

“Celebrating 30 Years of Small Business Success”

	<p>The Illinois Small Business Development Center Network</p> <h2>WEEKLY CONNECTION</h2> <p>Entrepreneurship ~ Innovation ~ Technology</p>
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September 8, 2014

SPECIAL NOTE: You are receiving this abbreviated version of the Weekly Connection, a few days early, due to the Annual Conference for America’s SBDC being held the week of September 8th in Grapevine, TX. The Illinois SBDC will have over 55 people participating in this year’s outstanding professional development conference. The conference is being chaired by the Illinois SBDC Network’s very own Rod Hollenstine.

In Today’s Weekly Connection:

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Illinois SBDC State Star

The Illinois SBDC is proud to announce that Harriet Parker, the Director of the Illinois Small Business Development Center at Waubensee Community College will be recognized as the America’s SBDC Illinois State Star for 2014. Harriet will be recognized at a special V.I.P. America’s SBDC State Star Reception at the Association of Small Business Development Centers Annual Conference at the Gaylord Texan Hotel and Resort in Grapevine, TX on Tuesday, September 9, 2014. Huge Congratulations goes out to Harriet for this outstanding honor !!!



Classifying Employees as Independent Contractors

By Tya Bolton on washingtonpost.com, 8/27/14 - When I started my company in 2006, my intent was to have only independent contractors for the first five years, with the goal of

minimizing overhead. My plan was to re-evaluate growth, goals, expenses and income in 2011 to determine whether I should start onboarding employees. However, as with most small businesses, there's always something that doesn't go according to plan — at all. This was one of those things.

At the conclusion of a long-term project with one of my customers, an independent contractor who had been providing onsite support for the project filed for unemployment benefits. What the what?

How can my former independent contractor file for unemployment when our duly signed, attorney-approved agreement clearly states "independent contractor?" When I received a notice from the Department of Labor, Licensing and Regulation, I thought it would be resolved quickly one I sent them the signed agreement.

Well, it wasn't. My next notice included a case number for an audit of the work and compensation history not just for that individual, but for my records on every person I had hired in the three years leading up to that. During the audit, DLLR officials reviewed my payroll information and compared workers to see if those who had been doing similar work were identifying it the same way on their income tax returns. They also wanted to know whether each contractor had an online presence (they asked me for Web site addresses) and whether each individual had been doing work onsite for my company in Maryland. Not only did they determine that one past contractor was an employee, they also designated three others as employees. As a result, I had to pay thousands of dollars in employment taxes for those individuals for that entire timeframe, even though some of them weren't even on my payroll at the time of the audit.

Of course, I thought I had done my due diligence in the beginning to develop an understanding of what constitutes an employee versus an independent contractor. Ultimately, though, reading through the Internal Revenue Service's checklist and trying to sort through my state's guidelines on my own didn't prove sufficient.

So, if you're structuring a company like mine and you aren't sure, call the IRS and talk it through. Explain the type of work an individual will be doing and ask for some guidance. After going through this, I've done consulting work for my clients to help them make better hiring decisions. For instance, I had a customer who was offering their independent contractors full benefits, and another whose contractors were working onsite and had no other customers they were claiming work for on their taxes. I've been able to guide them in the right direction and help them avoid potential audits.

Make sure you are identifying and verifying these details with your contractors:

- Does your contractor do similar work for others and identify that on their tax forms?
- Does the contractor have a Web site?
- Has the contractor provided you with a complete W-9 [tax form](#)?
- Are you giving the contractor control to handle tasks with little direction from you?

If you are unsure about any of these items, I suggest you seriously consider making the individual an employee — or at the very least, pick up the phone and seek some guidance.

For more: http://www.washingtonpost.com/business/on-small-business/small-business-big-mistake-classifying-employees-as-independent-contractors/2014/08/27/d2af22bc-2d40-11e4-994d-202962a9150c_story.html

Program Success of the Week – ShapeMaster

ShapeMaster Inc., is a primarily plastics molding and fabrication manufacturer in Ogden, Illinois. In 2015, they will celebrate 25 years as a family owned business led by Ken and Pam Cooley. They typically employ about 20 full and part-time staff. The firm does thermo/vacuum forming, CNC machining, 3-D printing, welding and plastic bending for diverse industries such as medical, automotive, agriculture and hospitality. ShapeMaster

also works with other metals such as aluminum, as well as resins, foam, wood and rubber. They have also collaborated on research projects with major universities.

Kathie Cravens, the International Trade Specialist at the Champaign County Economic Development Corporation Small Business Development Center (SBDC) visited ShapeMaster in late 2013 to discuss exporting. Mr. Cooley said, "As a small local manufacturing company, we had never really considered the possibility of exporting. When we received a request to ship freight internationally, we did not know where to start. However, we had been made aware of the exporting services arm of the SBDC a few months earlier and knew just who to contact. (Kathie Cravens of the Champaign International Trade Center had come out to our facility just to make us familiar with the possibility of exporting.) She was 'Johnny on the spot' to provide assistance every step of the way. She made numerous trips to our office and put us in contact with wonderful people. Our first overseas shipment has been completed flawlessly with her assistance." Kathie continues her close relationship with the Cooley's and they recently spoke about their experiences with the East Central Illinois Development Corporation Board of Directors. Mr. Cooley speaks highly of the work being done by Kathie, "We have come to deeply appreciate the services provided by the Champaign International Trade Center."

