

# THE VET GAZETTE

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**SBDCs a SBA resource-partner that helps technology-based small businesses**

**Small Business Development Technology Centers**

The Small Business Development Centers (SBDCs) are one of several resource partners that SBA uses to provide business development and technical assistance to the small business community. The SBDC network of lead and sub-centers across the country provide management assistance to current and prospective small business owners through a wide variety of information and guidance in central and easy accessible branch locations.

SBDCs typically provide counseling and training that is designed to aid small business owners in operating, managing, growing and sustaining competitive, solvent enterprises. Assistance ranges from but is not limited to one-on-one counseling, cash flow analysis and financial projections, business valuation, business structuring, and market planning, to management techniques, training, debt and equity funding opportunities, and management information system development.

In addition to counseling and training services, SBDCs offer programs in specialty areas, such as technology, procurement, and retail and restaurants. Their procurement assistance are collaborative efforts with the Procurement Technical Assistance Centers (PTACs) which a focus on successfully bidding on and winning government contracts while the networks retail and restaurant program is designed to help in the development of concrete tactics that contribute to the profitability and sustainability of businesses in these industries. To assist small business owners in the retail or restaurant business, the SBDCs have developed a Small Restaurant/Food Checkup and a Business Retail Check quiz <http://www.mdsbdc.umd.edu/retail.html> designed to help business owners determine if they are operating healthy businesses or determine if their firms could use help.

Through its technology and innovation program, SBDCs provide technology commercialization services, which equip entrepreneurs with the skills needed to develop corporate strategies that help bring technologies to market. The Centers have technology consultants who assist technology firms with business management issues specific to their needs, which include but are not limited to:

- Alternative financing
- Patent and trademarks
- Intellectual property
- Product commercialization and marketing
- Subcontracting with large corporations
- Proposals
- Licensing
- Resource Utilization
- **Market and Defense Conversion**
- **Technology Mapping**

Entrepreneurs and small business owners who have an existing technology product that they are looking to commercialize can receive assistance through any SBDC that provides technology commercialization services. In addition, some SBDCs also provide assistance to defense contractors seeking new markets as a result of base closures and realignments.

If as an entrepreneur or small business owner you are seeking assistance in development of new technology or innovation to an existing technology, the Small Business Development Technology Centers can assist you through their engineering development services whereby technology specialists provide management counseling and seminars on technology related concepts and issues. By hiring individuals with technical knowledge, the Centers ensure that in this particular program can provide customized advisement to meet the needs of clients. These centers also have a network of partners and allies that include government agencies, universities and colleges, small business incubators, and private-sector groups that provide various levels of technical assistance for small businesses as well.

Specifically, the Pennsylvania centers ,through engineering development services, offer fully equipped machine shops and state of the art laboratories, a staff of engineers, and SBDC consultants to help companies with engineering design, prototype typing, and product testing assistance. Companies interested in receiving help from the Engineering Development Services will be assisted in their initial feasibility study with a technical

Helping small businesses



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assessment and preliminary patent research. Once initial feasibility has been established, a preliminary business plan is written and the company can begin taking advantage of the SBDC's full range of services.

When the development phase is complete, the SBDC staff helps identify vendors to manufacture your product. Consultants of the local SBDC will then assist with proposals, marketing, advertising and any other help needed to bring the product to market.

The Ohio Manufacturing and Technology Small Business Development Centers (MTSBDCs) offer a wide variety of assistance to manufacturing, defense or technology-focused small business while the Missouri Market Development Program helps small manufactures find and use recycled materials in producing new products. This particular program provides companies with: information about the financial and environmental benefits of using recycled materials; help in locating recycled materials that can be used in manufacturing the company's products; technical and financial help in adapting manufacturing processes to use recycled materials; and assistance in promoting recycled products and services.

The services and assistance provided through the SBDC Technology and Innovation or the SBDC Manufacturing and Technology programs vary by center, state, client needs. However, you can be certain that if you have or are starting a technology-based small business, you will be able to find the assistance needed through the SBDC Technology Centers. For more information on the Small Business Development Centers their core and specialized programs and services, visit [www.sba.gov/sbdc](http://www.sba.gov/sbdc).

