

# Small Business Benefits

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## How To Structure Your Business

by Joseph R. Cardamone

*One of the first and, perhaps, most important business decisions you will make is the form in which you are going to operate your business. This decision will affect all aspects of your business, including liability and tax related issues.*

**Sole Proprietorship:** This method is the most basic of business structures. You conduct business in your own name or under an "Assumed Business Name" also known as a D.B.A. Your D.B.A is simply a trade or business name that you file with the County Clerk's Office in the county in which you reside or conduct business. As a sole proprietor, you assume full personal responsibility for all debts of the business and for all claims arising from its operation, including all taxes that become due.

**Partnership:** A partnership is appropriate if your business is operated by two or more people or other entities under a formal agreement.

Each partner contributes money, property, labor or skills and each partner shares in the profits and losses of the business. The Partnership must file an income tax return; however, the taxes are paid by the individual partners and not by the partnership. Generally, all partners are liable for any actions taken by any of the partners in furtherance of the partnership.

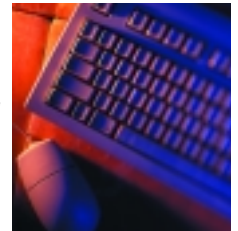
**Corporation:** A corporation is treated as a legal entity that is separate from its owners and which has its own legal rights and duties. The owners of a corporation are the shareholders who exchange money or property, or both, for capital stock in the corporation. The shareholders elect, each year, a Board of Directors and Officers who run the day to day operation of the corporation. The shareholders have limited



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## Health Care Insurance on the Web

*When a good friend inquires where he can obtain information about medical insurance for himself and his family, what would you recommend?*



**Try the Internet.**

He may report back to you about a week later, in desperation: "I am giving up, I am too confused." He has taken on an overwhelming project. With the information highway in full bloom, there is a definite need for planning in this world of technology. USFSB has made it easy for small businesses to obtain current rates and quotes online.

Protecting your family's assets and health is a huge and daunting undertaking, which requires a tremendous amount of education and practical application. The Internet is a good resource for most people to find answers to questions and solutions for problems.

Our on-line shopping services have become a great membership advantage. USFSB-sponsored insurance policies are purchased through Internet quotes where there are literally hundreds of products to choose from for almost every level of health. Some plans are designed and priced for a less than healthy individual where others are for a person with minimal health concerns.

The whole concept of insurance is to provide protection for "unanticipated" sickness or injury, especially expenses for catastrophic illnesses, which would devastate a person's net worth. USFSB offers some words of advice and possible strategies in attempting to alleviate potential pitfalls:

- Do not wait until you or your loved one is sick, or injured. Plan ahead and take the time needed to cover all your options.
- The health plan should be flexible, with a broad range of options and benefit selections for the insured.
- USFSB will assist in your decision making process. Our highly-trained professional staff can offer invaluable information;

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personal liability for the debts and obligations of the corporation. Unless you file an "S Corporation", the corporation is subject to a corporate tax on its profits before it is distributed to the shareholders who are also taxed on this distribution.

**Limited Liability Company:** The law also recognizes, as a separate legal entity, Limited Liability Companies. The owners of the LLC are called members and the extent of their ownership interest is measured by the amount of their capital contribution to the LLC. Unless otherwise stated in the Articles of Organization, profits and losses of the LLC are allocated, among the members, proportionately, on the basis of the value of each member's monetary contribution to the LLC.

The rules by which the business affairs of an LLC are managed are similar to the manner in which a corporation is managed by its shareholders. Importantly and, again, similar to a corporation, the members and managers of an LLC are not liable for any debts, obligations or liabilities of the LLC.

An LLC is of particular benefit to a single member in that, for Federal Income Tax purposes, a single member LLC is treated as if it did not exist. This means that a Federal ID Number is not required, a Federal Income Tax return for the LLC is not required, and the income from the LLC is passed directly to the member's individual tax return.

The above summary is based on the laws of New York State. Anyone seeking to start a business is recommended to first obtain the advice of a knowledgeable attorney and accountant.



*Health Care Insurance on the Web continued from page 1*

**therefore do not be afraid to ask a lot of questions and even get a second opinion.**

There is one big advantage in searching for Insurance products on [www.USFSB.com](http://www.USFSB.com). You can browse our website indefinitely before you act. Visit our Insurance Clearinghouse today by navigating to our Business Support Center on our website [www.USFSB.com](http://www.USFSB.com) to review our current rates or receive your personalized quote online.

**If there are any questions about the Health, Dental, Vision or International Insurance products that we offer, please call USFSB at 1-800-637-3331.**



### **Attorney's Process & Research Service, Inc.**

Attorney's Process & Research Service, Inc. was incorporated in 1977 by Phil Chiarella, president & sole shareholder. Phil is also a licensed private investigator.

