A rising swarm of cyber-robberies targeting small firms, local governments, school districts, churches and non-profits has prompted an extraordinary warning. The American Bankers Association and the FBI are advising that small and midsize businesses that conduct financial transactions over the Internet to dedicate a separate PC used exclusively for online banking. The reason: Cyber gangs have inundated the Internet with “banking Trojans” – malicious programs that enable them to surreptitiously access and manipulate online accounts. A dedicated PC that’s never used for e-mail or Web browsing is much less likely to encounter a banking Trojan.

And the bad guys are stepping up ways to get them onto PCs at small organizations. They then use the Trojans to manipulate two distinctive decades-old banking technologies: Automated Clearing House (ACH) transfers and wire transfers. ACH and wire transfers remain at the financial nerve center of most businesses. ACH transfers typically take two days to complete
and are widely used to deposit salaries, pay suppliers and receive payments from customers. Wire transfers usually come into play to move larger sums in near-real time. “Criminals go where the money is,” states Litan, a banking security analyst at Gartner, a technology consulting firm. “The reason they are going here is the controls are antiquated and a smart program can often get the money out.” (For a copy of the complete article on this topic, contact the Illinois Small Business Development Center at Kaskaskia College, sgroner@kaskaskia.edu.)

**IRS WARNS OF PHONY EMAILS:** The IRS is warning businesses of emails purported to be from the IRS advising them of “Unreported/Under-reported Income” with a web-link to complete a “fraud application.” The IRS does not initiate taxpayer communications through email. The IRS does not request detailed personal information through email and the IRS does not send email requesting your PIN numbers, passwords or similar access information for credit cards, banks or other financial accounts. You may report suspicious emails and bogus IRS websites to phishing@irs.gov. Information taken in part from Illinois Entrepreneurship Network News, Nov, '09)

**PREVAILING WAGE ADVISORY...CHANGES EFFECTIVE JANUARY 1, 2010:** The Illinois Department of Labor is highlighting recent changes to Illinois’ Prevailing Wage Act including a clarification of covered projects, added provisions requiring proper written notice to be provided by public bodies and coverage of demolition work. Governor Pat Quinn signed Senate Bill 223, House Bill 163 and House Bill 952, respectively to clarify and enhance the Act. All three public acts are effective January 1, 2010. To gain a better understanding and to ensure compliance with the law, go to: www.state.il.us/agency/idol/News/pdfs/PWadvisory.pdf, or contact Katy Khayyat at Katy.Khayyat@Illinois.gov or call 217-785-8020 or 800-252-2923.

The Illinois Small Business Development Center (ISBDC) is partially funded by the U.S. Small Business Administration in partnership with the Illinois Department of Commerce and Economic Opportunity and Kaskaskia College. All SBA programs are extended to the public on a non-discriminatory basis.

**THE WORKER HOMEOWNERSHIP AND BUSINESS ASSISTANCE ACT OF 2009:** Signed into law last month includes temporary Net Operating Loss (NOL) tax relief. The law will allow struggling companies to get quick cash refunds from the IRS by using either their 2008 or 2009 losses to offset taxes paid in the past five years. The law provides a number of tax law changes as well. Some extend or enhance current tax breaks while other changes are designed as revenue raisers. For a Fact Sheet About this Act go to: (ceo.ien@illinois.gov)

**NEW MILEAGE RATES:** The Internal Revenue Service has issued the standard-mileage reimbursement rate for 2010 for business miles driven at 50 cents per mile, down 55 cents per mile in 2009. The mileage rates for 2010 reflect lower transportation costs compared to a year ago. Beginning January 2010, the standard mileage rates for the use of a car (also vans, pickups or pane trucks) will be: 50 cents per mile for business miles driven; 16.5 cents per mile driven for medical or moving purposes; 14 cents per mile driven in service of charitable organizations.

For more information go to www.irs.gov or by calling (800) TAX-FORM (800-829-3676).

