



# FOUNDATIONS GUIDE

*Financial systems every creator needs*

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# 10 Things Every Creator Must Do

If you only do these 10 things, you'll avoid most creator tax problems.

- ✓ Set up an LLC to protect your personal assets
- ✓ Open a business bank account
- ✓ Keep business and personal spending separate
- ✓ Track and categorize all business income and expenses
- ✓ Save ~30% of every payment received for taxes
- ✓ When making ~ \$20k-\$50k, start paying quarterly estimated taxes
- ✓ Track deductions throughout the year (see Deduction Guide)
- ✓ Document gifted products and brand trips
- ✓ Build a 3-6 month emergency fund
- ✓ Start saving for the future once income stabilizes

Most creators skip these steps early and end up with tax surprises, messy bookkeeping, or financial stress later.



# The Ultimate Creator Tax Checklist

## Protect Your Business

### Set up an LLC

- **Why:** Protects your personal assets if someone sues your business.
- **Important:** An LLC does NOT reduce your taxes.
- **Cost:** \$35–\$500 depending on your state.

### File for an EIN

- **Why:** An EIN is like a Social Security Number for your business.
- **Note:** An EIN allows you to open business bank accounts and receive payments without using your personal SSN.
- **Cost:** Free. Apply on the IRS website.

### Separate personal and business spending

- **Why:** Mixing expenses creates tax season chaos.
- **Important:** If spending is mixed, you'll spend hours sorting transactions later.
- **Tip:** Keep business debit and credit cards handy so you always have them when you need them.

### Open a business bank account

- **Why:** This keeps your finances organized and helps protect your LLC's liability protection.
- **Important:** It also makes bookkeeping much easier when tax season arrives.
- **Cost:** Avoid paid business accounts until you are making six figures. ○
- **Tip:** Aim for more well known banks (Capital One, Chase, Mercury) because your income comes from untraditional sources.

## Avoid Tax Surprises

### □ Track income and expenses

- **Why:** Know how much you have actually earned, which brands still owe you, and which revenue streams are most profitable.
- **Note:** Track weekly or monthly. Start with a spreadsheet and automate as you grow.
- **Tip:** Build a system early. Many creators jump from small income to six figures quickly.

### □ Save for taxes

- **Why:** Prevents the shock of a large tax bill later that you don't have the money to pay for.
- **Important:** Set aside about 30% of every payment you receive.
- **Tip:** Open a high yield savings account and move tax money there immediately.

### □ Pay Quarterly Taxes

- **Why:** Taxes must be paid as you earn or receive income during the year.
- **Important:** IRS will charge fees and penalties for taxes not received throughout the year.
- **Tip:** Start planning for quarterly taxes once your income reaches about \$20k annually.



## Run Your Content Like a Business

### Set up a bookkeeping system

- **Why:** Good bookkeeping helps you understand your real business profit.
- **Important:** Manage your books consistently throughout the year to keep this easier come tax time.
- **Tip:** This can be a spreadsheet, online system or even someone you hire!

### Track income earned in other states

- **Why:** You may owe taxes in states you don't live because you earned income there
- **Note:** Good records make tax decisions easier at filing time.
- **Tip:** Keep one spreadsheet with tabs for out-of-state work, travel, and digital sales. These all can effect how much tax you pay.

### Document gifted products

- **Why:** "Free" products you receive might be considered taxable income.
- **Important:** Keep records of every product received, date, and cost.
- **Tip:** Use the same spreadsheet as above. Add an extra tab!



## Protect Your Personal Finances

### Build an emergency fund

- **Why:** Creator income often fluctuates month to month.
- **Important:** A good goal is 3 - 6 months of living expenses saved in cash
- **Tip:** Open a separate high yield savings account for this money and any additional short term goals you want to save for.
- **Example:** If you spend \$5,000/month → aim for \$15k-\$30k saved.

### Start saving excess income

- **Why:** You'll never regret setting your family up for success with extra savings.
- **Important:** When creators have strong months, it's easy to increase spending.
- **Tip:** Follow the 50/30/20 rule every time you get paid.  
50% spending, 30% taxes, 20% savings.

### Set up retirement accounts

- **Why:** Additional way to save on taxes and save for your future!
- **Important:** Work with a professional to choose the right plan for your situation.
- **Tip:** Most plans are easy and simple to set up.

### Consider paying family members

- **Why:** If your immediate family helps in your business, paying them can generate additional tax savings.
- **Important:** Always work with a professional before implementing this strategy.
- **Tip:** Some ideas for family are: appearing in videos, editing content, or packaging shipments.

# What Creators Must Report as Income

Many creators assume they only report income listed on a 1099 form.

This is not true.

You must report **all income earned**, even if it was \$1, and you never received a tax form.

