



**George Runner**  
**Member**  
Board of Equalization  
1<sup>st</sup> District

In Partnership With

Senator Tom Berryhill  
California State Senate, 8<sup>th</sup> District

Assemblyman Jim Patterson  
California State Assembly, 23<sup>rd</sup> District

City of Clovis

Clovis Chamber of Commerce

**Welcome to the**  
**Clovis Small Business Seminar**  
**and Resource Expo**



**Todd Gilman**  
**Taxpayers' Rights Advocate**  
916-324-2796  
888-324-2798



Board of Equalization (BOE)	Employment Development Department (EDD)	Franchise Tax Board (FTB)
<p><b>TYPE OF HELP:</b></p> <ul style="list-style-type: none"> <li>• Sales and Use Taxes</li> <li>• Property Taxes</li> <li>• Special Taxes and Fees</li> </ul> <p><b>VISIT OUR WEBSITE:</b></p> <ul style="list-style-type: none"> <li>• BOE—Advocate <a href="http://www.boe.ca.gov/tra">www.boe.ca.gov/tra</a></li> <li>• BOE—General <a href="http://www.boe.ca.gov">www.boe.ca.gov</a></li> </ul> <p><b>TELEPHONE OR FAX:</b></p> <ul style="list-style-type: none"> <li>• Advocate Office 1-888-324-2798 Fax 1-916-323-3319</li> <li>• BOE Customer Service 1-800-400-7115 (TTY:711)</li> </ul> <p><b>SEND CORRESPONDENCE TO:</b></p> <ul style="list-style-type: none"> <li>• Taxpayers' Rights Advocate Office, MIC:70 PO Box 942879 Sacramento, CA 94279-0070</li> <li>• Board of Equalization PO Box 942879 Sacramento, CA 94279-0001</li> </ul>	<p><b>TYPE OF HELP:</b></p> <ul style="list-style-type: none"> <li>• Employment Taxes</li> <li>• Unemployment Insurance</li> <li>• Employment Training Tax</li> <li>• State Disability Insurance</li> <li>• State Personal Income Tax Withholding</li> </ul> <p><b>VISIT OUR WEBSITE:</b></p> <ul style="list-style-type: none"> <li>• EDD—Advocate <a href="http://www.edd.ca.gov/Payroll_Taxes/Taxpayer_Advocate.htm">www.edd.ca.gov/Payroll_Taxes/Taxpayer_Advocate.htm</a></li> <li>• EDD—General <a href="http://www.edd.ca.gov">www.edd.ca.gov</a></li> </ul> <p><b>TELEPHONE OR FAX:</b></p> <ul style="list-style-type: none"> <li>• Advocate Office 1-866-594-4177 Fax 1-916-654-6969</li> <li>• EDD Customer Service 1-888-745-3886</li> </ul> <p><b>SEND CORRESPONDENCE TO:</b></p> <ul style="list-style-type: none"> <li>• Taxpayer Advocate Office PO Box 826880, MIC:93 Sacramento, CA 94280-0001</li> <li>• Employment Development Department PO Box 2068 Rancho Cordova, CA 95741-2068</li> </ul>	<p><b>TYPE OF HELP:</b></p> <ul style="list-style-type: none"> <li>• Personal Income Taxes</li> <li>• Franchise Taxes</li> <li>• Bank Taxes</li> <li>• Corporation Taxes</li> </ul> <p><b>VISIT OUR WEBSITE:</b></p> <ul style="list-style-type: none"> <li>• FTB—Advocate <a href="http://www.ftb.ca.gov/about/FTB/Taxpayer_Advocate/index.shtml">www.ftb.ca.gov/about/FTB/Taxpayer_Advocate/index.shtml</a></li> <li>• FTB—General <a href="http://www.ftb.ca.gov">www.ftb.ca.gov</a></li> </ul> <p><b>TELEPHONE OR FAX:</b></p> <ul style="list-style-type: none"> <li>• Advocate Hotline 1-800-883-5910 Fax 1-916-843-6022</li> <li>• FTB Customer Service 1-800-852-5711</li> </ul> <p><b>SEND CORRESPONDENCE TO:</b></p> <ul style="list-style-type: none"> <li>• Executive and Advocate Services, MS A381 PO Box 157 Rancho Cordova, CA 95741-0157</li> <li>• Franchise Tax Board PO Box 942840 Sacramento, CA 94240-0040</li> </ul>
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<b>Governor's Office of Business and Economic Development (GO-Biz)</b>	<b>Internal Revenue Service (IRS)</b>	
<p><b>TYPE OF HELP:</b></p> <ul style="list-style-type: none"> <li>• Business Development</li> <li>• Permit Streamlining</li> <li>• Small Business Assistance</li> <li>• Innovation and Entrepreneurship</li> <li>• International Affairs and Business Development</li> </ul> <p><b>VISIT OUR WEBSITE:</b></p> <ul style="list-style-type: none"> <li>• Small Business Advocate <a href="http://www.business.ca.gov">www.business.ca.gov</a> <a href="http://www.businessportal.ca.gov">www.businessportal.ca.gov</a></li> </ul> <p><b>TELEPHONE OR FAX:</b></p> <ul style="list-style-type: none"> <li>• Governor's Office of Business and Economic Development 1-916-322-0694 1-877-345-4633</li> </ul> <p><b>SEND CORRESPONDENCE TO:</b></p> <ul style="list-style-type: none"> <li>• Governor's Office of Business and Economic Development 1325 J St., Suite 1800 Sacramento, CA 95814</li> </ul>	<p><b>TYPE OF HELP:</b></p> <ul style="list-style-type: none"> <li>• Income Taxes</li> <li>• Employment Taxes</li> <li>• Corporate Taxes</li> <li>• Estate Taxes</li> <li>• Nonprofit and Charitable Organization Taxes</li> </ul> <p><b>VISIT OUR WEBSITE:</b></p> <ul style="list-style-type: none"> <li>• IRS—Advocate <a href="http://www.irs.gov/advocate">www.irs.gov/advocate</a></li> <li>• IRS—General <a href="http://www.irs.gov">www.irs.gov</a></li> </ul> <p><b>SEND CORRESPONDENCE TO:</b></p> <ul style="list-style-type: none"> <li>• Please call the local office nearest you or visit the IRS website at <a href="http://www.irs.gov/advocate">www.irs.gov/advocate</a> for locations in California.</li> </ul> <p><b>TELEPHONE OR FAX:</b></p> <ul style="list-style-type: none"> <li>• National Taxpayer Advocate 1-877-777-4778</li> </ul>	<p><b>CALL/FAX US LOCALLY:</b></p> <ul style="list-style-type: none"> <li>• Fresno 1-559-442-6400 Fax 1-855-820-7112</li> <li>• Laguna Niguel 1-949-389-4804 Fax 1-949-389-5038</li> <li>• Los Angeles 1-213-576-3140 1-213-576-3141 eFax 1-855-820-5133</li> <li>• Oakland 1-510-907-5269 Fax 1-855-820-5137</li> <li>• Sacramento 1-916-974-5007 Fax 1-855-820-7111</li> <li>• San Diego 1-619-744-7156 Fax 1-855-890-0089</li> <li>• San Jose 1-408-283-1500 Fax 1-855-820-7109</li> <li>• IRS Customer Service 1-800-829-1040</li> </ul>
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<p><b>Common Taxpayer Advocate Responsibilities (BOE, FTB, EDD, IRS)</b></p> <ul style="list-style-type: none"> <li>• Resolve problems when normal channels don't work</li> <li>• Maintain independent status</li> <li>• Provide independent review</li> <li>• Protect taxpayers' rights</li> <li>• Adhere to agency tax laws</li> <li>• Identify trends and issues</li> <li>• Identify inequities and propose law or policy changes</li> <li>• Ensure courteous treatment of the public</li> <li>• Determine whether to suspend collections while case is in review</li> <li>• Encourage public suggestions</li> <li>• Promote understandable and simple             <ul style="list-style-type: none"> <li>- Tax laws</li> <li>- Regulations</li> <li>- Policies</li> <li>- Procedures</li> <li>- Publications</li> </ul> </li> </ul>	<p><b>California Tax Service Center:</b> <a href="http://www.taxes.ca.gov">www.taxes.ca.gov</a></p>	<p><b>Small Business Advocate Responsibilities (GO-Biz)</b></p> <ul style="list-style-type: none"> <li>• Work with state policymakers on issues facing small businesses</li> <li>• Coordinate educational events on wide-ranging topics important to small businesses</li> <li>• Promote information sharing and coordinate outreach efforts among state agencies</li> <li>• Provide or locate assistance to resolve issues such as permits or starting a business</li> </ul> <p style="font-size: small; margin-top: 20px;">Additional copies of this publication may be ordered online at <a href="http://www.boe.ca.gov/cgi-bin/form_search.cgi">www.boe.ca.gov/cgi-bin/form_search.cgi</a> or by telephone at 1-800-400-7115 (TTY:711).</p>
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## State Board Of Equalization