**SMALL BUSINESS RESOURCES**
SBA ANNOUNCES AVAILABILITY OF H1N1 PREPAREDNESS GUIDE FOR SMALL BUSINESSES: The SBA and Department of Homeland Security announced the availability of a preparedness guide designed to assist small businesses in planning for the possibility of an H1N1 flu outbreak. Outbreaks of H1N1 flu are occurring now across the country and coincide with the return of seasonal flu this winter. The preparedness guide offers small business employers tools and information to help them plan for and respond flexibly to varying levels of severity of an H1N1 outbreak – which may lead to increased absenteeism, and if the outbreak becomes more severe, may include restricted service capabilities and supply chain disruptions. Employers are encouraged to put strategies in place now to protect their employees and their businesses in advance of the flu season. Included in the preparedness guide are tips on how to write a continuity of operations plan, steps for keeping employees healthy, frequently asked questions about the H1N1 flu and a list of additional resources that employers can access online. To download the booklet, visit www.sba.gov/flu. (News from the Illinois Entrepreneurship Network News, Nov, 2009)


EMERGENCY PREPAREDNESS TIPS FOR PEOPLE WITH DISABILITIES: http://ready.illinois.gov/before/specialneeds.htm.

NEW SMALL BUSINESS PLANNING TOOL FROM THE IRS: RETIREMENT PLAN NAVIGATOR: The Internal Revenue Service has created a new web-based tool, “The Retirement Plan Navigator,” to help small business owners. You can find it at www.retirementplans.irs.gov. The navigator guides small business owners in three areas: choosing a plan, maintaining a plan, and correcting a plan. The navigator includes a side-by-side comparison of pension plans and their requirements to help small business owners choose the one that best fits their situation. The navigator also provides a checklist and suggested resources to help employers keep their retirement plans in compliance with the law. The IRS will update the navigator as pension laws and regulations change. For more information, check out IRS Publications by visiting www.irs.gov or by calling (800) TAX-FORM (800-829-3676). (News from the Illinois Entrepreneurship Network, December 2009)

SBA, DELL LAUNCH NEW EDUCATIONAL VIDEO SERIES TO HELP SMALL BUSINESS GROW, CREATE JOBS: Highlighting the experiences of successful entrepreneurs, the U.S. Small Business Administration and Dell have launched an online video series offering tools and strategies to help small business owners rebound from the economic recession and put themselves in a position to expand and create jobs. STRATEGIES FOR GROWTH: ADVICE FOR EXPANDING YOUR BUSINESS includes real-world insight, solutions and advice from small business owners who have succeeded in good and bad economic times. Additionally, the series draws on the expertise of counselors, policy makers and others for accessing resources and tools available to small business owners. The video key topics that engage small business owners in issues critical to small business growth areas include: Planning
for Growth, Government Contracting, Team Building, Marketing, Technology, Exporting Opportunities and Disaster Recovery. Also featured is a Profiles of Success segment that spotlights two successful entrepreneurs. Visit the SBA Strategies for Growth website at www.sba.gov/StrategiesForGrowth.

**ILLINOIS ON-SITE SAFETY AND HEALTH CONSULTATION PROGRAM**
The Illinois OSHA Program was established in 1977 to help small businesses meet federal health and safety regulations. This program, located at the Department of Commerce and Economic Opportunity, can help identify potential hazards before they become dangerous problems. This free service is 90% funded through the Occupational Safety and Health Administration (OSHA). This program and service is approved and trained by OSHA, which means the staff has reliable, first-hand knowledge of federal rules. But despite these close ties, they do not share information about your company with OSHA. The services **FREE** and available to any business with one or more employees, and the staff will provide confidential, comprehensive written reports containing findings and recommendations. Additionally, they will provide follow-up services when requested. In a nutshell, they act as an exclusive advocate for your business, helping you meet current OSHA regulations and develop an ongoing safety and health program. The Illinois on-site Safety and Health Consultation Program’s website will provide the tools to quickly process and organize forms, schedule appointments, document workplace improvements, get news and alerts and much more. You can contact the IL On-Site Safety and Health Program at (800-785-6055) or visit the website at www.illinoисbiz.biz.

**THINK ABOUT IT!**

**RELIANCE ON CREDIT CARD DEBT AFFECTS STARTUPS’ SURVIVAL CHANCES**

Credit card debt often fills startup firms’ equity gap, but those with continuing high balances have reduced likelihood of success. Credit card debt reduces the likelihood that new business will survive its first three years of operation, according to findings from a new study released by the Ewing Marion Kauffman Foundation (Kansas City, Mo., August 6, 2009).