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## Common Income Sources:

- ✓ Brand deals and sponsorships
- ✓ Affiliate commissions
- ✓ Creator platform payouts
- ✓ Digital products
- ✓ Courses or memberships
- ✓ Ad revenue
- ✓ Consulting or speaking
- ✓ Gifts or products received for promotion



**Note:** If gifts or valuable items are received because of your content, **they are usually taxable.** Keep track of these to make better decisions come tax time.

# Creator Tax Deduction Guide

*What are deductions?*

Deduction/write off/business expenses. These all mean the same thing.

Business deductions lower your taxable income, which means you pay tax on less money.

**For example:**

You make \$100,000 (revenue)

You spend \$50,000 (business expenses)

You net \$50,000 (profit)

The \$50,000 in expenses reduces the amount of money you have to pay taxes on. If you are an LLC, you are taxed on the \$50k profit, not the \$100k revenue.

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An expense must be ordinary and necessary for YOUR specific business to be a valid deduction.

- An "ordinary" expense is one that is common and accepted in your field.
- A "necessary" expense is one that is helpful and appropriate for your business.

This is why some creators can write off clothing and nails and others cannot.

# Common Creator Deductions

## Home Office / Studio

If part of your home is used regularly for your business you can deduct a portion of:

- Rent / mortgage
- Home insurance
- Utilities
- Desk or studio furniture
- Phone and internet

## Software and Tools

- Editing software
- Design tools
- Scheduling platforms
- Cloud storage
- Bookkeeping software

## Filming Equipment and Gear

- Cameras
- Lighting equipment
- Microphones
- Props used in content

## Travel

If done for business reasons

- Flights
- Hotels
- Ride shares
- Meals related to business travel

## Marketing

- Ads on platforms
- Agency fees
- Branded merch
- Subscriptions to analytic tools
- Website hosting

## Professional Services / Contractors

- Bookkeeper
- Accountant
- Financial planner (me!)
- Attorney
- Editor
- Photographer

## Education

If related to your business

- Courses
- Conferences
- Workshops



# Breaking Down Quarterly Taxes

Taxes must be paid as you earn or receive income during the year. If you don't, the IRS can charge interest and penalties.

Creators usually must pay estimated taxes four times per year.

## Due Dates:

✓ January 15th

✓ June 15th

✓ April 15th

✓ September 15th

It's generally best to work with a tax professional who can help estimate your payments and ensure you're doing everything correctly.

## Quarterly Payment Hack:

If you or your spouse have W2 wages, you can have the employer withhold more, which can account for what you'd owe in quarterly payments.



# Paying Contractors as a Creator

*When you must issue a 1099 (and when you don't).*

Did you know that if you own a business, **you must send** a Form 1099-NEC if you paid an independent contractor for services?

NEC stands for non-employee compensation. This is the same 1099 that you will receive from other parties.

**You must report how much you paid the contractor if the total is:**

- \$600+ for payments made in 2025.
- \$2,000+ for payments made in 2026 and going forward.

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## How to Legally Skip Sending 1099-NECs

You do NOT need to send or a 1099-NEC if:

- You paid the contractor via Credit Card, PayPal, Business Venmo, or Stripe.
  - The processor handles the reporting
- The contractor is an S-Corp or C-Corp.
  - You'll verify this by having their W-9 Form.
- The contractor is a foreign worker performing services outside the U.S.
  - Keep a signed W-8BEN on file instead.



## How to Make Issuing a 1099-NEC Easy

Some times you can't get our of issuing a 1099-NEC. If that is the case, follow these steps.

### Tips:

- "No W-9, No Pay"
  - Get a signed W-9 Form (for U.S.) or W-8BEN (for foreign) from the contractor before you pay them for their work. This form will tell you if you need to send them 1099 or not.
- Avoid paying people via Zelle / "Personal" Venmo
  - These do *not* qualify for the payment processor exception (discussed on previous page) and require manual 1099s.
- Deadline: All 1099s must be sent to contractors and the IRS by January 31st.
- Payments only count per calendar year.
  - So if you pay someone \$500 last year and \$500 this year, no 1099 needs to be issued because you're under the annual limit.

### Who Do I Need to get a W-9 From?

Some examples include:

- Video editor, photographer, graphic designer
- Virtual assistant, social media manager, web developer
- Accountants, business coaches

### Quick Reference Chart:

- Check/ACH/Zelle: 1099 Required.
- PayPal/Credit Card/Business Venmo: No 1099 needed.
- To a S or C Corporation: No 1099 needed.
- To Foreign Professional: No 1099 needed (Get W-8BEN).