### ESGR Ombudsman Services

The ESGR Ombudsman Service Program was established to provide information counseling and mediation on issues related to the Uniformed Services Employment and Reemployment Rights Act (USERRA). ESGR Ombudsman Services consists of a Customer Service Center to answer phone calls and emails involving USERRA questions. Specially trained members of the Ombudsmen are available to assist members of the Guard and Reserve in resolving disputes with their civilian employers related to military service in the .

Uniformed Services through mediations. ESGR Ombudsmen are volunteers located throughout the US and its territories.

ESGR's Customer Service Center is available for anyone with a USERRA question, the center can be reached Monday thru Friday, expect on (Federal holidays) 8:00 a.m. to 6:00 p.m. (EST) @ [1-800-336-4590](tel:1-800-336-4590) (option 1), by email : [USERRA@osd.mil](mailto:USERRA@osd.mil), or by submitting an Online USERRA Support Request.

When a conflict arises, at the request of a service member a local ESGR Ombudsman can be assigned to assist in resolving the dispute or conflict through mediation. The ESGR Ombudsman will remain neutral, listen to what the service member (employee) and employer have to say and provide them with information from USERRA and/or the U.S. Code of Federal Regulations to help guide them in reaching an agreement on how to resolve the issue(s). If an agreement cannot be reached, the Ombudsman will notify the service member and employer that the service member can file a case with the U.S. Department of Labor/Veterans Employment and Training Service or hire a private attorney.

### Doing Business with the Department of Labor (DOL)

To increase the Department of Labor's utilization of all types of small businesses, the agency's Office of Small Business Programs (OSBP) sponsors Small Business Vendor Outreach Sessions (VOS). These sessions offer small businesses the opportunity to market their capabilities directly to OSBP and agency program officials and learn about potential Department procurement opportunities. Conversely, Department procurement officials can learn more about the diverse small business resources available to meet their procurement needs.

Department of Labor agencies buy a wide variety of goods and services valued at approximately \$1.6 billion each year. Each DOL agency has a responsibility for procuring its own goods and services in support of the agency's mission. Information about what each agency buys is available on the Department of Labor Small Business Procurement Power Page, [www.dol.gov/osbp/vendor](http://www.dol.gov/osbp/vendor).

Vendor Outreach Sessions are held in the Department of Labor Great Hall on the second Wednesday of the designated month

(unless otherwise noted) from 9:00 a.m. until 12:00 noon. Online registration will be available 30 days prior to each session. To allow all vendors equal opportunity to introduce their companies, each company is limited to eight 15-minute appointments with DOL agency representatives per session. The first appointments begin at 9:00 a.m. and the last appointments begin at 11:45 a.m. Follow-up meetings with agency representatives may be scheduled for a later date, if mutually agreed upon.

The next Vendor Outreach Session is scheduled for Wednesday, May 13, 2009. Registration for this session will be open on Monday, April 13, 2009. Vendors may sign up for up to eight appointments at the Outreach Sessions by registering on line when sessions are announced.

Registration for the May 13th Outreach Session ends at 12:00 noon, Friday, May 8, 2009. If you have questions call [202.693.6463](tel:202.693.6463).

Because of unexpected circumstances, last-minute cancellations and no-shows by scheduled vendors, walk-ins generally are able to do very well with meeting with agency representatives. To register for a walk-in, complete and submit a registration form. Walk-in registration for the May session ends at 12:00 noon, Friday, May 8, 2009.

Be sure, however, before registering for a Vendor Outreach Session to visit other sites on the Small Business Procurement Power Page to learn about the mission of each DOL agency and what each buys. The Procurement Power Page includes:

- What the Department of Labor Buys;
- A booklet which describes different agency functions;
- Department of Labor Annual Acquisition Plan and Procurement Forecast;
- Department of Labor Grants and Various Department Contracting Information.

