



# NECOG Development Corporation

RLF Newsletter  
August 2018

## Identity Fraud and Theft

By: Alison Kiesz, RLF Manager

One in 30 Americans is affected by identity theft every year. Identity theft is the #1 consumer complaint reported to the Federal Trade Commission (FTC).

There are two different types of identity fraud and theft to be aware of.

One is an isolated incident where someone may steal your debit or credit card number and make an online purchase with it. Once the card (or card number) is reported as stolen, the credit card is shut down and the problem is resolved. While this is certainly a hassle, it's regarded as a one-time incident.

Identity theft on the other hand is where someone steals your identity and wants to become you. They may open accounts and/or apply for credit cards using your name and information. This can be a much longer process to solve.

Here are some tips gathered from financial institutions to help protect yourself from fraud and identity theft:

1. Monitor your financial accounts frequently using online and/or mobile banking services. Review your transactions for unauthorized transactions.
2. Consider using 2-step authentication for online banking (such as sending a one-time verification code to your email or mobile phone).
3. Sign up for account alerts from your financial institution. They can notify you when someone has logged into your account, or tried to. They can also alert you if your balance drops below a predetermined amount; or when large deposits or withdrawals occur. Check to see what other alerts may be available.
4. Change your email and banking passwords every 2-3 months.

(Identity Theft, cont. on Page 2)

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## Youth Entrepreneurship: BIG Idea Competition Opens September 1

by Kelly Weaver, Small Business Development Center Regional Director

Entrepreneurship - taking initiative and risk in a business venture - is one key to supporting our rural economies. The BIG Idea Competition, entering its eleventh year, seeks to promote entrepreneurship, spur creative thinking, and encourage students to start a business.

The BIG Idea Competition is a free business idea competition for high school students. Students submit a written description of their business idea and compete for over \$5,500 in cash awards and scholarships. There is also an optional Marketing Design award where students create an ad to support their business idea. Additional prizes are also available for specific industry categories including Wellness and Food Animal Agriculture.

Students may work individually or as a team and will be able to submit their business idea applications online from September 1 until October 31, 2018. The online application as well as various resources and examples can be accessed at [www.BIGIdeaSD.com](http://www.BIGIdeaSD.com).

The eight (8) top scoring entries will make a verbal presentation at the final competition with the top three entries receiving cash awards and scholarships. Winners of the Marketing Design, Wellness, and Food Animal Agriculture prizes will be recognized at the final competition. Prior to the awards, students will participate in various entrepreneurship activities. The Final Competition and Awards Ceremony will be held on Wednesday, December 5<sup>th</sup> at Northern State University.

Since inception in 2007, the BIG Idea Competition has received over 2,100 entries involving over 3,000 students from 88 schools. By exposing our youth to the challenge of business ownership and the potential of innovative thinking, we hope they will view entrepreneurship as an option for their future. For more information about the program, visit the website at [www.BIGIdeaSD.com](http://www.BIGIdeaSD.com).

## (Identity Theft, cont. from Page 1)

- Your bank account passwords should be different from any other passwords you use.
- 5. Always use pre-established links to access websites. Avoid clicking on links or calling phone numbers from unsolicited emails. If you receive a suspicious email from your financial institution, it's a good idea to call them directly and explain the email and your concern.
  - 6. Always sign off from any website after making a purchase. Likewise, always log-off from your online and/or mobile banking sites. Don't simply close the browser or app.
  - 7. Don't access your financial accounts through public Wi-Fi networks, such as in a coffee shop or library.
  - 8. Don't save passwords for online accounts (or have the website save it for you).
  - 9. When choosing a PIN number, don't use a number or word that appears in your wallet such as name, birth date or phone number.
  - 10. Don't send personal or financial information through email, as it is not secure.
  - 11. Never provide personal or financial information on a call that you did not initiate.
  - 12. Exercise your right to a free annual Credit Bureau Report at [www.annualcreditreport.com](http://www.annualcreditreport.com). You can receive one free credit report from all three credit reporting agencies every 12 months.

If you have been a victim of identity fraud or theft, contact your financial institution and/or credit card company as soon as possible to report the suspected fraud and potentially shut down accounts to prevent further unauthorized access. You should also change passwords on all of your accounts (not just financial accounts) that may contain personal information such as retirement accounts or accounts for health benefits, etc.

## Why Every Business Owner Needs to Know Their Numbers

by Kelly Weaver, Small Business Development Center Regional Director

For me, a big red flag is waved when a business owner says "I pay my accountant/bookkeeper/tax preparer" to handle that." While those advisors are very important, business owners need to take ownership of their numbers. If they don't, their business will not thrive and, in some cases, may not even survive.