See ShapeMaster on the web at <http://www.shape-master.com/> or call 800/779-6925.

Resource of the Week – Boutique Window

This site claims to "Manage your store's website, email and social media from one easy-to-use tool," and that it is "an all-in-one marketing platform for all types of retail stores." See more at: <http://www.boutiquewindow.com/>

Neoserra Update – Using Spellcheck in Neoserra

Learn how to spell check advising notes at this link:

<http://support.outreachsystems.com/resources/help/neoserra/faq.jsp?id=n16>

Moves and News

CHASE CELEBRATES ITS SUPPORT FOR SMALL BUSINESS WITH \$3 MILLION MISSION MAIN STREETSM GRANTS PROGRAM - Premier Sponsor Google to add its unique tools and insights to support grant recipients

On September 3, 2014 [Chase](#) continues its ongoing commitment to small business with the launch of [Mission Main StreetSM Grants](#), a program that will award 20 grants of \$150,000 to small businesses nationwide. Qualifying businesses that apply for a grant will gain access to a marketing Toolkit and a \$150 coupon toward one market research study with Google Consumer Surveys from Premier Sponsor, Google. In addition, the 20 grant recipients will receive a trip to Google for an exclusive small business marketing workshop, a Google Chromebook Laptop computer and a \$2,000 coupon toward one market research study with [Google Consumer Surveys](#).

Today through October 3, any for-profit business in the U.S. with fewer than 100 employees and which meets all other eligibility requirements may apply. Full eligibility requirements are available at www.MissionMainStreetGrants.com/rules.

"Small businesses are invaluable to the growth of our economy and represent the lifeblood of the neighborhoods and communities they serve," said Jennifer Piepszak, Head of Sales and Strategy for Chase Business Banking. "This year, we've expanded our grant program to help even more small businesses by contributing to their success and offering them insights and access to the best tools to fuel their growth."

Everyone is invited to show their support for their favorite registered small businesses by voting through their Facebook account at www.MissionMainStreetGrants.com. Businesses must receive at least 250 votes to be considered for a grant. The public voting period is open from September 3, 2014 through October 17, 2014.

"The Internet has proven to be a vital pipeline for small businesses, and it continues to connect more businesses to their customers every day," said Jon Kaplan, Vice President of US Sales & Operations, Google Inc. "We're excited to join Chase once again for the Mission Main Street Grants program to recognize some of the great small businesses around the country and help them make the most of the Web." The 20 grant recipients will be selected by a panel of experts representing a diverse group of organizations with a passion for small business. The panel of judges includes:

- Darla Beggs**, National Board Chair, National Association of Women Business Owners
- Nick Cannon**, Entrepertainer, Ncredible
- David C. Chavern**, Executive Vice President & Chief Operating Officer, U.S. Chamber of Commerce
- Mark Garzone**, Senior Vice President, Marketing, National Federation of Independent Business
- Carla Hall**, celebrity chef and owner of Carla Hall Petite Cookies
- Jon Kaplan**, Vice President, US Sales & Operations, Google Inc.
- Chance Mitchell**, CEO & Co-Founder, National Gay and Lesbian Chamber of Commerce
- Marc H. Morial**, President & CEO, National Urban League
- Marc Nager**, Chief Executive Officer, UP Global
- Matthew Pavelek**, Director of Communications, National Veteran Owned Business Association
- Andres Peña**, Vice President, External Affairs, U.S. Hispanic Chamber of Commerce
- Jennifer Piepszak**, National Head of Sales, Chase Business Banking
- J.P. Torres**, PR & Communications Director, U.S. Pan Asian American Chamber of Commerce Education Foundation
- Candace Waterman**, Chief of Staff, Certification & Program Operations, Women Business Enterprise National Council
- Joset Wright-Lacy**, President, National Minority Supplier Development Council

"Small businesses are driving opportunities in their cities, recruiting talent from their communities and contributing to the ongoing growth of our economy. This program is a unique way to find remarkable enterprises that are ready for their next stage and we invite all businesses who qualify to consider applying", said Javier Palomarez, CEO of the US Hispanic Chamber of Commerce.

The program application is in English. Chase bankers are available to assist applicants who speak other languages complete the process. [Mission Main StreetSM Grants](http://www.MissionMainStreetGrants.com) recipients will be announced in January 2015.

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The **WEEKLY CONNECTION** is distributed by the Illinois SBDC and DCEO Office of Entrepreneurship, Innovation & Technology each Monday to members of the DCEO Illinois SBDC Network to provide the service delivery partners with regular updates on small business issues, opportunities and resources. You may send any information to share with the Illinois SBDC Network to Tom.Becker@illinois.gov. Please feel free to forward this update to other interested resource providers and key stakeholders.
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