### Upcoming Vendor Outreach Session

Following is a schedule of Vendor Outreach Sessions for the Department of

Labor for the remainder of fiscal 2009 and the first quarter of fiscal 2010:

- May 13, 2009
- July 8, 2009 (Featuring HUBZone)
- October 14, 2009 (Featuring SDVOSB).

Remember to identify the products and services each agency purchases and match those with your capabilities. Your capability statements should reflect the skills that match what the agencies purchase, are detailed and include NAICS codes, indicate prior experience, prior government contracts and references, etc.

For additional information on procurement or grant opportunities with the Department of Labor, visit their website at [www.dol.gov](http://www.dol.gov).

### Disaster Assistance Online

DisasterAssistance.gov is a secure, user friendly website that consolidates information about federally funded government assistance to disaster victims.

SBA and 15 other federal agencies have partnered with FEMA to develop the website. When you answer a secure online questionnaire, DisasterAssistance.gov will help you identify forms of assistance that you may qualify for, making it easier and faster for you to find application information.

Currently, you can apply for FEMA individual assistance and Small Business Administration loans through an online application. In addition, you can access information about forms of assistance available through other agencies that do not have online application at this time.

In the coming months, more forms of assistance will be available through an online application on DisasterAssistance.gov. For more information on SBA's disaster assistance program visit [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance).

### Operating an Energy Efficient Home-based Business

Saving energy is something we all want to do whether or not we own a business or a home because it saves money, and helps reduce carbon emissions that cause pollution.

Nevertheless, energy efficiency is certainly

a concern in the forefront of small business owners minds particularly in these difficult economic times. Operating an energy efficient home-based business, however, is not as difficult a task as it might seem.

The Environmental Protection Agency has an excellent energy efficiency program for small business under its Energy Star program.

If you operate a home-based business there are a number of steps that you can take to help reduce energy consumption, thereby, reducing energy cost and saving money.

Saving energy for your home-based business may seem like a challenge, but there are some simple, no-cost or low-cost steps you can take to reduce your energy bills by as much as 30 percent.

Below are some energy saving options that you may consider using; be sure to check out EPA's Simple, Sure Energy Saver's website at [www.energystar.gov/index.cfm?c=small\\_business.sb\\_homebusiness](http://www.energystar.gov/index.cfm?c=small_business.sb_homebusiness) for more ways to save energy and money while preventing pollution.

#### No-Cost Options:

- Turn up or turn back the thermostat during unoccupied times
- Consider buying a programmable thermostat
- Turn off lights or office equipment at night and over the weekend
- Take advantage of daylight
- Use email instead of faxes and paper memos or letters
- Disconnect unnecessary equipment.

#### Low-Cost Options:

- Caulk and weather-strip windows and doors
- Replace light bulbs with more efficient ones. Consider changing to high-efficiency light bulbs or CFLs
- Install timers on lights and electric equipment
- Install blinds or shades to keep out summer sun and lower-air

conditioning costs

- Fix leaky faucets, showerheads, pipes and toilets
- Consider buying Energy Star labeled equipment, such as computers, monitors, fax machines, printers, and copiers.

Just by making this few no-cost or low-cost changes in your home, will save you lots of money that can be channeled into your home-based business. For more detailed information on EPA's Small Business Energy Star program visit [www.energystar.gov](http://www.energystar.gov).

### Business Internal Controls

All businesses have, or at least should have procedures, plans and policies in place to ensure that the organization operates as effectively and efficiently as possible. These plans or operational measures are designed to monitor the firm's assets, prevent fraud, minimize errors, authenticate the accuracy and reliability of accounting data, and promote the efficient operation of the firm while ensuring that established management practices are followed. Such measures known as internal controls, are used by accountants and auditors to test the effectiveness of the firm's ongoing compliance with the established financial and managerial practices implemented by the firm.

