

Small Business is Our Business...

Small Business Advancement National Center
University of Central Arkansas
<http://www.sbaer.uca.edu>
SBANC Newsletter, August 25, 1998

UPCOMING EVENTS!!!

SMALL BUSINESS DEVELOPMENT FOR WOMEN - OCTOBER 27, 1998!!!

On Tuesday, October 27, 1998, from 8:30 a.m. until 1:30 p.m. an exciting event for women will be held at Conway Regional Medical Center Cafetorium in Conway, Arkansas. The conference entitled "Small Business Development for Women," will benefit not only women who already own their own small business, but also women wishing to start one. Topics to be discussed throughout the day include other women's success stories, business loans, business plans, image, and stress and wellness in the workplace. Featured speakers from various fields of expertise will be in attendance at this spectacular free event. Seating is only available for the first 100 participants, so pre-registration is necessary. Lunch will be provided. For more information contact Netta Thomas at 501-450-5320 or Kim Stubbs at 501-450-5373.

Check out various upcoming conferences and call for papers by visiting the SBANC web site at:
<http://www.sbaer.uca.edu/sbaer/bulletins/index.html>

SELF-HELP MAY BE BEST FOR YOUR CREDIT REPAIR
(The following information provided by: Facts for Consumers, Federal Trade Commission, Bureau of Consumer Protection, Office of Consumer & Business Education (202) 326-3650)

"You see the advertisements in newspapers, on TV, and on the Internet. You hear them on the radio. You get fliers in the mail. You may even get calls from telemarketers offering credit repair services. They all make the same claims:"

- * "Credit problems? No problem!"
- * "We can erase your bad credit--100% guaranteed."
- * "Create a new credit identity--legally."
- * "We can remove bankruptcies, judgments, liens, and bad loans from your credit file forever!"

"Do yourself a favor and save some money, too. Don't believe these statements."

"Only time, a conscious effort, and a personal debt repayment plan will improve your credit report."

Visit our web site at
<http://www.sbaer.uca.edu/docs/Publications/sehe.txt> to find out more about how you can improve your credit worthiness. This also lists legitimate resources for low or no-cost help.

TIP OF THE WEEK

EMPLOYEE VS. INDEPENDENT CONTRACTOR STATUS

(Taken from the IRS 1998 Tax Tips Calendar for Small Businesses, August Section.)

As a new business owner, you may need to call on an expert for special skills or professional guidance. Your workers are either employees or independent contractors, and understanding the difference is crucial when it comes to record keeping and tax reporting. To determine if a worker is an independent contractor or an employee, you must consider these three factors: behavioral control; financial control; and relationship of the parties.

Behavioral Control

Anyone who performs services for you is your employee if you can control what will be done and how it will be done. What matters is that you have the right to control the details of how the services are performed.

Financial Control

This basically answers the question who directs or controls the business aspects of work? Independent contractors are in business for themselves and have a significant financial investment in the facilities used in performing services. They are more likely to have unreimbursed business expenses than employees and can realize a profit or incur a loss.

Relationship of the Parties

If you're confused about whether your bookkeeper, office handyman, or neighbor's son is an employee or independent contractor, you can ask the IRS to help you figure it out. Fill out a Form SS-8, "Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding".

Hiring Employees

As an employer you have certain legal responsibilities when you hire employees. Generally, you must withhold income tax on your employees' wages, withhold the employee share of Social Security and Medicare taxes and contribute your share of Social Security and Medicare taxes as the employer, and pay unemployment (FUTA) tax.

Generally, you must deposit these taxes on a specific deposit schedule at a qualified financial institution or by using Electronic federal tax Payment System (EFTPS). By January 31 of the following year you must give a Form W-2, "Wage and Tax Statement," to your employees showing the amount of their wages and taxes withheld and file a copy with the Social Security Administration by February 28.

Hiring Contractors

When you hire independent contractors to perform services for your business you must file Form 1099-MISC, "Miscellaneous Income," with the IRS by February 28 of the following year if payments to an independent contractor total \$600 or more for the year. You must also give a copy to the independent contractor by January 31 of the following year.

For more information on employees and independent contractors visit the IRS web site at: <http://www.irs.ustreas.gov>

You may want to download the following free publications:
Publication 1779, "Employee or Independent Contractor" and
Publication 15-A, "Employer's Supplemental Tax Guide".

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