### *Avoiding Common Sales and Use Tax Problems*

### **Get it in Writing!**

This Presentation is designed to illustrate general tax concepts, and does not address every situation. If you email us a request for written advice and provide us the details specific to your business operations, we can provide you with tax guidance you can rely on.

Contact us at [boe.ca.gov/email](mailto:boe.ca.gov/email) or mail your inquiry directly to a BOE field office near you.

## Presumptions of the Tax Code

- All sales are taxable unless otherwise specifically exempted
- Claimed exemptions must be supported by documentation
- Taxpayer is responsible for maintaining and providing documentation for potential examination



## Common Types of Noncompliance

- Untaxed Purchases from Out-of-State Vendors
- Withdrawal from Resale Inventory for Own Use
- Unsupported Sales for Resale
- Difference Between Recorded and Reported Taxable Sales
- Reported Sales Lower than Expected Sales Based Upon a Markup on Purchases
- Errors in Compiling Return
- Difference Between Tax Accrued and Tax Paid
- Inadequate Records Resulted in Unreported Sales
- Unsupported Sales in Interstate Commerce Delivered to Instate Customer

## Untaxed Purchases From Out-of-State Vendors

Items purchased without payment of California tax:

- Purchase for own use (not resale inventory) and
- From out-of-state businesses (including online purchases)



## Withdrawal from Resale Inventory for Own Use

Inventory items purchased with a resale certificate without payment of tax

Items withdrawn from inventory for use other than resale (including use as gifts and free samples or for personal use)

Use Tax = Due on Cost

Resale Inventory



Gift



Use Tax = Due on Cost

## Use Tax for Individuals

- Can be reported on California Income Tax Return
- Can be reported on Sales & Use Tax Return
- Can be reported on BOE individual Use Tax Return



## Sales For Resale

Common ways to document sales for resale (examples to follow):

- A Resale Certificate
- A Purchase Order containing all the essential elements of a resale certificate



## Basic Elements of a Resale Certificate

- Purchaser's name
- Purchaser's address
- Purchaser's valid seller's permit number
- Item(s) being purchased
- Statement that purchase is "for resale"
- Authorized purchaser's signature
- Date resale certificate is signed
- Purchaser's title
- Purchaser's type of business activity
- Seller's name



## Permit/License Verification

To verify Seller's Permit number(s)  
submitted on resale certificates, retailers  
may call

888-225-5263

or access our website at

[www.boe.ca.gov](http://www.boe.ca.gov) (Click Verify Permit)



## Permit/License Verification

**Verify a Permit, License, or Account**

Enter the numeric portion only. Omit letters and other symbols (e.g. dashes.)

Seller's permit verification is available to help you determine if a seller's permit account number included on your customer's resale certificate is currently valid. As a seller, you are responsible for ensuring the resale certificate is properly completed. Please refer to Regulation 1668, Resale Certificates.

Cigarette and Tobacco product retailer license verification is available to help you determine if a cigarette and tobacco product retailer's license is currently valid. For a list of current Licensed California Cigarette and Tobacco Products Distributors or Wholesalers, select Distributor or Wholesaler. As a Distributor, Wholesaler, or Retailer, you are responsible for ensuring the license is valid. A distributor or wholesaler may be engaged in the business of selling cigarettes and/or tobacco products. If you are uncertain of which type of product the distributor or wholesaler may be licensed to sell, please contact a BOE representative at 1-800-400-7115 (TTY: 711) for more information. Click here to view a statewide map of all cigarette and tobacco products licensees.