At one time internal controls were generally used to test, evaluate, and validate accounting and financial transactions, information, and data and to assure accuracy in financial reporting. With the advent of the Internet, rapid advances in technology, flexible manufacturing processes, and concepts such as total quality management and quality control; the business environment has become a more complex, competitive, volatile arena that has required the need to re-engineer business processes and establish new business models. From such restructuring, internal control systems are also used to test, evaluate, and validate all aspects of a firm's operations and administration to ensure that management objectives/decisions are being fulfilled and established administrative, operational, and financial policies and procedures are being followed. The internal controls a business establishes

should be inclusive and all encompassing and should extend to administrative and operational systems as well. Keep in mind that the objectives of internal control systems are to achieve: 1) organizational goals; 2) operational efficiencies and effectiveness; 3) compliance with germane laws and regulations; 4) safeguard assets against waste, fraud, misuse, and unauthorized use of resources; and 5) accurate and proper reporting and recording of revenue and data.

A firm's internal controls should include finance, operations, and administration. Quality control is a type of internal control mechanism generally used by manufacturing and engineering firms to assure that products and services meet or exceed customer requirements and expectations. However, quality control should not be a tool used only by manufacturing or engineering firms but rather a tool used by any firm that sells products or provides services to customers. Quality control could be as simple as assuring that accounting reports are accurate and completed in a timely manner, having good customer service representatives operate a call center, receipt of just-in-time inventory for timely shipments of purchases by a distributor, listening to customer complaints and taking the necessary corrective actions, or ensuring that customers are given top notch service when shopping at your store.

Clearly, implementation of comprehensive internal control systems goes far beyond excellence in product development, service delivery, or accuracy in reporting/recording revenue to encompass all systems that result in business efficiencies, effectiveness, compliance with regulatory requirements/laws, and economy.

The various types of internal controls are accounting, administrative, operational, preventive, and detective. All are designed to achieve specific organizational objectives and compliance with management decisions. Accounting controls, for example, ensure that: 1) financial transactions are properly authorized and reported, 2) access to assets is properly authorized, 3) financial statements are prepared correctly, and 4) recorded assets are periodically compared and reconciled with existing assets. Regardless of the level of sophistication, any accounting system should accomplish the following objectives for a small business or any business:

1. yield an accurate, thorough picture of operating results;
2. permit an immediate comparison of current data with prior year's operating results and budget goals;
3. provide financial statements that management, lenders, and potential creditors may use;
4. facilitate prompt filing of reports and tax returns to regulatory and tax-collecting government agencies; and
5. expose employee fraud, theft, waste, and record-keeping errors.

Characteristically, administrative and operational controls advance efficiency in daily operations of the firm and ensure that management's objectives and decisions are being followed. Preventive controls keep errors or irregularities from occurring in the first place while detective controls identify errors or irregularities that have occurred to assure prompt corrective action.

The types and complexity of internal controls firms implement depend often on the business type, size, location, and the industry in which it operates. For example, large businesses and multi-national corporations may have more complex, extensive internal control systems than may medium-sized or small businesses. A company that hauls hazardous waste must concern itself with not only the transport of toxic materials but also, its proper disposal, and compliance with federal/state environmental protection laws and reporting requirements.

Regardless of business size, type, location, or industry there are regulatory laws and policies to which all businesses must adhere. Such regulatory requirements or laws may range from local commercial zoning laws, pickup and disposal of trash, business recycling/reporting requirements, reporting and payment of quarterly taxes, and compliance with the America for Disabilities Act to requesting a TIN (tax identification number) versus an EIN (employee identification number), OSHA regulations, wage and hour laws, Equal Opportunity Employment Laws, or interstate commerce regulations/policies/laws.

Establishing and implementing internal control systems for a small business isn't necessarily a complex extensive process initially, but it requires careful examinations of the firm, its assets, and managerial objectives. It may simply require looking at the organizational structure and identifying what checks and balances

must be put in place and where, who will report to whom, what reports and payments are due and when, and who is responsible for what. For example, a computer report listing employers assigned a lower tax rate is an operational/detective type of internal control. Its purpose is to verify that lower tax rates are assigned to qualified employees only. This kind of report prevents employees who don't qualify for a lower tax rate from being assigned to this particular category. However, the detective nature of the control mechanism, aids in identifying employees who have mistakenly been placed in this tax rate category and allows for the necessary corrective action to be taken immediately to rectify the error.

