



# NECOG Development Corporation

RLF Quarterly Newsletter

January 2011

## Payroll Tax Change

As with the start of any new year, there are multiple changes that we need to take into account. For business owner, this year it includes making an adjustment for payroll taxes.

Due to legislation passed in 2010, employers need to change the amount of taxes they withhold from their employee's pay checks. Beginning January 1<sup>st</sup> the **employee Social Security tax rate** has been **lowered** from 6.2% to **4.2%**. However, the **employer match** of the Social Security tax rate **remains at 6.2%**. Both employer and employee Medicare tax rate remains at 1.45%.

Federal tax tables for withholding taxes have also been updated. These updated tax tables and further information about the change to the Social Security tax can be found online at [www.irs.gov](http://www.irs.gov).

Employers have until January 31<sup>st</sup> to make changes but adjustments need to be made in subsequent pay periods to correct for any additional withholding done to 2011 payrolls. Remember, if you are using a payroll software to download any updates and verify with your software provider that the necessary updates have been made.



## FICTITIOUS BUSINESS NAMES

According to the SD Secretary of State's web page, "You are required to file a fictitious name statement if you operate a business as a proprietorship and do not include the last name of each owner in the business name. Corporate entities that are conducting business in South Dakota under any name other than their corporate name are also required to file (See [SDCL 37-11](#) and [2-14-2](#))".

There are two methods in which you can register a business name, online under the SD Secretary of State's web page or by paper. To file either way, additional information can be found on the web at: <http://www.sdsos.gov/businesservices/fictitiousbusiness.shtm>



## Importance of Networking

*By Rich Galbraith, RLF Manager*

I was again reminded of how important it is to network the other day when I ran across a statistic online while doing research for this newsletter. It was shocking, but made sense. I'll share it with you. According to the Bureau of Labor Statistics; at most, 20% of job openings will be featured on job boards or classifieds. This means that the overwhelming majority (80%) are filled by word of mouth or through networking.

When I was a youngster and watched my mother network, I always called it "gossiping" as I had no patience or knowledge of what networking was. This brings to mind an old saying that we've all heard before; "It's not always what you know, but who you know."

Look at the statistic, above, one more time in a different context. If you're a small business and are not networking, are you only accessing 20% of your potential customers?

Now let's think a little more about networking. There's two forms of networking; the traditional method of meeting individuals face-to-face and the newer method of social networking. Social networking is being used more and more by businesses and young entrepreneurs to reach their customers. Social networking includes popular platforms like Facebook and Twitter.

We all know that word of mouth is one of the best advertising methods a business can use and with social networking platforms word of mouth "gossip" gets around faster than ever.

Many businesses both large and small use Facebook and Twitter to assist them in their business. Just think about the word of mouth advertising that you can influence using today's social networking.



NECOG Development Corporation is an Equal Opportunity Lender, Provider, and Employer.

## QuickBooks

Small Business Development Center (SBDC) will be offering QuickBooks workshops. QuickBooks is a great way to collect your information AND have it readily available during the year to help you better manage your businesses. Whether you are just considering an accounting software package or are currently using QuickBooks, you will find helpful information in these classes.

**The Basics:** Designed for those considering a computer-based accounting system or those QuickBooks users who are using it in their business but feel they could benefit more. Topics covered include: Chart of Accounts, Items, Customers, Vendors, Invoicing, Check Writing, Bills, and Reports.

**Inventory & Payroll:** This training will provide an overview of how inventory and payroll are processed and the basic concerns to be addressed when setting up and using these features. Topics covered include: Inventory Items, Inventory Types, Purchase Orders, Payroll Items, Payroll Checks, Payroll Liabilities, and Reports.

**Register today, slots are filling up fast!**

### QuickBooks

DATE: Wednesday, Feb. 16, 2011

TIME: **The Basics:** 9:00 am to 12:00 noon

**Inventory and Payroll:** 1:30 pm to 4:00 pm

LOCATION: Smart Center, Aberdeen, 416

Production Street (1/2 mile north of RDO  
Equipment Company)

FEE: \$45 per person for one class; \$80 per  
person for both classes. Late fees apply after  
Feb. 7th

### Register Now

Registration can be done by contacting the SBDC in Aberdeen at:

Email: [kweaver@midco.net](mailto:kweaver@midco.net)

Phone: (605) 626-2565



## Bidding Assistance on Government Contracts

Have you ever considered selling your product to the state or federal government, but didn't know where to start. The South Dakota Procurement Technical Assistance Center (SD PTAC) provides technical expertise on an individual basis to processors, manufacturers and other businesses interested in bidding on and receiving federal, state and local government contracts.

SD PTAC provides one-on-one services to business representatives in the areas of counseling, education, subcontracting and other assistance/training.

SD PTAC provides assistance through one-on-one counseling . Counseling may include:

- Identifying opportunities
- Assistance with applications
- Assistance with bids and proposals
- Post award assistance

Education and training is another service provided by SD PTAC. Topics may include:

- Department of Defense Mentor Protégé Pilot Program
- Electronic Business
- Electronic Data Interchange (EDI)
- Central Contractor Registration (CCR)

Many contracting opportunities exist with prime contractors. SD PTAC will:

- Assist small businesses to locate prime contractors to subcontract with.
- Assist large contractors locate viable subcontractors.

