

DOWNTOWN HAGERSTOWN BUSINESS BLUEPRINT

Your Guide to Success

November 20th, 2024



Julie Rohm, Chair
GHC Downtown Enhancement Committee

WELCOME

**You can find today's presentation on
GHC's Website Under the Publications Tab**
www.greaterhagerstown.org

Basics of a Downtown Business

Entrepreneurial Success: Business Planning, HR, Accounting, Insurance Marketing, and Employee Training

NOVEMBER 20th, 2024 AGENDA:

- 8:30-8:35 a.m. Julie Rohm – Chair of The Greater Hagerstown Committee's
Downtown Enhancement Committee - Welcome
- 8:35-8:50 a.m. Herb Melrath – SBDC Services & Business Planning
- 8:50-9:00 a.m. Tereance Moore – Human Resources Best Practices
- 9:00-9:10 a.m. Steven Stitely – Accounting, Taxes, and Payroll Overview
- 9:10-9:20 a.m. Steve Swayne – Insurance Needs for New Businesses
- 9:20-9:30 a.m. Kelsi Palmer – Promotion and Marketing Advice
- 9:30-9:45 a.m. Randy Scott – Training Your Employees for Success
- 9:45-10:00 a.m. Q&A



**Herb
Melrath**

Small Business
Development
Center
Business Consultant



**Tereance
Moore**

TM Consulting
Owner



**Steven
Stitely**

Saunders Tax &
Accounting
Operations Manager



**Steve
Swayne**

State Farm
Insurance Agency
Owner



**Kelsi
Palmer**

Kite & Anchor
CXO



**Randy
Scott**

Blessed 2 Serve
LLC - Chick-fil-A
Owner

<https://www.marylandsbdc.org/>



Herb Melrath
Small Business Development Center
Business Consultant
Washington - Western Region



Business Start-Up Accelerator Program Series
Your Business Venture Starts Here!
October 7, 11, 18, 21, 25, 28, 30 & November 1, 4, and 8

Are you interested in starting your own business? This might be the time in your life to become the business owner you have always wanted to become and pursue that dream! This "Business Start-Up Accelerator Program" is a series of training opportunities to give the upcoming entrepreneur the basic knowledge one needs to not only survive but thrive as a business owner. From writing your business plan and obtaining funding, to getting your product or service marketed, to protecting your business from cyber threats in addition to many other avenues for consideration when starting a business, this program is for you!

This 10-session/12-training topics program includes instruction on:

- Planning for Your Business Ownership Journey
- Creating & Developing A Business Plan
- Small Business Lending 101
- Funding Options For Your Business
- Researching Your Business Competition/Elements Of Your Marketing Plan
- Accounting, Finances & Taxes
- Building Your Professional Web Presence-The Roadmap You Will Need
- Essential Steps For Strategic Marketing
- Cybersecurity for Your Business-You Are The Last Line Of Defense
- Create A Marketing System For Your Business
- Employment Law 101 For Small Businesses

Partnering with Maryland Business Opportunity Center (MBOC)

Cost: \$199/12 Sessions--EARLY BIRD RATE \$99



[Register Here](#)

www.Marylandsbdc.org
For More Information Please
Contact clanm@umd.edu

[Facebook](#) [Twitter](#) [Instagram](#)



The Maryland SEDC Network is dedicated to providing one-stop assistance to the state's business community

Our comprehensive services include:

- * Start-Up Assistance
- * Business Plan Development
- * Networking Opportunities
- * Financial Analysis
- * Consulting (at no cost to you)
- * 8(a)/SDB/MBE Certification
- * Federal and State Contracting Assistance
- * Specialized Retail and Restaurant Assistance
- * Loan Packaging
- * Strategic Planning
- * Marketing Assistance
- * Executive Training Program
- * Import/Export Assistance
- And More

AMERICA'S SBDC MARYLAND
Accredited to provide technology commercialization assistance.

SBDC
ASSISTANCE CENTER
FROSTBURG
Herb Melrath
Business Consultant

100 W. Washington Street, Suite 1401
Hagerstown, MD 21740
T: (888) 237-9097, ext. 4
F: (240) 770-1402
hmelrath@frostburg.edu
www.marylandsbdc.org

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Creating a vibrant, prosperous Maryland

SBDC  **SBA** U.S. Small Business Administration

The Maryland SBDC Network is a service of the Maryland Small Business Development Center (MD SBDC) in partnership with the U.S. Small Business Administration (SBA). The MD SBDC Network is a service of the Maryland Small Business Development Center (MD SBDC) in partnership with the U.S. Small Business Administration (SBA).



Ready, Set, Go! Are You Ready to Start A Business?

Presented by
Maryland Small Business Development Center

Accredited to provide
Technology commercialization assistance

SBDC Services

- Consulting Services
 - One-on-one business consulting
 - Business and Marketing Plan
 - SME Resources
- Training
 - Core topics
 - Specialty topics
 - On-Demand Videos



SBDC Services

- Technical Assistance
 - Loan Packaging
 - 8(a) Certification Application
 - MDoT MBE/DBE Application
 - Government Procurement
 - Market Research
 - 3rd Party Review of Business Plan



Questions to Ask When Deciding Whether to Start a New Business

- Does the idea suit your personality and interests?
- Will it be financially viable?
 - Do you have startup money to invest?
 - What will your monthly expenses be?
 - Is there a current need in the marketplace?
 - With whom are you competing?