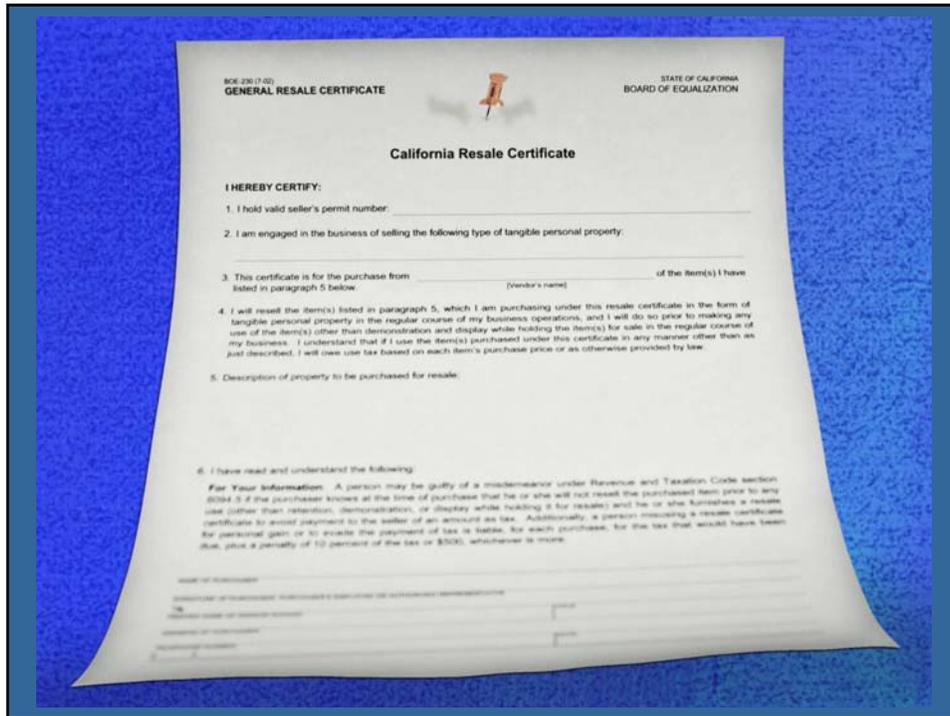
E-waste account verification is available to help you determine if a vendor of covered electronic devices (CEDs) is registered to collect and remit the electronic waste recycling fee. Please refer to the Important Notice.

Underground Storage Tank Maintenance Fee Account verification is now available. If the owner name on the validated account is different from the owner name in your records, please contact a BOE representative at 1-800-400-7115 (TTY: 711) for more information.

**Scheduled Downtime**  
In order to perform basic maintenance on the BOE website, the system will be unavailable for Online Services access from Sunday at 7:00 p.m. to Monday at 5:00 a.m., Pacific Time.

## Resale Certificates

- Available at some stationery stores, form BOE-230, in Regulation 1668, and in Publication 73
- Must be filled out completely
- Must be taken timely and in good faith



## Purchase Order Used as a Resale Certificate

Must specifically state **“For Resale.”**

Statements of **“Nontaxable,” “Exempt,”** or **“Taxable - No”** do not fulfill this requirement

## Purchase Order and a Resale Certificate

- Purchase Orders that state **“For Resale”** must contain the same information as required for a resale certificate
- The resale certificate will often say **“see purchase order”**

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BOARD OF EQUALIZATION

GENERAL RESALE CERTIFICATE

California Resale Certificate

HEREBY CERTIFY:

- I hold valid seller's permit number: KH 123-456789
- I am engaged in the business of selling the following type of tangible personal property:  
Jewelry
- This certificate is for the purchase from: Acme Wire (seller's name) of the item(s) I have listed in paragraph 3 below.
- I will resell the item(s) listed in paragraph 3, which I am purchasing under this resale certificate in the form of tangible personal property in the regular course of my business operations, and I will do so prior to making any use of the item(s) other than demonstration and display while holding the item(s) for sale in the regular course of my business. I understand that if I use the item(s) purchased under this certificate in any manner other than as just described, I will owe use tax based on each item's purchase price or as otherwise provided by law.
- Description of property to be purchased for resale:  
SEE PURCHASE ORDER

I have read and understand the following:

**For Your Information:** A person may be guilty of a misdemeanor under Revenue and Taxation Code section 6034.5 if the purchaser knows at the time of purchase that he or she will not resell the purchased item prior to any use other than retention, demonstration, or display while holding it for resale; and he or she furnishes a resale certificate to avoid payment to the seller of an amount as tax. Additionally, a person misusing a resale certificate for personal gain or to evade the payment of tax is liable, for each purchase, for the tax that would have been due, plus a penalty of 10 percent of the tax or \$500, whichever is more.

NAME OF PURCHASER: Rudy M. Malone  
ADDRESS OF PURCHASER (SEE LINE 5 OR CHECKED REPRESENTATIVE):  
Rudy M. Malone  
Rudy M. Malone (Owner)  
ADDRESS OF PURCHASER: 123 Pine Street, Sacramento, CA 95814  
TELEPHONE NUMBER: ( 916 ) 555-1234 DATE: 12-10-2010

## About a Seller's Permit

- Allows sales to be made in California
- Provides a seller's permit number used to issue a resale certificate for purchases of inventory items without paying tax
- Does not allow buying items for personal or business use without paying tax
- Permit must be issued in the owner's name for each business address

DISPLAY COMPROMISELY AT PLACE OF BUSINESS FOR MINIMUM PERIOD

CALIFORNIA STATE BOARD OF EQUALIZATION

SELLER'S PERMIT

123456789

NEW SELLER ADDRESS

SELLER'S NAME

TRAFFIC

ES

STREET

CITY

SELLER'S INFORMATION

For general tax questions, please call our Information Center at 800-400-7115.  
For information on your rights, contact the Taxpayer's Rights Advocate Office at 800-324-2768 or 916-324-2766.

## Penalties for Improper Use of Resale Certificates



- Misuse of resale certificate is a misdemeanor
- The penalty is \$500 or 10% of the amount of tax per transaction, whichever is greater

## Recorded vs. Reported Taxable Sales



Comparison between taxable sales per your books and records and taxable sales reported to the BOE

## Tax Accrued

Tax accrued, which is the amount of tax collected from customers or recorded as amounts due to the state, is compared to tax paid.



## Required Records

Records must be maintained for at least four years, but we recommend you keep them for eight. Examples of records:

- Sales Invoices
- Cash Register Tapes
- Sales Journals
- Purchase Invoices
- Cancelled Checks
- Purchase Journals
- Resale Certificates
- Exemption Certificates
- Purchase Orders
- Shipping Documents
- Schedules
- Working Papers used in Preparing Tax Returns.



