurance (if applicable)

Misc.

At the end of the year we will have a CPA give you a form that you will fill out that helps make your tax filing simple. If you will subdivide your expenses into these categories on the outside of your manila envelope each month, your taxes will be so simple. As long as you keep up with your receipts you will not have to pay money in unless you become a sales director. If you become a director you will receive training on paying in quarterly taxes!