Getting Started

- An “entrepreneur” is a person who starts his or her own business
- Self-assessment questions:
 - Are you a self-starter?
 - How well do you plan and organize?
 - Can you work long hours?
 - How will the business affect your family?

Traits of an Entrepreneur



- Technical know-how
- Need to achieve/drive
- Self Motivated
- Not satisfied with status quo
- Positive mental attitude
- Passionate
- Resourceful
- Good communication skills
- Perseverance

Advantages of Owning a Business

- Independence: making your own business decisions
- Direct contact with customers, employees, and suppliers
- Personal satisfaction
- Opportunity to create wealth
- Opportunity to be creative
- Doing something that contributes to others



Disadvantages of Owning a Business

- Many bosses (customers, Government, suppliers)
- Large financial risk
- Hours are long and hard
- Unsteady income
- The buck stops with you!
- Cannot simply quit
- "Naysayers"

What Type of Business Do You Want?

- A startup:
 - Follow your own dream
- Buying an existing business:
 - You will have current customers and a known track record of performance
- Franchise:
 - Brand recognition reduces marketing costs



Legal Forms of Business

- Proprietorship
- Partnership
 - General
 - Limited (LP)
- Corporation (S,C, B)
- Limited Liability Company (LLC)



Maryland Business Express-A Gold Nugget!

<https://businessexpress.maryland.gov/>

- Provides business with a one-stop resource
 - Business registration
 - Select a name
 - Submit applications and permits



Maryland Business Express Steps

- Create an account
- Search existing business names for availability with SDAT (Maryland's State Department of Assessment and Taxation)
- Register your business name and form a legal structure:
 - Sole Proprietor, LLC, Corporation



Maryland Business Express Steps

- Obtain your EIN (FEIN) from the I.R.S

<https://www.irs.gov/>

- Establish necessary tax accounts with the
Comptroller of the Treasury

<https://businessexpress.maryland.gov/start/taxes-and-insurance>



Other Things To Consider...

- Licenses or permits specific to county
<https://commerce.knack.com/maryland-business-licenses#countylicenses/>
-Examples: Traders License; Certificate of Occupancy; Building Permit
- Maryland Occupational Safety and Health Regulations (MOSH)
<https://dli.state.md.us/labor/mosh/>
- Maryland Business Resources
<https://open.maryland.gov/business-resources/business-regulations/>

THE BUSINESS PLAN



**If you don't know
where you're going
...how will you get there?**

“The business that fails to plan, plans to fail.”



The Business Plan

- The single most important business doc
- IDs where you are and where you are going
- Acts as a road map
- Make it a dynamic document, as opposed to a static one
- Spend the time to do it properly



Why Write a Business Plan?

- Determine feasibility of your idea
- Set realistic goals
- Benchmark for progress
- Includes Operating and Financing plans
- Serves as a guide during the life of your business
- Helps business owner stay on 'target'
- Dazzles Your Banker. If you don't have a business plan, he/she won't see you!



Writing the Business & Marketing Plans

- **Know your customer**
- **Research your Markets and Competitors**
- **Compare your Product and Pricing**
- **Create your Marketing Plan/strategies**
- **Project sales based on Marketing strategies**
- **Gain significant awareness of expenses and operating costs**



Financial Management Planning

Components of a successful financial plan

All business plans, whether you're just [starting a business](#) or building an expansion plan for an existing business, should include the following:

[Profit and loss statement](#)

[Cash flow statement](#)

[Balance sheet](#)

[Sales forecast](#)

[Personnel plan](#)

[Business ratios and break-even analysis](#)

Even if you're in the very beginning stages, these financial statements can still work for you.

(taken from LivePlan)



Funding Sources

- Friends and Family Personal Savings
- Home equity lines/loans
- Banks, finance companies, leasing companies
- Suppliers/vendors
- Angel Investors
- Credit cards
- Family Loan Agreement



Three Stages of Financing in the Lifecycle of a Business

Seed Money: Friends, Family, and Savings

Start-up Financing:

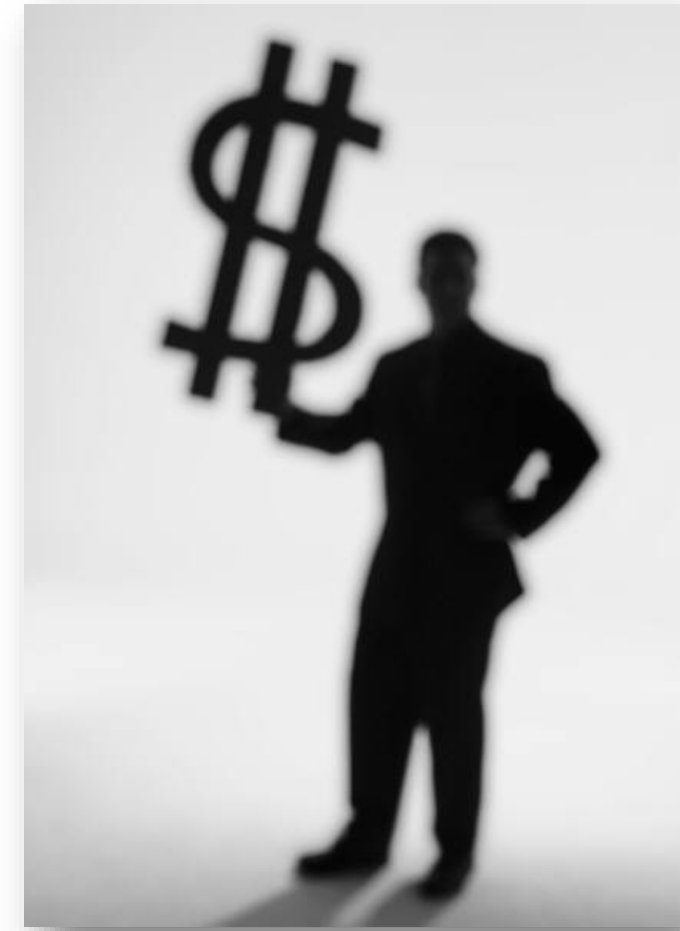
- Friends / Investors
- Banks and Credit Unions
- Credit Cards
- Leasing
- Suppliers giving terms
- Finance Companies