# What to Bring to Your Tax Preparer

*Having these items ready makes tax filing much smoother.*

## Creator Business Documents:

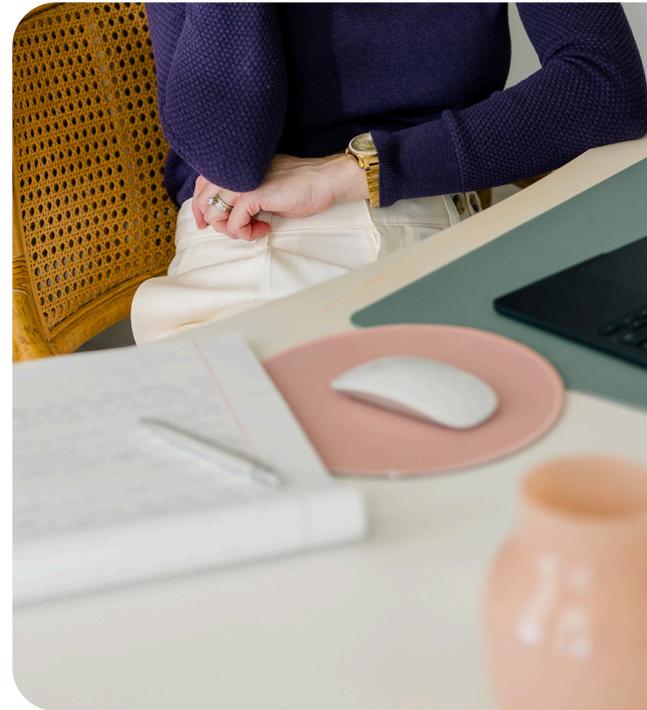
- Detailed income summary for the year
- All 1099 forms received
- Business bank and credit card statements
- Quarterly tax payments made
- Categorized business expenses summary
- List of gifted products received
- Payment platform summaries (Stripe, PayPal, Shopify, etc.)

## Items to Reduce Your Tax Liability:

- Equipment purchases (cameras, lighting, computers)
- Mileage tracked for business travel
- Home office deduction information
- Log of business meals

## Family Tax Documents:

- |   |  |
|---|--|
| <input type="checkbox"/> Prior year tax return        | <input type="checkbox"/> Charitable donations        |
| <input type="checkbox"/> W-2 income from jobs         | <input type="checkbox"/> Retirement contributions    |
| <input type="checkbox"/> Investment income forms      | <input type="checkbox"/> HSA contributions           |
| <input type="checkbox"/> Bank interest statements     | <input type="checkbox"/> 529 Contributions           |
| <input type="checkbox"/> Mortgage interest statements | <input type="checkbox"/> Student loan interest forms |
| <input type="checkbox"/> Property tax statements      | <input type="checkbox"/> Childcare/nanny expenses    |



The more organized your records are, the faster and less expensive tax preparation will be. And good records may help you pay less in taxes!

# When to Hire a Financial Planner

Many creators reach a point where **managing their finances becomes more complicated** than they want to handle themselves.

**Your time may be better spent creating content** and growing your business rather than managing the details of bookkeeping, cashflow, taxes, investing, and long-term planning.

**You may benefit from professional guidance if you:**

- Earn over \$300k per year
- Want to be more intentional with your money
- Prefer to outsource the “money work” so you can create content
- Want tax strategies to help reduce taxes
- Want help investing excess income
- Need retirement planning

If your spouse also earns income, combining multiple income streams can make financial planning even more complex.



## *I Already Have an Accountant. Do I Need a Financial Planner Too?*

This is a common question.

Accountants and financial advisors serve different roles, and many creators benefit from having both.

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### **Accountants focus on reporting the past.**

They prepare tax returns and make sure everything is filed correctly.

### **Financial advisors focus on planning the future.**

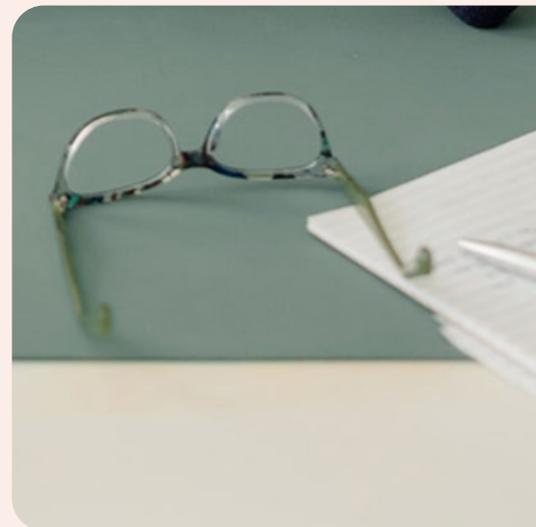
They help you make decisions throughout the year that affect your financial situation

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When these professionals work together, creators often experience better financial outcomes and fewer surprises at tax time.

The goal isn't just to make money as a creator — it's to **turn that income into lasting financial security.**





..... Ready to take the “money work” off your plate?.....

**If you'd rather focus on creating content and growing your business,  
I'd love to help. Book a no-strings-attached call:**

[creatormoney.com](https://creatormoney.com)