



ACCOUNTING & TAXES

HOW WE WORK

BizX is another form of payment, just like an additional credit card or bank account. We are classified as a financial institution, and we send out monthly statements and a 1099-B at the end of the year. When accounting for BizX business in Quick Books or any other accounting system, we are added on as a new account just like a new checking account is added. You are able to directly download information in from our statements.

TRADE & TAXES

Trade Exchanges

Bartering is the trading of one product or service for another. Usually there is no exchange of cash. Barter may take place on an informal one-on-one basis between individuals and businesses, or it can take place on a third party basis through a barter exchange company. A barter exchange is any person or organization with members of clients that contract with each other (or with the barter exchange) to jointly trade or barter property or services. The term does not include arrangements that provide solely for the informal exchange of similar services on a noncommercial basis.



Unlike one-on-one bartering, members of exchanges are not obligated to barter or purchase directly from a seller. Instead, when a barter exchange member sells a product or a service to another member, their barter account is credited for the fair market value of the sale. When a barter exchange member buys, the account is debited for the fair market value of the purchase.

Trade Dollars

Barter exchanges have their own unit of exchange, usually known as barter or trade dollars. Trade dollars or barter dollars are valued in U.S. currency for the purposes of information returns. Trade dollars allow barter to take place between parties when one party may not have a simultaneous need or desire for the goods or services of the other members. Barter exchanges act as the bookkeeper for keeping track of trade dollars that participants accumulate. Earning trade or barter dollars through a barter exchange is considered taxable income, just as if your product or service was sold for cash.

Requirement for Barter Exchanges to File Information Returns

Barter exchanges are required to issue Form 1099-B Proceeds from Broker and Barter Exchange Transactions, annually to their clients or members and to the Internal Revenue Service. Accordingly, BizX will issue Form 1099-B summarizing the value of all sales made through the exchange during the year. The IRS will receive the same information.

Certain purchases made through the exchanges are tax deductible. Further, you may deduct costs you incurred to perform the work that was traded through the exchange as long as the expense is company related.

We encourage you to consult a CPA or tax professional to determine the best way to record and account for trade business. Additional examples of bartering and information on how to report the income are described in IRS Publication 525, Taxable and Nontaxable Income.

Learn more about barter and taxes at:

www.irs.gov/businesses/small-businesses-self-employed/bartering-tax-center

www.irs.gov/taxtopics/tc420.html

ACCOUNTING FOR TRADE TRANSACTIONS

You will receive a monthly Account Statement detailing each transaction and your current trade balance with BizX. BizX's monthly statements can quickly and easily be downloaded into your existing accounting software through Microsoft Excel, by logging into your account, navigating to the transactions tab, clicking on statements, choosing a statement and then clicking on the excel icon at the top right.

We provide all the record keeping needed to easily benefit from the extra business and cash savings.

Account Statement

Account No. 123456
Statement Date 8/31/2016
Current Cash Due \$200.00
Payment Due Date 9/12/2016
On Autopay Since 1/12/2009

Account No. 123456
Statement Date 8/31/16

Date	Auth. No.	Card No.	Description	Purchases	Sales	Fees Due	Fees Paid
8/2/16	(M12345) - Admin-Manual TP		The Auto Shop INV# 1234 on 8/2/16	\$2,350.00		\$117.50	
8/3/16	(I33006) - CP		BizXchange Thank you for your payment. Fees Due - Payment.				\$185.75
8/12/16	(M12345) - Admin-Manual TP		Electrician Inv 98762 8/12/16	\$800.54		\$40.03	
8/20/16	(M12345) - Admin-Manual TP		Cupcake and Catering	\$325.13		\$16.26	
8/31/16	(I2345) - Monthly Fee		BizXchange Membership Dues	\$15.00		\$15.00	

Trade Activities

Overdraft Limit	Business Barter Balance	Current Purchases	Current Sales	Current Barter Balance

In accordance with GAAP, member companies typically record BizX transactions under a separate General Ledger (G/L) bank account that accepts and uses only the BizX dollar as a method of payment. As sales are made, the sales (revenue) account would be credited, and the BizX account debited. With a purchase using BizX dollars, the purchases (expense) account would be debited, and the BizX G/L account would be credited. Your BizX bank balance should match your BizX statement balance at the end of the month.

	Expenses		Revenue		Bank-BizX Trade	
	Debit	Credit	Debit	Credit	Debit	Credit
SALE				1000.00	1000.00	
PURCHASE	500.00					500.00

SALES TAX ON TRADE TRANSACTIONS

Taxes on any given transaction are always to be paid in BizX dollars. There should be no cash involved in a regular BizX transaction. Only tips are paid in cash, and the minimum rate for a cash tip is 15%.