Growth Financing: Banks, Investors,
Specialty Financing



Cash Flow

- Kevin O'Leary is right- **Cash IS King**
- Cash flow is a dynamic description, not a static measurement
- Mind the numbers
- Accounting vs. the real world
- Plan your project



Avoid the Pitfalls

- Lack of planning and control
- Shortage of paying customers
- No cash
- Trying to do it all on your own
- Not knowing/ignoring your customer
- Failure to embrace technology
- Too much business



Basic Laws of Survival

- Expect everything to go wrong-plan, plan, plan!
- Don't under price yourself
- Avoid, or at least delay, major expenses
- Always make time for marketing
- Forget the clock – and the calendar
- Be totally ethical and completely honest

Survey Results of 2,000 Sole Proprietors

<u>Factor</u>	<u>Successful Businesses</u>	<u>Failed Businesses</u>
• Degree of Preparation	Spent 6-10 mo. in research and preparation	Spent less than 4 mo. preparing for start-up
• Use of advisors	90% used professionals	25% used professionals
• Business Education	70% took business classes & read professional literature	10% read professional literature
• Expectations of Income	More than half said they started with modest expectations and were prepared to be patient for signs of success	36% fully expected to make barrels of \$\$\$\$



Final Thoughts

- **Build on every success**
- **Prepare by taking classes and doing research**
- **Learn from your mistakes**
- **Take time to relax and reduce stress!**



THANK YOU!

Herb Melrath

Senior Business Consultant

Maryland SBDC – Washington County Office

hjmelrath@frostburg.edu

-Maryland SBDC Website:

www.marylandsbdc.org





HUMAN RESOURCES

Tereance Moore

Tereance Moore Consulting, LLC
Owner

Optimizing HR Practices for Small Business Success

Welcome to this comprehensive guide on HR best practices and challenges for small businesses. In today's competitive landscape, effective human resources management is crucial for the growth and success of your organization.

This presentation will provide you with actionable insights and practical tips to help you optimize your HR processes, overcome common challenges, and create a thriving workplace. Drawing from expert advice and reputable sources like SHRM and SCORE, we'll explore key areas such as talent acquisition, employee retention, workplace culture, and regulatory compliance.



Crafting Clear Job Descriptions: The Foundation of Effective Hiring

Define Roles and Responsibilities

Clearly outline the specific duties, tasks, and expectations associated with the position. This helps potential candidates understand what the job entails and allows you to assess their suitability more accurately.

Align with Company Mission

Incorporate your organization's values and goals into the job description. This attracts candidates who resonate with your company culture and are more likely to be engaged and productive in their roles.

Be Specific and Realistic

Provide detailed information about required skills, qualifications, and experience. Be realistic in your expectations to avoid discouraging qualified candidates or attracting those who may not be a good fit.

Utilize SHRM Resources

Take advantage of SHRM's Job Description Templates to ensure your descriptions are comprehensive and professionally crafted. These templates can save time and provide a solid foundation for your hiring process.

Prioritizing Onboarding and Training: Setting Employees Up for Success

1

Develop a Structured Onboarding Process

Create a comprehensive onboarding program that introduces new hires to your company culture, policies, and procedures. This should include a mix of in-person interactions, digital resources, and hands-on experiences to help employees feel welcome and prepared.

2

Provide Role-Specific Training

Offer targeted training sessions that focus on the specific skills and knowledge required for each position. This ensures that new employees can quickly become productive and confident in their roles.

3

Implement Continuous Learning Opportunities

Establish ongoing professional development programs to keep employees engaged and up-to-date with industry trends. This could include workshops, online courses, mentorship programs, and cross-departmental training sessions.

4

Utilize SCORE's Employee Training Resources

Leverage SCORE's Employee Training for Small Businesses guide to develop effective training programs tailored to your organization's needs and budget constraints.

Fostering an Inclusive Culture: Driving Innovation and Engagement

Encourage Diversity

Actively promote diversity in hiring practices and create an environment where all employees feel valued and respected. This includes considering diversity in terms of race, gender, age, background, and thought.

Implement diversity training programs to raise awareness and promote understanding among team members. Celebrate different cultures and perspectives through company events and initiatives.

Facilitate Collaboration

Design workspaces and implement tools that encourage cross-functional teamwork and idea-sharing. This could include open office layouts, collaborative software platforms, and regular brainstorming sessions.

Establish mentorship programs that pair employees from different departments or backgrounds, fostering knowledge exchange and breaking down silos within the organization.