## Sales in Interstate Commerce

Common ways to document sales in interstate commerce:

- Bills of Lading
- Freight Invoices
- Delivery Receipts
- Correspondence



## Unsupported Sales in Interstate Commerce Delivered to Instate Customers

- Delivery to a purchaser in California for subsequent shipment to another state is taxable.
- When the goods are diverted by the purchaser in transit to a California location, the exemption is lost.
- Drop shipments.



## Taxpayer Information Section

- 800-400-7115  
711 (TTY)
- Mon. - Fri. 8am to 5pm
- 1-1 Assistance
- 24 hr. fax-back service
- Recorded Information



## Taxpayers' Rights Advocate

888-324-2798

If you have been unable to resolve a disagreement with the BOE and you would like to know more about your rights under the law.

[boe.ca.gov/tra](http://boe.ca.gov/tra)



## **BOE Offers Free Personalized Assistance**

- A staff consultant will review your business operation and record keeping system.
- Call your local BOE office today to make an appointment.



**We wish you success  
in your business venture.**



We welcome your comments and suggestions.

 STATE OF CALIFORNIA Franchise Tax Board	2016	
<h1>Forms of Ownership</h1>		
<p>Presented by Small Business Education and Outreach Section</p>		

 STATE OF CALIFORNIA Franchise Tax Board	2016
<h1>Sole Proprietorships</h1>	
 STATE OF CALIFORNIA Franchise Tax Board	

## Sole Proprietorship Characteristics



The simplest form of doing business.

No formal transfer of assets to start business.

Business' taxable year is the same as the owner's taxable year.



## Sole Proprietorship Characteristics

- Sole proprietors use Federal Schedule C to report the business' profit or loss on their Form 540 income tax returns whether distributed or not.
- Losses generally offset other income.
- Sole proprietor is not considered to be an employee of the business.



2016



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Franchise Tax Board

# General Partnerships



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## Partnership Characteristics

Two or more persons carrying on a business for profit.	Flexible form of business and relatively easy to set up.
Partners decide the organization's structure and distribution of profits and losses.	A formal written agreement is advisable.



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## Partnership Characteristics

- Not a separate taxable entity.
- Partnership files informational return using Form 565.
- Partners report profit or loss on their individual Form 540 income tax returns whether distributed or not.
- Losses may be limited.



## Most Commonly Used Legal Entities

Corporations

Limited Liability Companies

There are other less common legal entities types available. For more information see our publication FTB 1123, *Forms of Ownership*.



## California Legal Entities

Formed by filing the appropriate documents or forms with the California Secretary of State.

### Corporation

- Articles of Incorporation
- Various Forms
- Minimum Tax

### Limited Liability Company

- Articles of Organization
- Form LLC-1
- Annual Tax and Fee

Taxed annually until formally dissolved or cancelled.



2016



# C Corporations



The slide features a dark blue header with the year '2016' on the right and the State of California Franchise Tax Board logo on the left. The main content area has a large dark blue rectangle on the left containing the text 'C Corporations' in white. To the right of this rectangle is an illustration of five business professionals (three men and two women) in a meeting around a conference table. The State of California Franchise Tax Board logo is also present in the bottom left corner of the slide.

## C Corporation Characteristics

A separate legal entity owned by shareholders.

Must register with SOS before conducting business.



Can be costly to set up and maintain.

Option of choosing an income year other than the calendar year.



## C Corporation Characteristics

- Files using Form 100.
- Taxed annually on its earnings at a rate of 8.84% on net income.
- Subject to \$800 minimum tax.
- Shareholders taxed on distributed dividends.



2016



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# S Corporations



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## S Corporation Characteristics



A separate legal entity owned by shareholders.



Must register with SOS before conducting business.



Election is made for S corporation status.



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## S Corporation Characteristics



No more than 100 shareholders.



Only one class of stock.



Shareholder can only be individuals, estates, or certain trusts.



## S Corporation Characteristics

- A hybrid business entity.
- Files using Form 100S.
- State tax rate of 1.5% of net income. Not subject to federal tax.
- Subject to \$800 minimum tax.
- Shareholders report profit or loss on their individual Form 540 income tax returns whether distributed or not.



2016



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# Limited Liability Companies (LLC)



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## LLC Characteristics

-  A separate legal entity owned by members.
-  Must register with SOS before conducting business.
-  A hybrid business entity.
-  Restrictions may apply to professional services that require a license, certification, or registration.



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## LLC Characteristics



IRS partnership classification: follow partnership rules.



For California only. A single member classification: follow sole proprietor rules.



IRS corporation classification: follow corporation rules.



## LLC Characteristics Single Member and Partnership

- Single or partnership classified LLCs file using Form 568.
- Subject to \$800 annual tax.
- Maybe subject to an LLC fee based on total income (gross income plus cost of goods).
- Members report their share of profit or loss on Form 540 income tax returns whether distributed or not.



## LLC Characteristics C Corporation Classification

The image shows a thumbnail of the California Corporation Franchise or Income Tax Return Form 100. The form is for the 2014 tax year. It includes fields for the calendar year, corporation name, address, and other identifying information. The 'Schedule C' section is visible, with checkboxes for 'C Corporation' and 'S Corporation'. The form number '100' is in the top right corner.

- C Corporation classified LLCs file using Form 100.
- Taxed annually on its earnings at a rate of 8.84% on net income.
- Subject to \$800 minimum tax.
- Members receive profits and losses like C corporation shareholder.



## LLC Characteristics S Corporation Election

The image shows a thumbnail of the California S Corporation Franchise or Income Tax Return Form 100S. The form is for the 2014 tax year. It includes fields for the calendar year, corporation name, address, and other identifying information. The 'Schedule C' section is visible, with checkboxes for 'C Corporation' and 'S Corporation'. The form number '100S' is in the top right corner.

- S Corporation classified LLCs file using Form 100S.
- State tax rate of 1.5% on net income. Not subject to federal tax.
- Subject to \$800 minimum tax.
- Members report their share of profit or loss on Form 540 income tax returns whether distributed or not.