SD PTAC provides assistance to businesses with problems or questions pertaining to government contracting. But also provides maintenance of regulations and publications as well as assistance as issues arise.

SD PTAC can be reached at:

<http://www.usd.edu/business/procurement-technical-assistance-center/index.cfm>

Rapid City (605) 394-5311

Sioux Falls (605) 367-5252



**Office of the National Ombudsman**

Source: <http://www.sba.gov>

When America’s small businesses face unfair or excessive federal regulatory enforcement actions, the Office of the National Ombudsman at the U.S. Small Business Administration is available to ensure fairness in the enforcement process.

Created by Congress through the Small Business Regulatory Enforcement Fairness Act, the Office of the National Ombudsman’s primary function is to work with small businesses and federal agencies to ensure that regulatory or compliance actions are handled and enforced fairly by all federal agencies. The National Ombudsman is empowered to receive, substantiate, and report to Congress complaints and comments from small business owners regarding regulatory enforcement actions taken against small businesses by federal agencies.

“The National Ombudsman helps small businesses navigate the seas of federal regulatory enforcement. With a strengthening regulatory paradigm, it is essential that regulatory enforcement be effective, and not excessive,” National Ombudsman and Assistant Administrator for Regulatory Enforcement Fairness Nicholas N. Owens said. “The National Ombudsman’s focus will continue to enhance transparency for small businesses served, and strengthen the relationship between the small business community and the government.”

It is the primary mission of the Office of the National Ombudsman to assist small businesses when they experience excessive or unfair federal regulatory enforcement actions, such as repetitive audits or investigations, excessive fines, penalties, threats, retaliation or other unfair enforcement action by a federal agency.

Also, the National Ombudsman’s office works with 10 regional fairness boards whose membership is

comprised of 50 small business owners from across the country. The Office of the National Ombudsman works closely with more than 35 federal regulatory agencies to resolve complaints about excessive enforcement of federal regulations brought to the attention of the National Ombudsman during hearings and roundtables held in cities nationwide.

Additional information about the Office of the National Ombudsman is available through the SBA at [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman).



*New Look*

Come and visit the new website for the Northeast Council of Governments (NECOG) and the NECOG Development Corporation (NECOG-DC) at [www.necog.org](http://www.necog.org). While we’ve launched our new website, it’s still evolving. If you’ve any suggestions or comments we would like to hear from you.

NECOG is an association of city and county governments formed to provide technical and professional assistance. Our goal, like yours, is to improve the quality of life in Northeast South Dakota by providing the tools to create and retain jobs and increase the services available in your community. To accomplish this goal we offer professional development, planning, and management services to local governments as well as assisting in the administration of local programs and projects.

In addition, through NECOG’s relationship with the NECOG Development Corporation, we help promote economic development in the region by providing financing for new and expanding businesses.



## TIPS FOR DEVELOPING A SUCCESSFUL BANKING RELATIONSHIP

**Deal with Banks Located Close to Your Business.** You will be more inclined to visit your banker, and the reverse will be true, if your bank is local. Only choose a more distant banker if no local bank understands your business needs. Local banks generally have a stronger commitment to support local businesses; therefore, are more receptive to local loan request.

**Make an Appointment, with the Right Person.** First identify the right person to talk with at the bank. Then make an appointment, whether your goal is to obtain some preliminary information or to present your proposal.

**Select a Banker that has an Interest in Your Type of Business.** You should feel you can tell the banker your concerns and he will listen. Likewise, you want the banker to tell you his. It's frustrating to be told "no" to a loan proposal but receive no explanation.

**Ask the Bank for Advice About Your Situation, Not Money.** During any meeting with your banker, ask for advice. Bankers meet with many business owners and see how they deal with problems. Your banker is also knowledgeable about local attorneys, accountants and business consultants.

**Present a Complete Financing Proposal.** Want to leave a good impression with your banker? Make sure your proposal is complete the first time and you will leave a positive impression. Majority

of entrepreneurs approach bankers with poorly thought out proposals, so this is your big chance.

**Tell the Truth.** If you approach your banker trying to hide facts about your business, you are probably going to be unsuccessful. As hard as it may be, disclose problem areas at the beginning and then work to overcome them.

**Be Flexible.** If your banker offers a suggestion about how your proposal might be modified, listen before you reject the advice. The suggestion might not work for your needs, but the banker would not make it if it wasn't important.

**Be Patient.** Entrepreneurs think bankers take way too long to make decisions and bankers always think business owners are in a hurry. Find out before hand how long the process will take. Finally, realize that the process may take longer than anticipated. Lesson here is to start the process well in advance of when the financing is needed.

**Do All of Your Banking at the Same Bank.** Some entrepreneurs are always shopping in hopes of saving some service fees and getting a better interest rate. It always pays to shop around, but having done so, choose one bank to supply all the services you need.

*(Although I would like to give the author of this article credit for their work, the source of this information is unknown to me.)*



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