#### **Administrative/Preventive Control**

An administrative/preventive internal control may be the approval by the supervisor of employees' attendance entries. The purpose of this control mechanism is to ensure adherence to time and attendance procedures. The corrective aspect of this type of internal control procedure is for the supervisor to ensure that the time entries employees submit are in fact accurate. If this is not the case, it's the responsibility of the supervisor to correct discrepancies and to address this problem with employees. Such actions ensure that accurate time, attendance, and payroll records are maintained.

#### **Accounting/Detective Control**

A financial/detective control may be to link to Tele-check to identify customers who continuously write or have written bad checks. The accounting aspect of this control prevents receipt of bad checks, the attendant loss of inventory, and the time it takes to collect money for bad purchases while the detective aspect immediately identifies bad-check writers and prevents sales from occurring.

#### **Operational/Detective Control**

Finally, an operational/detective internal control may consist of a computer cross matching of unemployment insurance benefits and employment files. The intent of this type of operational internal control system is to identify fraud in receipt of benefits. The detective aspect of such a system identifies employees or former employees who are fraudulently receiving unemployment insurance benefits and allows for immediate rectification of such errors.

In adequate internal controls routinely result in loss revenue, loss market share, loss of critical business information and data, inaccurate/untimely reporting, or failure on outside audits or reviews. Potentially serious consequences are faced by any business, organization, or agency that lacks control systems, has weak control systems, or has controls which are not followed. A failure in control systems jeopardizes a firm's ability to provide goods or critical services in a timely, efficient manner and may result in such negative consequences as:

1. loss of assets and resources;
2. intentional errors, illegal acts, or unauthorized use of resources;
3. unintentional errors, inefficiency, or waste;
4. mismanagement;
5. loss of consumer confidence and market share;
6. erroneous reporting of information;
7. failure of the business to meet and certainly exceed management objectives;
8. failure to follow management decisions and policies;
9. failure to meet regulatory requirements; and
10. failure on outside audits or reviews.

It is important for firms to identify, establish, and implement effective internal controls because such measures ensure compliance with regulatory requirements, timely accurate reporting, elimination of fraud, waste, unauthorized access to and use of assets, misuse of resources, and fulfillment of management objectives.

### **Border Agency to Hire More Army Reservists by VetJobs Vet Eagle**

The Army Reserve and U.S. Customs and Border Protection signed an agreement to create a partnership aimed at filling some of the growing federal agency's 11,000 job openings with Army reservists. The border agency is the first federal entity to join the Army Reserve's Employer Partnership Initiative, a collaborative project established last year aimed at placing reservists with a host of employers in the public and private sectors. The Army Reserve has begun preliminary discussions about establishing a similar partnership with the Federal Aviation Administration, which is in need of air traffic controllers. The Army is also considering approaching the FBI.

### **American Recovery and Reinvestment Act of 2009 Helps Small Businesses by IRS**

Congress approved and the President signed new economic recovery legislation, the American Recovery and Reinvestment Act of 2009 (ARRA) two months ago. Here are some key tax highlights for small businesses and their employees.

#### **Net Operating Loss Carry-back**

Small businesses with deductions exceeding their income in 2008 can use a new net operating loss tax provision in ARRA to get a refund of taxes paid over the past five years instead of the usual two. To accommodate the change in tax law, the IRS has updated Publication 536, Net Operating Losses (NOLs) for Individuals, Estates and Trusts, as well as the instructions for Form 1045 and Form 1139, which small businesses will use to take advantage of the carry-back provision. An IRS news release and question-and-answer document have more information on the net operating loss carry-back provision. Technical information is contained in Revenue Procedure 2009-19.