Address Workplace Biases

Conduct regular bias training sessions to help employees recognize and overcome unconscious biases. Implement fair and transparent processes for hiring, promotions, and performance evaluations.

Utilize SHRM's Inclusion & Diversity Resources to develop comprehensive strategies for creating a more inclusive workplace culture that drives innovation and employee satisfaction.



Leveraging Technology: Streamlining HR Processes



Payroll Management

Implement automated payroll systems to ensure accurate and timely payments, tax calculations, and compliance with labor laws. This reduces errors and frees up time for strategic HR tasks.



Performance Tracking

Utilize performance management software to set goals, conduct regular check-ins, and provide continuous feedback. This promotes transparency and helps align individual efforts with company objectives.



Compliance Monitoring

Employ HR compliance tools to stay up-to-date with changing regulations and ensure your policies and practices meet legal requirements. This minimizes risk and protects your business from potential penalties.



Employee Communication

Implement digital platforms for seamless communication, document sharing, and collaboration. This improves transparency, engagement, and efficiency across your organization.

Staying Compliant: Navigating the Complex Regulatory Landscape

1

Stay Informed

Regularly monitor changes in labor laws and regulations at federal, state, and local levels. Subscribe to SHRM's Legal & Compliance Updates for timely information on new requirements and best practices.

2

Review and Update Policies

Conduct periodic audits of your HR policies and employee handbook to ensure they align with current regulations. Update documents as needed and communicate changes clearly to all employees.

3

Train Your Team

Provide regular compliance training for HR staff and managers to ensure they understand and can implement legal requirements in their daily operations.

4

Seek Expert Advice

Consult with legal professionals or HR compliance experts when facing complex situations or implementing major policy changes to ensure you're making informed decisions.



Overcoming HR Challenges: Strategies for Success

Challenge	Solution
Talent Acquisition	Build a strong employer brand and explore non-traditional hiring pools
Employee Retention	Offer competitive benefits, recognition programs, and growth opportunities
Workplace Conflict	Implement clear grievance procedures and foster open communication
Regulatory Complexity	Consult experts or utilize HR compliance software
Scalability in HR Practices	Regularly reassess and evolve HR processes

Conclusion: Empowering Your Business Through Strategic HR

1 Embrace Continuous Improvement

Regularly assess and refine your HR practices to ensure they align with your business goals and evolving workforce needs. Stay open to feedback and be willing to adapt your strategies as your organization grows.

3 Leverage Available Resources

Take advantage of the wealth of information and tools provided by organizations like SHRM and SCORE. These resources can help you navigate complex HR challenges and implement best practices tailored to small businesses.

2 Invest in Your People

Remember that your employees are your greatest asset. Prioritize their development, well-being, and engagement to foster a positive workplace culture that drives productivity and innovation.

4 Stay Ahead of the Curve

Keep an eye on emerging HR trends and technologies. By staying informed and proactive, you can position your business to attract top talent, maintain compliance, and thrive in an ever-changing business landscape.



Resource Links

- SHRM's Job Description Templates: ([SHRM](#))
- SCORE's Employee Training for Small Businesses: ([SCORE](#))
- SHRM's Inclusion & Diversity Resources: ([SHRM](#))
- SCORE's Guide to HR Technology: ([SCORE](#))
- SHRM's Legal & Compliance Updates: ([SHRM](#))
- SHRM's Talent Acquisition Resources: ([SHRM](#))
- SCORE's Employee Retention Strategies: ([SCORE](#))
- SHRM's Managing Workplace Conflict Toolkit: ([SHRM](#))
- SCORE's Guide to Scaling Your Business: ([SCORE](#))



Tereance Moore Consulting

Tereance Moore, PMP,
SHRM-CP

Founder of Tereance Moore Consulting, LLC and Mediation First, Inc. He brings over 20 years of experience in HR, leadership development, and conflict resolution to his consulting practice.

Tereance Moore Consulting

Provides customized HR solutions tailored to small business needs. It helps organizations build strong cultures, attract top talent, and navigate complex HR challenges.

Mediation First

Facilitates conflict resolution and mediation services, promoting positive communication and collaborative solutions for businesses and individuals.



ACCOUNTING TAXES & PAYROLL

Steven Stitely
Saunders Tax & Accounting
Operations Manager

Accounting, Finances & Taxes Numbers You Need to Know

Steven Stitely, EA, MBA

www.saunderstax.com

stevenstitely@saunderstax.com

301-714-2071



Guiding Principles

- Proactive – Can't be after the fact
- No one size fits all options
- Monitor for changes as business changes
- Keep it as simple as possible
- Time management – get help



Basic Financial Reports

- Profit and Loss
 - Profitability by Service/Product Type
- Balance Sheet

Profit and Loss Report

- Also called Income Statement
- Shows income and expenses for a set period of time
- Cash vs Accrual Basis
- Sections
 - Income
 - Cost of Goods Sold
 - Gross Profit
 - Expenses
 - Net Profit