## Forms of Ownership Information

Franchise Tax Board's Guide to:

  
Forms of Ownership

**FTB Publication 1123, Franchise Tax Board's Guide to Forms of Ownership**



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# Recordkeeping for Small Business/Self Employed Individuals



Date

## Necessity of Books and Records

- Monitor the business's progress
- Prepare financial statements
- Keep track of deductible expenses



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## Necessity of Books and Records

- Prepare tax returns
- Prepare for examination
- Business
  - Verify expenses
  - Proof of payment not enough



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## Books and Records

- Records
- Tax purpose of a record
- Accounting entry
- Accounting book
- Income statement
- Balance sheet



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## UETA Definition of Electronic Books and Records

Uniform Electronic Transaction Act defines electronic records that, by electronic means, are:

- Created
- Generated
- Sent
- Communicated
- Received, or
- Stored



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## Recordkeeping Requirements

- Internal Revenue Code §6001 and related Income Tax Regulations under §1.6001-1; generally provides that everyone must keep adequate records.



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## Record Types Needed Gross Receipts

- Cash register tapes
- Receipt book
- Sales
- Invoices
- Credit charge slips
- Forms 1099



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## Record Types Needed Purchases and Expenses

- Amount paid
- Amount was for business purchases



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## Record Types Needed (Cont'd)

Charitable Contributions, Travel, Transportation, Entertainment, Gifts

- Amount
- Each date
- Description
- Explanation of business benefit gained



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## Record Types Required Employment Taxes

- Names
- Addresses and
- Taxpayer identification numbers for individuals
  - who work for you or
  - performs services and receives payment



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## Record Types Needed - Assets

- Property used in business must be substantiated
- Maintaining records that show
  - When and how property acquired
  - Purchase price, and
  - Use of property



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## Maintenance of Books and Records

- Use the method that works best
- Records should say:
  - what was received
  - from whom
  - for what reason
- Keep records timely



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## Responsibility of Books and Records

- Taxpayer/business owner responsible for maintaining adequate books and records
- If paid preparer used, preparer's records needed also



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## How Long to Keep Records

- Generally, three years from filing date to examine tax return
- Tax records must be kept at least until statute of limitations expires
- Certain tax returns much longer
- Keep source records (checks, receipts, and proof of business purpose) at least three years



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## How Long to Keep Records (Cont'd)

- Until deduction no longer claimed
- Employment tax records, four years
- Assets, until sold or removed
- IRA contributions, permanently
- Broker statements, expiration of limitation period
- Improvements to residence, until sold
- Net operating losses, until statute of limitations expired on last tax return claiming a loss
- Follow state recordkeeping laws also



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## IRS Resources

- Publication 15, Circular E - Employers Tax Guide
- Publication 463, Travel, Entertainment, Gift, and Car Expenses
- Publication 535, Business Expenses
- Publication 536, Net Operating Losses
- Publication 547, Casualties, Disasters and Thefts
- Publication 556, Examination of Returns, Appeal Rights & Claims



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## IRS Resources

- Publication 594, The IRS Collection Process
- Publication 3498, The Examination Process
- Publication 5, Appeal Rights and Preparation of Protests for Unagreed Cases
- Circular 230, Regulations Governing the Practice of Attorneys, Certified Public Accountants, enrolled Agents, Enrolled Actuaries, and Appraisers before the Internal Revenue Service
- Publication 583, Starting a Business and Keeping Records



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## IRS Resources (Cont'd.)

- Publication 225, Farmers Tax Guide
- Publication 1066-C, A Virtual Small Business Workshop CD
- Publication 2194, Disaster Losses Kit for Individuals
- Publication 2194B, Disaster Losses Kit for Businesses
- Publication 4758, Reconstructing Your Records
- Publication 4796, IRS Records at Your Fingertips
- Visit [IRS.gov](http://IRS.gov)



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## Contact information

Name  
Phone Number  
E-Mail Address



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## Employee or Independent Contractor



v13a

## Introductions

Gilbert Fernandez  
Employment Tax Consultant

[www.edd.ca.gov](http://www.edd.ca.gov)

Taxpayer Assistance Center:  
1-888-745-3886

## Reasons to Properly Classify Workers

- Avoid reclassification audits due to:
  - Worker Claims
  - Worker Informants
  - Competitor Informants
- Prevent additional taxes, penalties, and interest.
- Avert possible revocation of state or local licenses.

### Misclassification Example

One worker, earning \$20,000 for one year (tax year 2013)	Employer A (Correctly classifies worker as employee)	Employer B (Misclassifies worker as independent contractor)
UI (3.4%)* *New employer rate	\$238	\$238
ETT (0.1%)	\$7	\$7
SDI (1.0%)		\$200
PIT (6.0%)		\$1,200
<b>Total due for one year</b>	\$245	\$1,645** ** Plus penalty and interest

- ### Types of Workers
- Employees
    - Common Law
    - Statutory
    - Exempt
  
  - Independent Contractors

## Common Law Guidelines

### **Common Law Employee:**

An individual who performs services for you and is subject to your control regarding what will be done **and** how it will be done.

### **Independent Contractor:**

An individual who performs services for you **but** you control only the result of the work.

## Common Law Primary Factor

The right of the principal to control the manner and means of accomplishing a desired result.

The right to discharge a worker at will and without cause is strong evidence of right to control.

## Examining the Factors



Distinct trade or occupation	Method of payment
Supervision	Regular part of the business
Skill level	Belief of the parties
Tools and place of work	Extent of actual control
Length of time	Services benefit the principal
Ability to earn a profit or incur a loss	

*Employment (DE 231)*  
*Employment Determination Guide (DE 38)*

## Weighing the Factors

The importance or weight given each factor will vary, depending on the specific work situation, industry, and occupation.



## Statutory Employees

Employee by law under a specific statute.

Examples include, but not limited to:

- Corporate officers
- Unlicensed contractors
- Certain Limited Liability Company members

## Exempt Employees

Certain employees are not subject to specific taxes or withholding provisions.

