



NECOG Development Corporation

RLF Quarterly Newsletter

April 2012

South Dakota Market Place October 9-10, 2012

MarketPlace's goal is to increase the understanding and importance of economic development through the exchange of information, ideas and success stories. We want to connect entrepreneurs, farmers/ranchers, community and economic development leaders and help improve skills necessary to make informed decisions to achieve greater prosperity in living and financial assets.

First ever South Dakota MarketPlace was held in July 2011 at the Huron Event Center. This conference featured strong, hands-on learning opportunities for potential and existing business owners including: farm/ranch, store front or home based, women and multicultural owned businesses; community leaders; and youth interested in entrepreneurship. Didn't make it last year? Check out this [video](#) to see what you missed, and learn why you should be there this October!

This year's MarketPlace is: Opening Doors to Success and is a comprehensive two-day event focused on energizing small businesses and rural communities. The 2012 MarketPlace has been scheduled! **Save the Date for October 9-10, 2012.** It will be held at the Huron Event Center. [Click here](#) for even more information on attending MarketPlace 2012! **DOWNLOAD the Save the Date card** and pass it on to anyone who might be interested in attending.

UPCOMING QUICKBOOKS WORKSHOPS

Small Business Development Center (SBDC) will be offering the following QuickBooks workshops. QuickBooks Pro software will be used for the workshop presentation. Participants will view the software live on screen but will not have individual computers. Registration is limited, so sign up today!

QuickBooks: The Basics

WHEN: **Thursday, May 10** 9:00 a.m. to 12 Noon.
COST: \$50 by May 4th, \$55 after May 4th

QuickBooks: The Basics is designed for those who may be considering a computerized accounting system or those QuickBooks users who are starting or would like to explore these features and how the data is managed. Topics covered will include Chart of Accounts, Customers, Vendors, Invoicing, Check Writing, Bills, and Reports.

QuickBooks: Inventory and Payroll

WHEN: **Thursday, May 10** 1:30 p.m. to 4:00 p.m.
COST: \$50 by May 4th, \$55 after May 4th

QuickBooks: Inventory and Payroll 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.

Attend both and save! Participants can attend both classes for only \$90 by May 4th or \$100 after May 4th.

For more information or to register, contact Kelly Weaver at the Small Business Development Center at 626-2565 or kweaver@midco.net. Payments should be sent to Small Business Development Center, 416 Production Street, Aberdeen, SD 57401. The Smart Center is located ½ mile north of RDO Equipment Company.

Avoid Thoughts of Revenge When Your Employee Leaves

By Aaron Clark, McGrath, North Mullin & Kratz, PC LLO

Post-employment actions by an employer against an ex-employee can be the basis for a discrimination charge. Thus, although an employee may depart after an argument, go work for a competitor or just flat out leave the employer “high and dry” by quitting at the worst possible time, the employer must be careful. If the departing employee has previously filed an administrative charge or complaint, an employer’s decision to seek revenge may trigger a retaliation claim. Employers need to realize that even after the employment relationship is over, a former employee can still bring a charge against an employer who engages in retaliatory acts. The famous Chinese philosopher Confucius once said, “Before you embark on a journey of revenge, dig two graves.”

Claims of retaliation are rising all across the country. The Equal Employment Opportunity Commission (EEOC) has reported that over one-third of all new charges are retaliation claims. Retaliation claims can result in an award of back pay, front pay, mental anguish damages, punitive damages and the payment of attorney’s fees and costs. There are several ways an employer can get into trouble from a retaliation standpoint.

Negative Employment References

It is never a good idea to discuss with anyone the circumstances surrounding an employee’s departure. We frequently advise our clients that no information should be provided to potential employers except the position held, dates of employment and in some cases, the compensation received by a former employee. If the employee has previously filed a complaint or charge of discrimination against the employer, a retaliation claim may be asserted based on a negative job reference. An Employee may also claim that the employer’s comments constitute defamation. The best practice is to adopt a

policy providing “Neutral” information whenever a reference is requested and stick to that policy.

Failure to Rehire

A failure to rehire an employee can also support a retaliation claim. If the employee has previously filed a complaint of charge of discrimination, a retaliation claim can be created by simply applying for another position and being denied that opportunity. The EEOC has taken the position that “no rehire” clauses in settlement agreements can be considered retaliatory conduct even though the courts have not embraced that view. Rehiring decisions should be based on the employee’s qualifications and such decisions should be fully documented especially in cases where retaliation may be an issue concerning a particular applicant.

Opposing Unemployment Compensation Claims

Generally, an employee is not entitled to receive unemployment benefits if he or she voluntarily resigns from the job without good cause or if the employee is terminated for misconduct. If the employer truly believes the employee did not have good cause to quit, or was fired for misconduct, it should present its case. However, the employer should not oppose an otherwise legitimate claim for benefits in order to “get even” or harass a former employee. If an employer’s opposition to an unemployment claim is meritless or contains false statements, the employee may have a basis to pursue a retaliation claim. Several courts have reached this conclusion by relying on the US Supreme Court’s decision in *Burlington Northern & Santa Fe RY. V. White*, where the court noted that conduct is retaliatory whenever it dissuades a worker “from making or supporting a charge of discrimination.”