I am not advocating that you take on all the duties of tracking your numbers, but you need to be able to read the reports and know whether they make sense, even if numbers are 'not your thing.' If this is an intimidating prospect, the SBDC can help be your guide. The key is to start, to take baby steps. Start with learning what income and expenses show up in what categories (or should), then define a few benchmark metrics that are key to your business and track those on an ongoing basis, next compare numbers between period (month to month, year over year, etc.) and before you know it, you'll be able to analyze your full financial statements.

Why does your business life depend on it? If you don't know your know numbers, you won't see trends that may indicate the need for changes in your operation. You will find it more difficult to borrow money for growth if your financial reports are not in order. Poorly prepared and managed financials will limit your ability to sell your business.

Think of it this way: When you have a plan and direction you want to take your business that should set an expectation of what your sales and expenses should be to accomplish that plan. Then, it is much easier to look at your actual numbers and see if they are in line with those expectations. Strive to review numbers on a monthly basis. The key is to START.

*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 [kelly@growsd.org](mailto:kelly@growsd.org). The Center is hosted by GROW South Dakota.*

## Sales and Use Tax

People who are buying a business for the first time often have many questions about what rules and regulations they must follow - including Sales and Use Tax.

New businesses can apply for a sales tax license with the South Dakota Department of Revenue.

Sales tax applies to the gross receipts of all retail sales, including the sale, lease, or rental of tangible personal property or any product transferred electronically, and the sale of services. Gross receipts are the total amount of money or other consideration the retailer receives for products or services sold, leased, or rented.

The state sales and use tax rate is 4.5%.

Use tax applies to all products and services when the applicable sales tax is not collected. The use tax is due on the purchase price, including freight and handling charges.

Cities may impose a municipal sales and use tax up to 2% that applies to all products and services that are subject to the state sales or use tax. Municipal sales tax applies when the consumer receives the products or services within a city that imposes a tax. Municipal use tax applies to all products and services when the applicable sales tax is not collected within a city that imposes a tax. The municipal use tax rate is based on the location where the product or service is used.

Businesses must file a tax return each reporting period even if they did not conduct business or receive income. Businesses filing paper returns are sent a tax return and worksheet for each reporting period. It is the business's responsibility to contact the department if they do not receive a return. If businesses file electronically, they will not receive a paper return.

Department of Revenue Contact Information  
Phone: 1-800-829-9188.  
Email: [bustax@state.sd.us](mailto:bustax@state.sd.us)  
Website: <http://dor.sd.gov>  
E-file: <http://sd.gov/EPath>

# Upcoming Events

## **SBA 504 Noontime Knowledge | September 24 | 11 am—1 pm | Aberdeen**

Join Dakota Business Finance to learn more about the 504 program and NECOG Development Corporation to discuss GAP financing. The Small Business Development Center will also discuss their services. Free lunch and door prizes. RSVP to: teresa@dakotabusinessfinance.com

## **SBA 504 Noontime Knowledge | October 9 | 11 am—1 pm | Huron**

Join Dakota Business Finance to learn more about the 504 program and NECOG Development Corporation to discuss GAP financing. The Small Business Development Center will also discuss their services. Free lunch and door prizes. RSVP to: teresa@dakotabusinessfinance.com

## **BIG Idea Competition (opens Sept 1)**

The BIG Idea Competition is a free business idea competition for high school students. Students submit a written description of their business idea and compete for over \$5,500 in cash awards and scholarships. There is also an optional Marketing Design award where students create an ad to support their business idea. Students may work individually or as a team and will be able to submit their business idea applications online from September 1 until October 31, 2018. The online application as well as various resources and examples can be accessed at [www.BIGIdeaSD.com](http://www.BIGIdeaSD.com).

## **Mid Year Business Check Up | September 11 | 12:00 – 1:00 pm | \$15 | Aberdeen**

How does your business marketing plan and activities stack up? Justin Fraase, Director of Communications and Marketing for NSU, and SCORE members will cover topics from SCORE's business assessment tool related to marketing as well as answer related questions. Multiple marketing handouts will also be provided. Prior to the session, attendees will be provided a link to SCORE's Business Needs Assessment for their use. Register online at <http://adcsd.com/events/>

## **An Introduction to Internships | September 26 | 12:00 – 1:00 pm | \$15 | Aberdeen**

Is your organization considering creating or expanding a professional internship program? If so, come hear from Scott Peterson and Britt Lorenz, Northern State University, on how to do just that. At this Power Hour you will learn a variety of things such as, the legal guidelines to an internship, academic considerations, internship strategies, program objectives and the two major types of internships. Most of all, you will learn the best practices for implementing a successful internship program for both students and your organization. Register online at <http://adcsd.com/events/>

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