Examples include:

- Domestic Workers
- Family Members
- Direct Sellers
- Real Estate Agents

*Exempt Employment (DE 231EE)*

## Additional Resources

- *California Employer's Guide* (DE 44)
- *Determination of Employment Work Status* (DE 1870)
- California Unemployment Insurance Appeals Board website [www.cuiab.ca.gov/index.asp](http://www.cuiab.ca.gov/index.asp)
- Online Employee or Independent Contractor Course [www.edd.ca.gov/Payroll\\_Taxes/Web\\_Based\\_Seminars.htm](http://www.edd.ca.gov/Payroll_Taxes/Web_Based_Seminars.htm)

**Thank You.**

**Questions?**

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

## ***SBA Overview***

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*October, 2017*



**SBA's Strategic Goals** 

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- 1 Growing businesses and creating jobs
- 2 Building an SBA that meets needs of established and emerging small businesses
- 3 Serving as the voice of small businesses

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**SBA's Programs: Three C's and a D** 

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<b>Capital</b>	<ul style="list-style-type: none"><li>7(a) Loans</li><li>504 Loans</li><li>Small Business Investment Companies</li><li>Small Business Innovation Research/Small Business Technology Transfer</li><li>Other</li></ul>		
<b>Contracting</b>	<ul style="list-style-type: none"><li>Small Business Contracting</li><li>Socio-economic programs</li><li>Size standards</li><li>Other</li></ul>		
<b>Counseling</b>	<table border="0"><tr><td><ul style="list-style-type: none"><li>SBA Field Network</li><li>Small Business Development Centers</li><li>Women's Business Centers</li><li>SCORE</li></ul></td><td><ul style="list-style-type: none"><li>Clusters</li><li>STEP</li><li>Other</li></ul></td></tr></table>	<ul style="list-style-type: none"><li>SBA Field Network</li><li>Small Business Development Centers</li><li>Women's Business Centers</li><li>SCORE</li></ul>	<ul style="list-style-type: none"><li>Clusters</li><li>STEP</li><li>Other</li></ul>
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<b>Disaster</b>	<ul style="list-style-type: none"><li>Economic Injury Disaster Loans</li><li>Business Physical Disaster Loans</li><li>Home Physical Disaster Loans</li></ul>		

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## Capital: 7(a) Loans



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- **Who:** all small businesses
- **What:** SBA's primary financing program, 7(a) loans can be used for most business expenses, including
  - working capital
  - the purchase of inventory, supplies, or raw materials
  - the purchase of business-occupied real-estate
- **How:** Loans are offered by private lending institutions. SBA guarantees up to 85% on loans up to \$150K, and up to 75% on all other loans of loan value up to \$5M
- **Other background:** The Recovery Act and the follow-on Small Business Jobs Act (SBJA) temporarily allowed an increase of the 7(a) guarantee of up to 90%

- **Locally:** In Fiscal Year 2015 (October 1 2014 – September 30, 2015), there were **678 SBA 7a loans worth \$321,664,000** made in the 15 county Fresno District.

Loans were made by SBA lenders located across the District.

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## Capital: Specialized 7(a) loans



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**Background**

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SBA Express	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> borrowers seeking loans below \$350K</li> <li>▪ <b>What/How:</b> SBA Express offers borrowers an answer within 36 hours by delegating credit/eligibility decisions to lenders. The SBA will then guarantee 50% of the loan</li> </ul>
Veterans Advantage	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> veteran-owned businesses seeking loans under \$350K</li> <li>▪ <b>What/How:</b> Veterans Advantage loans reduce the up-front guaranty fee from 3% to 0% for SBA Express loans over \$150K to qualified veteran-owned small businesses</li> </ul>
Small Loan Advantage	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> borrowers seeking loans under \$350K from existing SBA lenders</li> <li>▪ <b>What/How:</b> SLA is structured to encourage existing SBA lenders to make lower-dollar loans, which often benefit businesses in underserved markets</li> </ul>
Community Advantage	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> Businesses in underserved communities</li> <li>▪ <b>What/How:</b> offers a streamlined application for SBA 7(a) loans up to \$250K, increasing lending by mission-focused lending institutions like CDFIs which were previously unable to offer SBA loans</li> </ul>
CAPLines	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> small businesses seeking short-term working capital funding</li> <li>▪ <b>What/How:</b> helps small businesses meet their short-term and cyclical working capital needs by offering loans up to \$5M</li> </ul>

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**Capital: 504 Loans** **SBA**

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- **Who:** Small businesses that want to expand or improve their existing operations
- **What:** Provides long-term, fixed-rate capital to acquire real estate and major fixed assets
- **How:** SBA provides a Certified Development Company (CDC) with a guarantee of up to 40% of a project's financing, a commercial lender provides up to 50% of the financing, and the borrower contributes at least 10% as equity
- **Other Background:** Under the SBJA the SBA implemented a temporary 504 Refinancing program, allowing borrowers to refinance eligible fixed assets in its 504 program without requiring an expansion. Borrowers could finance up to 90% of the appraised value of collateral. *Note: 504 lending peaked in 2012 due to the popularity of the 504 Refi program*

- **Locally**  
In Fiscal Year 2015 (October 1, 2014 – September 30, 2015), there were **100** SBA 504 loans made, worth **\$93,863,000**.

**504 Loan**

Contributor	Percentage
CDC with SBA Guarantee	~40%
Lender	~50%
Borrower	~10%

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**Capital: Small Business Investment Companies (SBIC)** **SBA**

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- **Who:** Private investment funds that wish to make equity and/or debt investments in small businesses
- **What:** Program is a private-public partnership to fill the gap between the availability of growth capital and the needs of small businesses
- **How:** SBA licenses qualified private equity fund managers and provides them with access to low-cost, government-guaranteed capital to make investments in small businesses
- **Other Background:** FY13 represented a fourth consecutive record-breaking year for SBIC debentures. More than 850 small businesses received approximately \$3.3 billion in growth capital, a 10 percent increase in financing from FY12

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**Capital: SBIR / STTR**


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**SBIR**

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- **Who:** Small businesses engaged in federal research and development (R&D) projects
- **What:** Program that encourages small business to explore their technological potential and provides the incentive to profit from its commercialization
- **How:** Program reserves 2.8% of R&D funds at federal agencies with ≥\$100M R&D budgets for small businesses. SBA oversees the awarding of competitive contracts and grants to small firms for R&D projects based on the needs of 11 participating government agencies
- **Other Background:** SBIR spending is a function of the 11 SBIR agencies' budgets, but has recently hovered around \$2.5B

**STTR**

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- **Who:** Small businesses and nonprofit research institutions
- **What:** Program that expands funding opportunities in the federal innovation research and development arena and introduces entrepreneurial skills to high-tech research efforts
- **How:** SBA coordinates and oversees awards made to small businesses that pursue technological innovation through cooperative research and development with certain Federal laboratories and non-profit scientific and educational institutions

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**Capital: Other**


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**Microlending**

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- **Who:** Small businesses and certain not-for-profit childcare centers
- **What:** SBA provides small (up to \$50K) short-term (≤6 years) loans for working capital or the purchase of inventory, supplies, furniture, fixtures, machinery and/or equipment
- **How:** Program is delivered through specially designated intermediary lenders (nonprofit organizations with experience in lending and technical assistance). These intermediaries administer the Microloan program for eligible borrowers