There are some “tactical” reasons why an employer may not want to oppose a claim of unemployment benefits. Plaintiff’s attorneys often rely upon unemployment hearings to obtain evidence that may be helpful to filing an administrative complaint or lawsuit against the employer. *(continued on page 3)*

(Avoiding Thoughts of ... continued from page 2)

An unemployment hearing may provide the attorney an opportunity to cross examine the company's witnesses and obtain statements that could be harmful or damaging down the road.

Employers need to be aware that Title VII and other discrimination laws protect not only current employees but also former employees from retaliation. Employers need to consider the consequences of their actions. Even if the retaliation claim lacks merit, it can still have a costly outcome for an employer who has to incur fees and costs to defend the claim. Avoiding thoughts of revenge when an employee departs is the better approach.

Contact Aaron Clark at aclark@mcgrthnorth.com or 402-341-3070.



Fraudulent Emails

By: Rich Galbraith, NECOG-DC

I recently went through an unpleasant experience where my personal email account was hacked. It was time consuming and troublesome to get the issue resolved.

What should you do if you receive an email appearing to come from someone that you don't know? First of all, be aware that phishing emails frequently have attachments and/or links to web pages that host malicious code and software. Do not open attachments or follow web links in unsolicited emails from unknown parties with whom you do not normally communicate. Also suspect emails that are from known sources, but appear suspicious or otherwise unusual.

Always use an anti-virus software and ensure that the virus signatures are automatically updated. That is make sure that your software is up to date. If malicious code is detected or suspected on a computer, consult with a computer professional.

Incidents are occurring with greater frequency and increased sophistication. Predators are conducting phishing attacks in which they are pretending to be from a business, your bank, IRS, or a relative. Remember that legitimate businesses do not ask for sensitive information through insecure channels.

If you might have been tricked by a phishing email:

- File a report with the Federal Trade Commission at www.ftc.gov/complaint.
- Visit the FTC's Identity Theft website. Victims of phishing could become victims of identity theft; there are steps you can take to minimize your risk.

For more information on phishing scams and other online threats visit www.onguardonline.gov.



Top 10 Bookkeeping Mistakes by Small Businesses

From the *AllBusiness.com Finance & Accounting Center*

From one-person entities to major corporations, bookkeeping is a significant part of any business endeavor. While it is typically not one of the more glamorous jobs, bookkeeping is at the heart of a company's success, and errors can cost the company significantly. Below are 10 of the most common errors that you want to avoid.

1. Not saving receipts of less than \$75. While such receipts may not be required by the IRS, they provide backup documentation for the many deductions you may claim. It is very simple to have a folder for such receipts, which can prove valuable at tax time.
2. Doing it yourself. No matter how much they hate it, many small business owners insist upon handling the books themselves. Having a competent bookkeeper coming in to handle the books can be extremely beneficial in that they have the skills to do the job quickly and efficiently and will provide a second pair of eyes to find errors and make suggestions.

3. Forgetting to track reimbursable expenses. Small business owners often pay for expenses out of pocket or with their own personal credit card then make the mistakes of failing to track these expenses. They then fail to submit the expenses to the company for reimbursement.
4. Not properly classifying employees. The proliferation of independent contractors, consultants, and freelancers has made it difficult to determine who is on staff and who is not. This results in misfiling when it comes to filing taxes since there are different rules and regulations for employees and non-employees.
5. Lack of communication. Having someone handling bookkeeping is only effective if they are filled in and kept up to date on all financial transactions. A frequent mistake is paying someone a bonus and not reporting it or buying supplies and not providing the bookkeeper with the information or receipts.
6. Not reconciling the books with the bank statement each month. One of the fundamental aspects of bookkeeping is reconciling the books and bank statements every month. Nonetheless, there are businesses that do not do this and others where errors are made by not doing it properly. Again, this is a good reason for hiring an experienced bookkeeper.
7. No backup. The paperless office does not exist in the real world, where audits do still exist. A paper trail, documentation or verification in the form of backup documents should be available, especially if all files are on the computer system, which could be prone to technical problems.
8. Not deducting sales tax. A common mistake in retail businesses is not deducting the sales tax from the total sales. This results in a higher total sales amount and does not lower the amount of taxes due.
9. Petty cash nonchalance. A system should be set up whereby a set amount of money is in petty cash and each time money is taken out for any purpose, a petty cash slip is filled out. When the fund is exhausted, the slips will total the original amount and a check can be written to cash to set up the full amount again. Many offices are nonchalant about using the petty cash fund without keeping accurate records.
10. Miscategorization or overcategorization. There are fairly standard categories for expenses. However, often expenses are entered into the wrong categories or too many categories are created. Use general bookkeeping guidelines for standard categorization and create as few new categories as possible. Try to follow generally accepted accounting practices.

Visit the AllBusiness.com finance and accounting center for tips on bookkeeping topics such as payroll, cash flow management and financial reporting. AllBusiness.com is a leading provider of practical information and services for growing businesses.



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