



NECOG Development Corporation

RLF Quarterly Newsletter
October 2015

NECOG-DC Receives New Funds to Add to Lending Portfolio

NECOG-DC is pleased to announce that we have obtained additional funds for lending to businesses in our twelve county area. We received a USDA Rural Development IRP loan in the amount of \$486,861 leveraged with \$162,287 of matching funds from the SD Governor's Office of Economic Development. With these funds, NECOG-DC's total portfolio will reach \$5 million.

Since the program's inception in 1989, NECOG-DC has made 200 loans totaling more than \$13 million. These funds have leveraged over \$86 million in other funds, and have helped to create or retain 1,661 jobs in the NECOG region.

Through our small business loans, NECOG-DC provides access to capital, assists in the creation of new job opportunities, stimulates economic activity in rural areas, and encourages businesses and individuals to invest in the future of local communities. Loans from NECOG-DC can be used for business acquisitions, land/building acquisition, renovation, inventory, equipment, leasehold building improvements, startup costs, and permanent working capital.

NECOG-DC provides direct loans to eligible applicants. Loan limits include a minimum of \$10,000 and a maximum loan amount of \$250,000. Refinancing or restructuring of existing debt is not eligible and funds are targeted for job creation. A minimum 10% equity injection on the part of the applicant will be required, and NECOG-DC requires adequate collateral.

Application forms are available online at www.necog.org or by calling the office. Questions regarding the loan fund or questions regarding the application itself should be directed to Alison Kiesz at (605) 626-2595 or by email at alison@necog.org.

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Can I Pay Ahead on My Loan?

This is a question we frequently get. The answer is “Yes.” There are no pre-payment penalties on any of our loans; which is good news for you as borrowers. That means you can pay ahead at any time.

As almost all of our loans are set up on automatic payments, your next question may be, “How do I pay ahead?” And the simplest answer to that is to send us a check. An extra payment can be for any amount at any time and will be applied to your loan.

You can mail the check to NECOG-DC, 416 Production St N, Suite 1, Aberdeen, SD 57401. If you are in Aberdeen, you can always drop a check off at our office during normal business hours.

Are You Getting the Retail Collection Allowance?

From *Retail Profit* published by the South Dakota Retailers Association

What It Is

The collection allowance is a tax credit which has been in effect in South Dakota since January 1, 2014. It applies to taxes reported on the sales tax return form. The credit is equal to 1.5% of tax remitted, with a monthly cap of \$70.

How To Get It

Only businesses that report and remit their taxes electronically (online) are eligible for the tax credit.

- To sign up for electronic filing, log on to the EPath website at <http://sd.gov/epath>. You will create a username and enter the information including your license number and the owner or DBA name.

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5 Tips to Get Clients to Pay on Time

By Nina Zipkin, on Entrepreneur.com

Don't get stuck in a holding pattern because of late [payments](#) from customers. Keep your cash flowing by maintaining both your client relationships -- and your sanity.

Create a payment calendar. For large jobs, don't just send the client one big bill at the end of the project. Instead, map out when you'll hit specific milestones. Once that calendar is mutually agreed upon, send the client invoices as those aspects of the work are completed. Make it a policy that you won't continue with the next step until you receive payment for the prior one – and send those invoices right away.

Make it worth their while. If you can swing it, consider incentives to encourage your customers to pay or pay through a platform that's most convenient to you. Small nudges can be powerful habit changers.

Be a person, not a bill. Send handwritten thank you notes to clients for big projects – and find out who cuts the checks. Being more than another piece of paperwork to the accounting department can get payments made more quickly.

Send regular reminders. Follow up by e-mail or phone two weeks before invoice deadlines. If clients miss the deadline, call them with a gentle reminder. Being professional, polite and organized will make all the difference.

Stand your ground. Always be upfront with your payment policies, and make sure you protect yourself legally by agreeing to payment collection terms before you get to work for your clients. You also might want to consider charging late fees. Maintain a paper trail and employ the necessary legal advice in the event there is a dispute.

Best Practices for Staffing Absences

by Kelly Weaver, Small Business Development Center Regional Director

Ask any business owner and they will tell you that staffing their business is one of the more challenging aspects of owning a business. With a tight labor market and a multiple-generation work force, this challenge is not any easier today. Compounding the issue for small businesses is that fewer employees means every body is important. Absences, planned or not, have a big impact on day-to-day operations. Consider implementing these practices to give you and your team a fighting chance to weather these impacts.

Create AND Document Procedures – In small business, we tend to handle things ‘on the fly’ without always thinking through the best and most efficient way to handle a task. We also tend to rely on ‘show and tell’ to train new employees. However if the procedures are not written down, they will not be remembered, applied consistently or be available to back up someone new stepping into the role. Remember, the game of ‘Telephone’? By the time the message got to the end of the line, it had morphed considerably from the original message. While you are documenting procedures, be sure to capture all logins and passwords for business applications.

Delegate Tasks – Small business owners are often their own worst enemy in this case. They started the business on their own and by rights have a strong connection to it. But if they are to grow their business, they have to relinquish tasks to others. Your employees are not you and may not operate exactly as you do but you need to trust they can complete the task. And by the way, if you’ve created and documented processes it’s a lot less scary to turn over the task.

Cross Train - For a small staff, you may want to focus first on cross training tasks critical to serving your customers and daily operational success. If the only person who knows how to maintain your website is suddenly ill and unavailable, it’s going to be a very long day/week/month for your online business. A side benefit of cross training is that every employee gets to learn something new, adding challenge and variety to their work day.

Regardless of the reason or length of time that an employee may be gone, these steps will be valuable. As an added bonus, these same steps will also help you with disaster preparedness efforts. Some businesses may think they can’t afford the time to work through these steps but I would venture to say they can’t afford NOT to. (And remember, you don’t have to do this all yourself - see Step 2.)

Kelly Weaver is the Regional Director of the Small Business Development Center in Aberdeen which offers free, confidential business consulting to start up and existing businesses. She can be reached at (605) 626-2565 or kweaver@midco.net.

(Retail Collection Allowance cont.)

- Once you begin using EPath, the system will automatically calculate the allowance for you. It will be displayed on the Return Summary page if you are current on all accounts at that time.

Questions? Call the South Dakota Department of Revenue at 800-829-9188 or visit the EPath website at <http://sd.gov/epath>

FOR SALE

Roy Lake Resort, Lake City – Located in picturesque northeast South Dakota, Roy Lake offers some of the best fishing, camping, swimming and boating to be found anywhere. Roy Lake Resort is situated within the west unit of Roy Lake State Park. The resort is commercially operated under a lease with the South Dakota Department of Game, Fish and Parks. The facilities and equipment for the resort are owned by the current leaseholder. The resort consists of 8 cabins, 6 condominiums and a main lodge. Contact Jan Pitzl at 605-448-5498 or jan@roylakeresort.com.

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