**Surety Bonds**

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- **Who:** Small business contractors bidding on public and private construction projects
- **What:** SBA provides and manages surety bond guarantees for qualified small and emerging businesses, in direct partnership with surety companies
- **How:** SBA guarantees up to 90% on four types of surety bonds: bid bonds, performance bonds, payment bonds, ancillary bonds issued by participating surety companies for contracts up to \$6.5M

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## Contracting: Small Business Contracting



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- **Who:** Small business contractors
- **What:** SBA manages the small business contracting programs for all federal agencies and is responsible for ensuring the government achieves the statutory goals:
  - 23% Small Business
  - 5% Small Disadvantaged Business (8a)
  - 5% Women-Owned Small Businesses
  - 3% HUBZone
  - 3% Service-Disabled Veteran-Owned SBs
- **How:** Set-aside programs are in place for each of the small business categories above. SBA manages the certification and protest process for each program



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## Contracting: Socio-Economic Programs



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### Federal Contracting Hits Historic Goals in 2015

**Small Businesses (23% Goal)**

The federal government surpassed its 23 percent small business procurement goal for the **third year in a row**, awarding an all-time high of 25.75 percent, or **\$90.7 billion**, in federal contracts to small businesses. These contracting funds support more than **537,000 jobs** and have a significant impact on job creation, innovation, and growth in communities throughout the country.

**Women Owned Small Businesses (5% Goal)**

In FY15, **5.05 percent** or **\$17.8 billion** of all federal small business eligible contracting dollars were awarded to WOSBs, the first time this specific benchmark has ever been reached. Since taking over as SBA Administrator, Contreras-Sweet has made it a top priority to increase federal contracting opportunities for Women-Owned Small Businesses.

**Service-Disabled Veteran-Owned Small Business (3% Goal)**

Federal contract dollars awarded to Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) and Small Disadvantaged Businesses (SDB) **also reached historic highs**. For the **4th consecutive year**, the federal government exceeded the goal for SDVOSBs, achieving **3.93 percent** or **\$13.8 billion** of all federal small business eligible contracting dollars. SDBs received **10.06 percent** or **\$35.4 billion** of all small business eligible contracting dollars, the highest percentage in history.

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## Contracting: Size Standards



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- **Who:** All small businesses
- **What:** SBA sets the small business size standard for each industry based on the North American Industry Classification Codes (NAICS); These standards are used for all SBA programs
- **How:**
  - Size standards are determined based on economic analysis of each industry
  - Standards are based on either (1) number of employees, (2) annual revenues or (3) a combination of the two
  - Per the Small Business Jobs Act of 2010, all size standards need to be updated every 5 years

*Most common standards for a small business:*

- **500 employees** for most manufacturing and mining industries
- **\$7 million** in average annual receipts for most non-manufacturing industries

*Largest size standards:*

- **1500 employees** for select manufacturing industries
- **\$35.5 million** in average annual receipts for select construction, retail and services industries

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## Counseling: SBA Field Network



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**Fresno District Office (1 of 68 Across the Country), and dozens of resource partners**

The Fresno District Office serves 15 counties in California’s San Joaquin Valley and Central Coast. Our 10 District staff reflect the diversity of the jurisdiction we work in, and our focus is on underserved customers including rural communities, Veterans, women, and monolingual entrepreneurs.

There are SCORE Chapters, SBDC Offices, a Women’s Business Center located in the District that serve entrepreneurs. There is also a Veteran’s Business Outreach Center in Sacramento which provides support for Veterans.



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**Counseling: Small Business Development Centers**



- **Who:** All small businesses and entrepreneurs
- **What:** These resource partners provide a vast array of technical assistance that helps strengthen business performance and adds to the creation of new businesses.
- **How:** SBA awards matching grants to SBDC leads in each state; one or more sponsors (state/local government or private) must provide matching fund contributions. SBDCs offer no cost, extensive, one-on-one, long-term professional business advising, low-cost training and other specialized services
- **Number:** For years statute has required that SBA fund 63 cooperative agreements with resource partners that serve as lead SBDCs

- **Locally:** The Fresno District Office jurisdiction is served by Five SBDCs (Fresno, Kern County, Stanislaus County, San Luis Obispo, Monterey) and 2 Satellite centers



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**Counseling: Women Business Centers**



- **Who:** Socially and economically disadvantaged women business owners
- **What:** These educational centers are designed to assist women looking to start and grow small businesses
- **How:** SBA awards matching grants to WBCs; one or more sponsors (private or state/local government) must provide matching fund contributions. Entrepreneurs are offered counseling and training in finance, marketing, management, and the Internet, as well as access to all of the SBA's assistance programs
- **Locally:** Mission Community Services Corporation's Women's Business Center serves established and emerging female business owners in San Luis Obispo and Kern Counties.

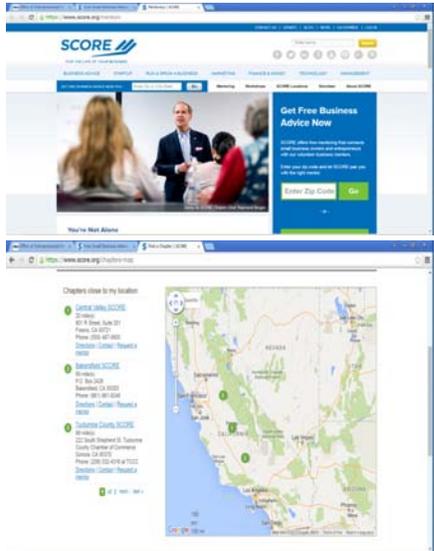


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## Counseling: SCORE



- **Who:** Small businesses and aspiring entrepreneurs
- **What:** SCORE members are trained to serve as counselors advisors and mentors to aspiring entrepreneurs and business owners
- **How:** SBA awards a single grant to SCORE. Working and retired executives and business owners donate their time providing entrepreneurs with free, confidential face-to-face and online business counseling services offered at no fee, as a community service
- **Locally:** SCORE Chapters across San Joaquin Valley and Central Coast serve entrepreneurs who need counseling, mentoring, and technical assistance with starting, running, and growing their businesses.