Expense		
	Payroll Expenses	145,243.15
	Automobile	
	Fuel	982.68
	Maintenance & Repairs	254.50
	Total Automobile	1,237.18
	Bank Service Charges	303.00
	Delivery Fee	240.68
	Depreciation	575.00
	Insurance	
	Disability	150.00
	Liability	855.00
	Worker's Comp	630.00
	Insurance - Other	700.00
	Total Insurance	2,335.00
	Interest Expense	1,390.90
	Job Expenses	
	Equipmental Rental	48.90
	Job Materials	
	Decks & Patio	1,552.23
	Fountains & Garden Lighting	1,150.00
	Plants & Sod	1,316.25
	Total Job Materials	4,018.48
	Permits	125.00
	Subcontractors	2,126.21
	Total Job Expenses	6,318.59
	Mileage Reimbursement	0.00
	Miscellaneous	847.00
	Office Supplies	295.87
	Professional Fees	
	Legal	375.00
	Total Professional Fees	375.00
	Rent	2,400.00
	Repairs	
	Computer Repairs	185.00
	Equipment Repairs	45.00
	Total Repairs	230.00
	Tools and Misc. Equipment	125.00
	Uncategorized Expenses	0.00
	Utilities	
	Gas and Electric	1,477.45
	Telephone	714.02
	Water	446.23
	Total Utilities	2,637.70
	Total Expense	164,554.07
	Net Ordinary Income	-99,370.36
	Other Income/Expense	
	Other Income	
	Misc Income	762.50
	Interest Income	55.51
	Total Other Income	818.01
	Net Other Income	818.01
	Net Income	-98,552.35



Profitability by Services/Product Type

- Profit Margin on each type of S/P
- Are you charging correctly
- What lines of S/P should you pursue
- What to discontinue and what to add

Balance Sheet

- Overall Picture at a moment in time
- Give Cumulate totals
- Sections
 - Assets
 - Cash
 - Fixed Assets
 - Receivables
 - Liabilities
 - Short Term
 - Long Term
 - Equity



						Dec 31, 24	Dec 31, 23	\$ Change
ASSETS								
	Current Assets							
		Checking/Savings						
		Checking				99,250.02	198,261.47	-99,011.45
		Cash Expenditures				225.23	0.00	225.23
		Savings				5,987.50	20,577.50	-14,590.00
		Total Checking/Savings				105,462.75	218,838.97	-113,376.22
		Accounts Receivable						
		Accounts Receivable				3,054.27	961.80	2,092.47
		Total Accounts Receivable				3,054.27	961.80	2,092.47
		Other Current Assets						
		Prepaid Insurance				500.00	0.00	500.00
		Employee advances				100.00	0.00	100.00
		Inventory Asset				6,937.08	2,163.90	4,773.18
		Undeposited Funds				110.00	0.00	110.00
		Total Other Current Assets				7,647.08	2,163.90	5,483.18
		Total Current Assets				116,164.10	221,964.67	-105,800.57
		Fixed Assets						
		Truck						
		Accumulated Depreciation				-1,725.00	-1,150.00	-575.00
		Original Purchase				13,750.00	13,750.00	0.00
		Total Truck				12,025.00	12,600.00	-575.00
		Total Fixed Assets				12,025.00	12,600.00	-575.00
		TOTAL ASSETS				128,189.10	234,564.67	-106,375.57



LIABILITIES & EQUITY							
	Liabilities						
	Current Liabilities						
	Accounts Payable						
	Accounts Payable			1,107.20	2,957.21	-1,850.01	
	Total Accounts Payable			1,107.20	2,957.21	-1,850.01	
	Credit Cards						
	CalOil Card			1,403.99	428.74	975.25	
	QuickBooks Credit Card						
	QBCC Field Office			45.00	0.00	45.00	
	QBCC Home Office			25.00	0.00	25.00	
	Total QuickBooks Credit Card			70.00	0.00	70.00	
	Total Credit Cards			1,473.99	428.74	1,045.25	
	Other Current Liabilities						
	Payroll Liabilities			5,520.47	0.00	5,520.47	
	Payments on Account			-1,520.00	0.00	-1,520.00	
	Sales Tax Payable			1,214.97	78.52	1,136.45	
	Total Other Current Liabilities			5,215.44	78.52	5,136.92	
	Total Current Liabilities			7,796.63	3,464.47	4,332.16	
	Long Term Liabilities						
	Bank of Anycity Loan			19,932.65	0.00	19,932.65	
	Equipment Loan			3,911.32	0.00	3,911.32	
	Bank Loan			5,369.06	12,722.44	-7,353.38	
	Total Long Term Liabilities			29,213.03	12,722.44	16,490.59	
	Total Liabilities			37,009.66	16,186.91	20,822.75	
	Equity						
	Opening Bal Equity			151,970.07	219,570.70	-67,600.63	
	Owner's Equity						
	Owner's Draw			-5,000.00	0.00	-5,000.00	
	Total Owner's Equity			-5,000.00	0.00	-5,000.00	
	Retained Earnings			-43,574.59	-1,025.76	-42,548.83	
	Net Income			-12,216.04	-167.18	-12,048.86	
	Total Equity			91,179.44	218,377.76	-127,198.32	
	TOTAL LIABILITIES & EQUITY			128,189.10	234,564.67	-106,375.57	

Business Entity – Tax Structure



C-Corp?

S-Corp?

Partnership?

Sole Prop?