**The company provides legal services to the legal community such as:**

- Service of legal process throughout New York State as well as the entire country & some foreign countries
- Filing documents with various Court clerks including City, State & Federal
- Corporate Services such as preparing & filing corporate certificates, obtaining information and copies of corporate records
- Document Retrieval
- Court Record Research
- Private Investigation Civil, Criminal, Matrimonial & Industrial
- Complete Motor Vehicle Services

Attorney's Process & Research Service Inc. will provide any other services legal professionals require. Call 518-465-8951 for more information.

### **Motown 2000 Entertainment & Christian Youth Production**

The Christian Youth Production Ministry was founded in 1990, and Motown 2000 Entertainment was founded in 1995 by Doris E. Washington. The Christian Youth Production Ministry & Motown 2000 Entertainment brings affordable advertising and beneficial youth programs to the Detroit community.

We work with small local stations and cable stations to bring children's learning programs and community and business awareness of what local Detroit has to offer. We have a radio program, newsletter and TV program which showcase the best of Detroit. We are currently embarking in more media coverage for programming and advertising on cable television and local airtime in Michigan and Ohio.

To contact us, call 248-470-4354 or write us at: The Christian Youth Production Ministry & Motown 2000 Entertainment, 1150 Griswold, Ste 2780, Detroit, Michigan 48226.

## **Keeping Your Customers Happy and Your Cash Flow Healthy**



**Many business owners find that even their best customers fall past due on invoices. Most feel pressured to choose between a healthy cash flow and a healthy customer relationship. However, you may not always have to make that decision.**

Most collection agencies pursue accounts using what's called an "audit" approach. They send a letter to your past-due customers, reminding them of the balance and requesting payment be sent directly to you. The letter thanks customers for their business and notes that during an audit of your books an outstanding balance was noticed. For example, suppose your best customer is 15 days past due. The agency sends the notice. If the delinquency is an oversight, it should be handled quickly. If it is not paid, you will then have a better idea of how to continue collections.

The "mediation" approach is ideal for customers that have billing or service disputes. Mediation positions your collection agency as a neutral third-party to work with you and your customer to get the invoice resolved. Often a situation as simple as a misunderstood invoice can lead to a past-due account. The mediation approach addresses such misunderstandings and gets you paid, without straining your relationship.

**You shouldn't have to choose between collecting what is due you and keeping good customers. By partnering with a professional collection agency that is well versed in customer management, you can often do both.**

Ted Fox, Senior Vice President, Commercial Services,  
NCO Financial Systems, Inc.



**USFSB Announces New Relationship with McAfee!**



**Are Your Computers, Desktops and Systems Protected or Infected by Today's Viruses?**

*Relax and never wonder again - Outsource the burden with McAfee VirusScan ASaP for automated virus protection.*

To focus on growing your business, you can't be distracted by worries about managing your anti-virus software and keeping it up-to-date.

McAfee VirusScan® ASaP enables you to transparently manage all your anti-virus efforts over the Internet. It's a convenient and cost-effective way to update, manage, and control your anti-virus software.

*Detect, protect, and defend your business systems—automatically.*

McAfee VirusScan ASaP automatically provides anti-virus updates throughout the day across your entire desktop and server infrastructure. It quickly scans and monitors possible virus sources, including floppy disks, CD-ROMs, Internet downloads, e-mail attachments, shared files, and online services.

It even protects your mobile users. Every time they connect to the network, McAfee VirusScan ASaP updates their devices with the latest anti-virus definitions.

Once detected, viruses are automatically wiped out. Cleaned. Quarantined. Eliminated.

*Simplify your anti-virus distribution with Rumor technology.*

Using secure, peer-to-peer communication, Rumor™ technology enables your systems and servers to share viral updates independently—without network administrator or end-user interaction. In fact, all you need is one computer connected to the Internet to distribute and share updates across your entire system infrastructure.

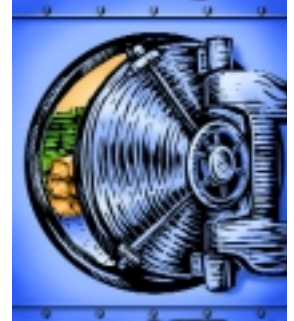
So stop thinking about how to keep your business secure from the daily threat of viruses, and start implementing productive ways to help your business compete and grow.

Managed VirusScan ASaP is keeping over 2 million businesses up to date and virus free.

**Exclusively endorsed by the USFSB. To take advantage of our 10% Members Only Discount go to [www.USFSB.com](http://www.USFSB.com) and login to find the McAfee link.**

**New Contribution Limits**

In 2004, the maximum contribution to an individual retirement account (IRA) remains at \$3,000, plus an additional



\$500 catch-up contribution for individuals age 50 and over. However, the maximum contributions to 401(k) plans, 403(b) plans, salary reduction simplified employee pensions (SAR-SEPs), and 457 plans increased to \$13,000 in 2004, with an additional catch-up contribution of \$3,000 for individuals age 50 and over. Contributions to SIMPLE plans increased to \$9,000 in 2004, with an additional \$1,500 catch-up contribution for individuals age 50 and over.