The study suggests that, during many firms’ first few years of operation, their credit card debt increases and then eventually stabilizes to manageable levels, while firms with high credit card debt close and successful firms start paying off their debt. The study, The Use of Credit Card Debt by New Firms, bases its findings on data from the Kauffman Firm Survey, a panel study of new businesses founded in 2004 and tracked over their early years of operation. The new research was conducted by Robert H. Scott, III, Assistant Professor of Economics and Finance at Monmouth University in West Long Branch, N.J. Notes within the article:

“Entrepreneurs use credit card debt to finance their new ventures. Credit cards, however, are an expensive way to fund a business, and the new study suggests that escalating credit card debt negatively affects a new company’s chance of survival.”

“More than half of all new firms rely on debt financing when they begin operations, and a vast majority of these businesses rely on credit card debt to fill any equity gap. Credit cards tend to
appeal to small businesses for several reasons… they help small businesses manage their finances and streamline payments, and they are easier to get than traditional bank loans or government business grants…they smooth revenue streams, especially at the startup phase of operations—and, unlike other types of loans, credit card companies will never ask where their money went.”

“Numerous factors affect whether or not a new company survives. Credit card debt alone doesn’t determine how stable a business will be, but it does appear to be a significant influence in the company’s probability of survival.”

For a complete copy of the “RELIANCE ON CREDIT CARD DEBT AFFECTS STARTUPS’ SURVIVAL CHANCES” article, contact Steven Groner at 618-545-3260.

GOOD RECORDS REDUCE STRESS AT TAX TIME

The tax filing season is here, so if you haven’t already done so, it’s time to organize your records. Whether you are a business owner or an individual taxpayer, you can avoid headaches at tax time with good records because they will help you remember transactions you made during the year. Keeping well-organized records also ensures you can answer questions if your return is selected for examination or prepare a response if you are billed for additional tax. In most cases, the IRS does not require you to keep records in any special manner. Generally speaking, you should keep any and all documents that may have an impact on your federal tax return. If you are a small business owner, you must keep all your employment tax records for at least four years after the tax becomes due or is paid, whichever is later. Examples of important documents business owners should keep include:

- Gross Receipts: Cash register tapes, bank deposit slips, receipt books, invoices, credit card charge slips, Forms 1099-MISC
- Proof of purchases: Canceled checks, cash register tape receipts, credit card sales slips and invoices
- Expense documents: Canceled checks, cash register tapes, account statements, credit card sales slips, Invoices and petty cash slips for small cash payments.
- Documents to verify your assets: Purchase and sales invoices, real estate closing statements and canceled checks

SMALL BUSINESS INCUBATORS

Kaskaskia College Small Business Incubators are available at the Workforce Education Center in Centralia, the Greenville Education Center at Greenville and at the Salem Education Center location and can provide:
Free and confidential business counseling
- An office location that allows you to start and grow your company at only $1 per square foot per month
- Offices range from 100-135 square feet; 24/7 secure access to office; phone with voicemail
- Outdoor signage in high traffic area; access to training and conference rooms
- All office furniture including desk, computer, printer, high-speed internet, etc.
- On-site access to FAX and copy services; all utilities included
- Access to classrooms and multi-media room

For more information regarding small business incubators at Kaskaskia College, contact Steven Groner, 545-3260 or e-mail sgroner@kaskaskia.edu. MAKE A NOTE OF IT!

The Illinois Small Business Development Center at Kaskaskia College is prepared to deliver one-on-one counseling, research and referral for small businesses or individuals creating or expanding their business idea. The services are available to clients at no charge; however, some classes, workshops and seminars may have a minimal charge for materials. Both the ISBDC and ITC at Kaskaskia College are partially funded by the U.S. Small Business Administration in partnership with the Illinois Department of Commerce and Economic Opportunity as a service to Illinois businesses. All SBA programs are extended to the public on a discriminatory basis. For further information contact Steven Groner, Director, 325 S. Poplar, Centralia, 62801. Phone: 618-545-3262; Fax: 618-545-3258; e-mail sgroner@kaskaskia.edu. Kaskaskia College does not discriminate on the basis of age, race, religion, gender, national origin, disability or marital status.

The International Trade Center’s function is to assist firms of all sizes with their export strategies by evaluating export capability, assisting with logistics and documentation, and communicating finance options. For further information or to request an appointment, contact: Tess Morrison, Independent Consultant, Illinois International Trade Center, 325 S. Poplar, Centralia, IL 62801. Phone: 618-545-3262; e-mail: itc@kaskaskia.edu; or tmorriso@illinois.edu.