The LLC Myth

- Starting a business, need to be an LLC
- Legal structure not a tax structure
- Liability protection – limited
- Filing Requirement – Fee \$300
- IRS Disregarded Entity
 - Single Member LLC – Sole Proprietor
 - Multiple Member LLC – Partnership
 - Even if other person is a spouse

Corporate Transparency Act

New Federal Reporting Requirement for Beneficial
Ownership Information (BOI)

www.fincen.gov/boi

What Information Must Be Reported

Company Information

- Full legal name
- Trade name
- Address
- State of formation

Each Beneficial Owner Information

- Full legal name
- Date of birth
- Address
- Document to be provided, non-expired
 - US passport
 - State issued Driver's License
 - State issued ID

When Do I Report?

If your company was created or registered **prior to January 1, 2024**, you will have until January 1, 2025, to report BOI.

If your company was **created or registered on or after January 1, 2024**, and before January 1, 2025, you must report BOI within 90 calendar days. Created 2025 and beyond, 30 days.

- Any updates or corrections to beneficial ownership information that you previously filed with FinCEN must be submitted within 30 days.

Employee VS Sub-Contractor

- The Issue is Control of the work
 - Employee – Workers Compensation Insurance and Unemployment
 - MD Sick and Safe Leave Act 2018
 - Covid changes
 - Maryland Saves effective Sept 1, 2022
 - Maryland Family Leave –
-
- Subcontractor 1099 NEC at \$600
 - Needs insurance certificates
 - W-9 before starting work
 - PA watch for state rule for \$5000

Small Business Deductions

Don't Miss Deductions
You are Entitled to
Receive



Start Up Expenses

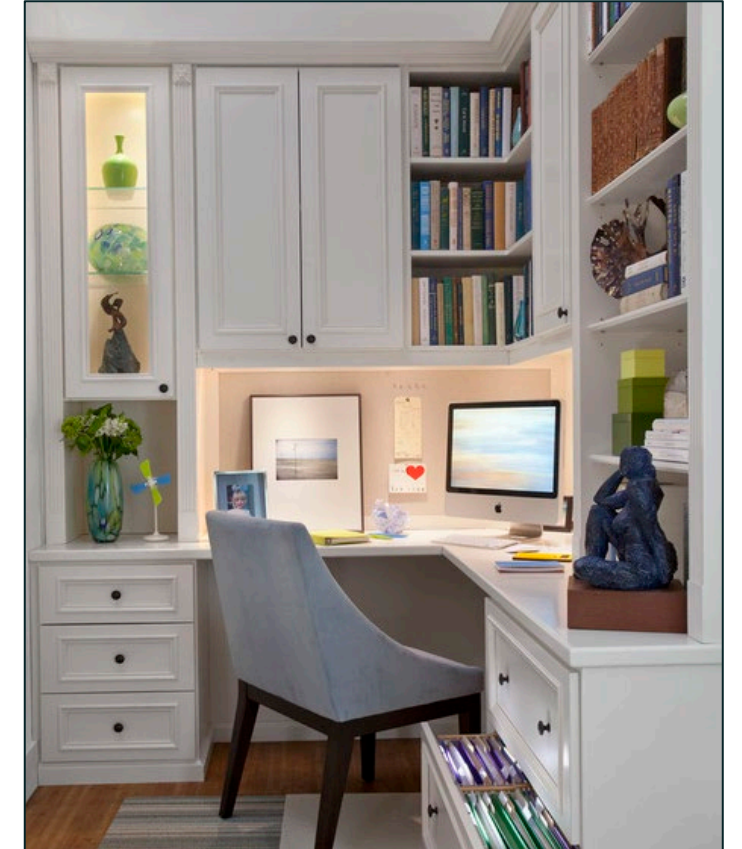
- When are you actually in business?
 - Able to make your first dollar
- Expenses before that point are start up expense
- Can deduct first \$5000 on first return
- Assets are depreciated
- Remainder is Amortized over 15 years
- If business does not start, no deduction

Home Office

“Principal place of business”:

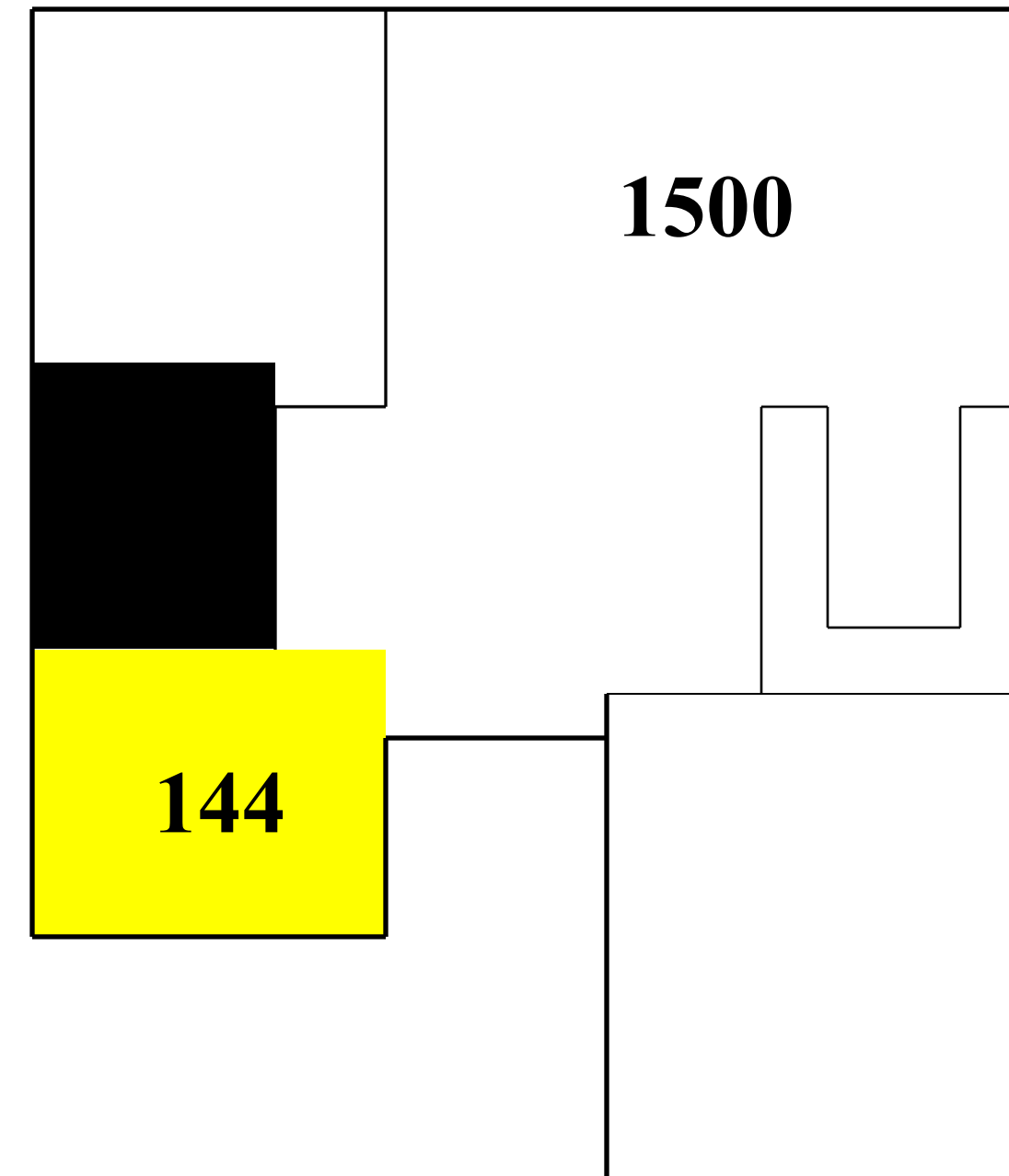
1. “exclusively and regularly for administrative or management activities of your trade or business”
2. “you have no other fixed location where you conduct substantial administrative or management activities of your trade or business.”