#### **Section 179 Deduction**

A qualifying taxpayer can choose to treat the cost of certain property as an expense and deduct it in the year the property is placed in service instead of depreciating it over several years. This property is frequently referred to as section 179 property.

Under ARRA, qualifying businesses can continue to expense up to \$250,000 of section 179 property for tax years beginning in 2009. Without ARRA, the 2009 expensing limit for section 179 property would have been \$133,000. The \$250,000 amount provided under the new law is reduced if the cost of all section 179 property placed in service by the taxpayer during the tax year exceeds \$800,000. The new law does not alter the section 179 limitation imposed on sport utility vehicles, which have an expense limit of \$25,000.

#### **The American Recovery Act Also includes the following business provisions**

**Reduction of Estimated Tax Payments:** Normally, small businesses have to pay 110 percent of their previous year's taxes in estimated taxes. The Recovery Act permits small businesses to reduce their estimated payments to 90 percent of the previous year's taxes

**Extension of Bonus Depreciation Deductions Through 2009:** Bonus depreciation is extended through 2009, allowing businesses to take a

Larger tax deduction within the first year of a property's purchase.

**Capital Gains Tax Break for Investment in Small Business:** Investors in small business

### **OTHER RESOURCES**

<http://www.irs.gov/>  
[www.military.com](http://www.military.com)  
[www.vetjobs.com](http://www.vetjobs.com)  
[www.publicforuminstitute.org](http://www.publicforuminstitute.org)  
[www.commerce.gov](http://www.commerce.gov)  
[www.hirevetsfirst.gov](http://www.hirevetsfirst.gov)  
[www.hirevestfirst.gov/smallbizown.asp](http://www.hirevestfirst.gov/smallbizown.asp)  
[www.dol.gov](http://www.dol.gov)  
[www.ssa.gov/emergency](http://www.ssa.gov/emergency)  
[www.ssa.gov](http://www.ssa.gov)  
[www.sba.tmonline](http://www.sba.tmonline)  
[ESGR Programs](http://www.esgr.gov)  
[ESGR Tips for Military Members](http://www.esgr.gov)  
[Veterans Business Outreach Center: Serving the Veterans of New York State](http://www.veteransbusinessoutreachcenter.org)  
[Veterans Business Outreach Center – University of West Florida](http://www.veteransbusinessoutreachcenter.org)  
[Veterans Business Outreach Center – Robert Morris University](http://www.veteransbusinessoutreachcenter.org)  
[Veterans Business Outreach Center – The University of Texas-Pan American](http://www.veteransbusinessoutreachcenter.org)  
[Veterans Business Outreach Center – California VBOC Office of Advocacy](http://www.veteransbusinessoutreachcenter.org)  
<http://www.apta-us.org/new/>  
[www.nchv.org](http://www.nchv.org)  
[Kauffman eVenturing \[www.eVenturing.org\]\(http://www.eVenturing.org\)](http://www.kauffmanventuring.com)

who hold their investments for five years can exclude from taxation 75 percent of their capital gains.

#### **Other Provisions**

**Increased Transportation Subsidy:** Employer-provided benefits for transit and parking are up in 2009 (see related article). Up to \$2,400 in Unemployment Benefits Tax Free in 2009: Individuals should check their tax withholding.

**COBRA:** Health Insurance Continuation Subsidy: The IRS has extensive guidance for employers, including an updated Form 941, as well as information for qualifying individuals.

**First-Time Homebuyer Credit Expands:** Homebuyers who purchase in 2009 can get a credit of up to \$8,000 with no pay-back requirement.

**Enhanced Credits for Tax Years 2009, 2010:** Details available on the earned income tax credit, additional child tax credit and American Opportunity Credit, a new higher education benefit.

**Payroll Checks Increased This Spring:** The Making Work Pay Tax Credit will mean \$400 to \$800 for many Americans. The IRS has issued new withholding tables for employers.

**Money Back for New Vehicle Purchases:** Taxpayers who buy certain new vehicles in 2009 can deduct the state and local sales taxes they paid IRS.