Due to the tax-advantaged nature of IRAs and pension plans, funding these increased contributions can make a significant difference in your retirement portfolio's ultimate value.

*If you'd like to discuss the potential impact on your retirement portfolio, please contact Paul Ward at Morgan Stanley at (518) 432-8114 or 1-800-669-7086.*



**TIME TO TALK TO THE EXPERTS?**

**Place your collection accounts today!**

**(800) 786-1376, x1126**



**LET YOUR VOICE BE HEARD IN THE HALLS OF GOVERNMENT!**

USFSB's annual government survey is now online at [www.USFSB.com](http://www.USFSB.com) in our Government Affairs Section.

Our survey is used to record your opinion and help us promote small business issues that are important to you. Please take a moment to fill out the survey ONLINE today.

We share the overall results with members of Congress in order to convey the concerns and desires of small businesses.



## From The Insurance Desk...



### IT'S TRAVEL TIME!!!!!!

Maybe you have saved for years for that special dream vacation to a foreign land. Maybe your child is involved in a "foreign exchange program". Maybe you need to take a quick business trip to another country... What do you do if something happens and you are not able to leave for your trip as planned? What happens to all of the money you have spent for your ticket?

### With IMG you don't have to worry. T.R.I.P. Lite is available...

**IMG offers a trip cancellation option:** The option covers cancellation or interruption of the trip plus baggage and travel delays for one of the reasons below:

- Illness, injury or death to you, family member or travel companion
- Bankruptcy or financial default
- Terrorist incident
- Jury duty
- Personal home becomes uninhabitable
- Quarantine
- Auto accident on the way to the airport
- Job termination
- Cancelled leave for active duty military, police or fire fighters

**WITH IMG YOU GET "PEACE OF MIND" AS WELL AS  
TOP QUALITY MEDICAL BENEFITS WHENEVER YOU LEAVE YOUR HOME COUNTRY**

**Call USFSB at 800-637-3331 or visit our web site [www.usfsb.com](http://www.usfsb.com) today for easy and quick online enrollment and confirmation of coverage.**



## Send a Gift Certificate For that Special Occasion!

Gift certificates always make great gifts for family and friends.

As a Working Advantage member, you can choose from a variety of national merchants including: Olive Garden, Red Lobster, TGI Friday's, Bennigan's, Borders Books & Music, Bath & Body Works, Pizzeria Uno, Chicago Bar & Grill, Bertucci's, DSW Shoe Warehouse, Brookstone, BLOCKBUSTER®, Hollywood Video®, J. Crew, Loews Cineplex Entertainment and much more!

Call Annemarie at USFSB at

**1-800-637-3331**

for information on how to enroll with Working Advantage.



Another great reason for being a USFSB member!

You know your USFSB membership brings you many special discounts. Now here's another opportunity to save.

## Get a **\$60 credit** on your USFSB membership dues when you sign up for Sprint Small Business products and services.

Sprint offers a variety of long distance business calling plans including adjustable rates, flat rates, International and toll-free options. Plus, get a \$60 credit on your USFSB membership dues when you sign up for Sprint products and services.

Call a Sprint Small Business Specialist today at **1 866 283-7407** to discuss a calling plan that works best for you. If you are a Sprint Local Business customer or are in a Sprint local territory, call **1 866 255-0318**.

**Don't wait...call Sprint and sign-up today to enjoy the benefits of your membership without the dues.**



One Sprint. Many Solutions.™

Voice/Data    PCS Wireless    Internet Services    E-Business Solutions    Managed Services

**\$60 credit from USFSB.** You will receive a \$60 credit from USFSB the next time your membership fee is due. The credit will not apply to fees that have already been paid to USFSB at the time you sign up for Sprint service. One \$60 credit per account. Offer subject to change or cancel without notice. Additional restrictions may apply. Offer good for new customers for one year from date of enrollment, and for existing customers through April 15, 2005. Offer subject to change or cancel without notice. Discount not applicable to nonrecurring and service connection charges, optional features, or usage charges. **Sprint Services:** State-to-state and international long distance services are governed by Sprint Terms & Conditions of Service. Local and in-state long distance (including local toll) services are governed by the applicable state tariff or state terms and conditions of service. Restrictions apply. All rates, terms and conditions at [www.sprint.com/ratesandconditions](http://www.sprint.com/ratesandconditions). © 2004 Sprint. All rights reserved. Sprint, the diamond logo, and all other Sprint trademarks are property of Sprint Communications Company LP.