Source: IRS Publication 587



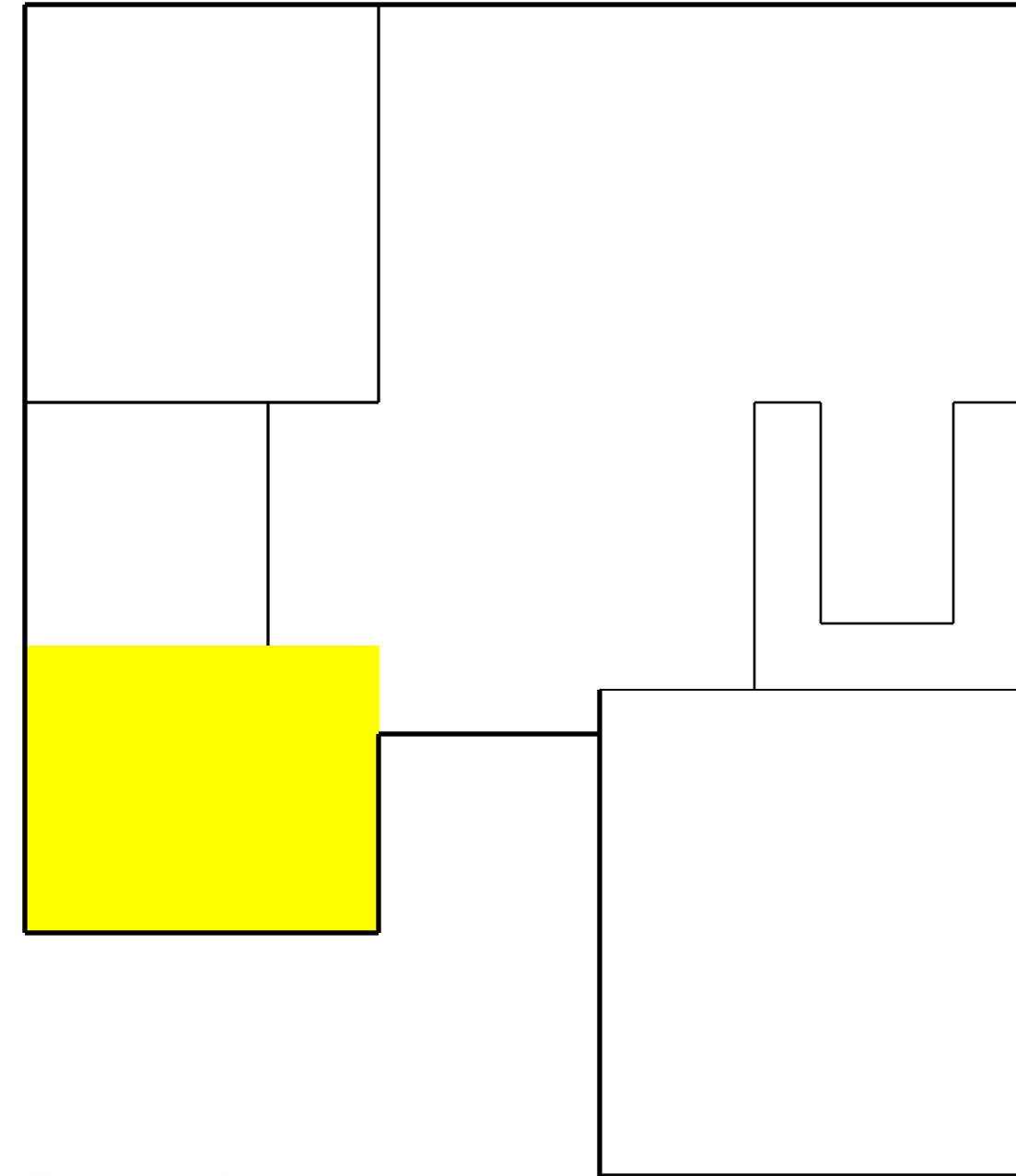
Home Office

- Determine “BUP” of home
 - Divide by rooms
 - Square footage
 - Eliminate “common areas”



Home Office

- Deduct “BUP” of expenses:
 - Mortgage/property taxes
(better than Schedule A)
 - Utilities/security/cleaning
 - Office furniture/decor
 - Depreciation (39 years)
- Increase business miles



Actual Vs Mileage

Define Business Miles

- Track All Miles -
Business miles
- Do the Math
- Track All Miles
Business Miles
- Track All Expense
- Calculate Depreciation
- Do the Math

Meals

- *Bona fide* business discussion
 - Clients
 - Prospects
 - Referral Sources
 - Business colleagues
- All meals when overnight travel
- 50% of Cost



Meals

- How much?
- When?
- Where?
- Business purpose?
- Business relationship?



Pay Roll

What you need to do and
when

Payroll Setup Essentials

- **Obtain an Employer Identification Number (EIN)**
Register with the IRS to legally operate as an employer.
- **Register with Maryland's Department of Labor**
Get a Maryland Employer Account Number to comply with state regulations.
- **Set Up Workers' Compensation Insurance**
Required to cover workplace injuries and comply with Maryland law.
- **Choose Payroll Frequency**
Decide on weekly, bi-weekly, semi-monthly, or monthly payroll cycles.
- **Select a Payroll Service Provider**
Consider options for handling payroll internally or through a service.

Employee Documentation & Compliance

Critical Forms

- **Form W-4:** Federal income tax withholding.
- **Form MW507:** Maryland state income tax withholding.
- **Form I-9:** Verifies eligibility to work in the U.S.
- **Form W-9:** Required for contractors earning \$600+ for tax reporting (1099-NEC).

Employee Classification

Determine if workers are full-time, part-time, or contractors, impacting tax requirements and benefits.

Compliance with MarylandSaves

All Maryland employers must offer a retirement plan or enroll employees in MarylandSaves (state-sponsored retirement savings).



Payroll Tax Deposits & Filings

- **Federal Tax Deposits**

- **Monthly or Semi-Weekly Deposits:** Based on total tax liability.

Deposits due by the 15th of the following month or specific days of the week depending on payroll dates.

- **Federal Unemployment Tax (FUTA):** Quarterly if tax exceeds \$500; carry over if less.

- **Maryland State Tax Deposits**

- **Monthly:** Due by the 15th if withholdings are \$700 or more.

- **Accelerated Filers:** Deposits within 3 days if annual withholding exceeds \$15,000.

- **Quarterly Filings**

- **Federal (Form 941) and Maryland MW506:** Due quarterly on April 30, July 31, October 31, and January 31.

- **Year-End Compliance Filings**

- Ensure all employees receive Forms W-2 by January 31 and file with the Social Security Administration;
 - provide Form 1099-NEC to contractors,
 - and submit Form 940 (FUTA) and Maryland Annual Reconciliation (MW508) by the same date.



There is NO such thing as a Good Tax Surprise!!



Steven Stitely, EA, MBA
301-714-2071

Saunderstax.com
stevenstitely@saunderstax.com

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State Farm Insurance
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Kelsi Palmer

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Chief Experience Officer

MARKETING & PROMOTION



TRAINING YOUR EMPLOYEES

Randy Scott

Blessed 2 Serve LLC – Chick-fil-A
Owner

Q&A



**Herb
Melrath**

Small Business
Development
Center
Business Consultant



**Tereance
Moore**

TM Consulting
Owner



**Steven
Stitely**

Saunders Tax &
Accounting
Operations Manager



**Steve
Swayne**

State Farm
Insurance Agency
Owner



**Kelsi
Palmer**

Kite & Anchor
CXO



**Randy
Scott**

Blessed 2 Serve
LLC - Chick-fil-A
Owner

**If you don't get a chance to ask your question,
stick around after the meeting
to connect with one of today's speakers.**

RESOURCE PACKET

CONTENTS

- City of Hagerstown Economic Development
 - Main Street Startup Grant Guidelines
- Small Business Development Center
- Washington County Chamber of Commerce
- David W. Fletch Incubator +Labs (HCC)
- Washington County Dept. of Business & Economic Development
- State Farm Insurance Resource Folder
- Saunders Tax & Accounting
- TM Consulting – Human Resources Best Practices

THANK YOU

Stay connected and reach out if you need further assistance on your business journey

**You can find today's presentation on
GHC's Website Under the Publications Tab
www.greaterhagerstown.org**