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## Counseling: Clusters and STEP



Clusters	State Trade Export Promotion (STEP)
<ul style="list-style-type: none"> <li>▪ <b>Who:</b> Small businesses in priority industries</li> <li>▪ <b>What:</b> Program brings together entrepreneurs, and small businesses with venture capitalists, universities and regional industry leaders to leverage unique regional assets to support the creation of high-growth small businesses</li> <li>▪ <b>How:</b> Federal agencies award collaborative grants to connect small businesses in particular regions/sectors with specialized suppliers, similar businesses, prime customers, research institutions and investors. SBA clusters offer industry-specific technical assistance to help small firms commercialize technologies needed by industry and the federal government</li> <li>▪ <b>Other Background:</b> after a two-year pilot, Congress awarded \$5M in FY14 clusters funding</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> Small businesses and state agencies that conduct trade and export activities</li> <li>▪ <b>What:</b> Program that increases the number and value of small businesses exports by helping current and potential small business exporters reach new international markets</li> <li>▪ <b>How:</b> SBA provides matching federal funds to states and territories to carry out export promotion efforts such as trade missions, international marketing efforts, business counseling, export trade show exhibits, etc.</li> <li>▪ <b>Other Background:</b> after a three-year pilot – with two years of funding totaling \$60M – the President’s FY14 budget did not request ongoing STEP funds. Congress nonetheless awarded \$8M in FY14 STEP funding</li> </ul>

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## Counseling: Other



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**Background**

<b>AARP / Encore Entrepreneurs</b>	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> Americans over the age of 50</li> <li>▪ <b>What/How:</b> SBA and AARP are working jointly to link Americans age 50+ with small business development resources, including live workshops, conferences and mentoring programs to give them entrepreneurship support</li> </ul>
<b>Boots to Business (B2B)</b>	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> transitioning service members</li> <li>▪ <b>What/How:</b> B2B courses introduce veterans to the fundamentals of small business ownership and to the SBA tools and resources available to them. SBA's resource partner network is responsible for delivering B2B trainings on bases across the country</li> </ul>
<b>Emerging Leaders</b>	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> Owners of high-growth small businesses in underserved communities</li> <li>▪ <b>What/How:</b> SBA's Emerging Leaders program offers an intensive seven-month executive leader education series that elevates business owners' growth trajectory, creates jobs, and contributes to the economic well-being of underserved communities</li> </ul>
<b>VBOCs</b>	<ul style="list-style-type: none"> <li>▪ <b>Who:</b> veteran business owners or veterans considering starting a business</li> <li>▪ <b>What/How:</b> program is designed to provide entrepreneurial development services such as business training, counseling, mentoring and referrals. VBOC workshops are focused on tools for self-employment for developing and expanding new businesses</li> </ul>

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## Disaster: Business Disaster Loans



---

**Business – Physical Disaster Loans**

- **Who:** Businesses or most private nonprofit organizations located in a declared disaster area with losses not fully covered by insurance
- **What/How:** SBA makes physical disaster loans of up to \$2M for the repair or replacement of the following: equipment, fixtures, inventory, machinery, and leasehold improvements

**Business – Economic Injury Disaster Loans**

- **Who:** small businesses and private nonprofits located in a declared disaster area
- **What/How:** SBA makes economic injury loans of up to \$2M to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. This capital helps organizations survive until normal operations resume after a disaster.



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## Disaster: Home Physical Disaster Loans



- **Who:** homeowners, renters and/or personal property owners located in a declared disaster area
- **What:** Primary source funding for permanent rebuilding and replacement of uninsured or underinsured disaster damages
- **How:** SBA can provide up to \$40K to homeowners and renters to help repair or replace personal property, such as clothing, furniture, automobiles, etc., lost in a disaster. SBA can also provide homeowners a loan of up to \$200K to repair or replace their primary residence to its pre-disaster condition
- **Apply** Call 1-800-659-2955 or apply online <https://disasterloan.sba.gov/ela/>



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## SBA: Here to serve



**Fresno SBA District Office**

Visit Our Website: [www.sba.gov](http://www.sba.gov)

Email Us: [fresno@sba.gov](mailto:fresno@sba.gov)

Call Us (559) 487-5791

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**Welcome**  
April 20, 2016

*"Personalized technical assistance delivered to your business"*

## Powering Small Business

The Fresno State Small Business Development Center (SBDC) is the leader in providing small business owners and entrepreneurs with the tools and guidance needed to become successful in today's challenging economic climate.







**Consulting**  
Experienced consultants offering quality and confidential services.



**Training**  
Practical, cutting-edge training workshops that inspire innovation.



**Office Hours**  
Office hours to meet your needs and confidential walk-in expert consultation.



**Tools**  
The tools and resources necessary to make your business thrive.

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## Fresno State SBDC

Fresno, Tulare, Kings, Madera Counties

The Small Business Development Center (SBDC) provides high-quality business assistance to start-ups and established businesses. We help entrepreneurs launch companies, create and retain jobs, and attract capital investment.

**“Helping entrepreneurs contribute to the prosperity of the region”**

The UC Merced SBDC Regional Network, which Fresno State SBDC is part of, is nationally accredited and largely funded by the U.S. Small Business Administration (SBA).



**Mission**

To help create jobs and grow our regional economy by providing entrepreneurs and small businesses with high-quality consulting, training workshops and technical support for innovation, flexible hours to accommodate business owners, and all of the tools necessary to build successful, sustainable, and scalable businesses.



**Vision**

Fresno State SBDC staff and consultants provide guidance in starting a small business, job creation, job retention and assists business owners and entrepreneurs with growth-oriented business strategies and technical assistance.



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





**Business Planning & Management**



**Marketing**



**Financial Management**



**Specialized Assistance**



**Business Planning & Management**

Start-up Assistance | Business Plan | Expansion & Growth | Licensing & Permits | Human Resource Management

Buying & Selling a Business | Analyzing a Business

Business Plan diagram: Goals, Analysis, Operations, Team, Marketing, Competitor?, SWOT, Success, Mission, Financial, Product Description, Timeline, Market, Work Strategy.

The slide features a header with a woman in a shop and a lightbulb icon. Below the title is a dark blue navigation bar with five categories. The main content area contains a central diagram of a business plan with various components and two side categories.



**Marketing**

Identifying Market Niches | Advertising & Promotional Strategies | Marketing Plan | Pricing, Products & Services | Social Media

Website Development | E-Commerce

Marketing word cloud: email, target, market, flyers, concepts, social media, websites, offers, incentives, brochures, logos, relationships, business, communication, concept, design, marketing, creati

The slide features a header with a woman holding an 'OPEN' sign and a lightbulb icon. Below the title is a dark blue navigation bar with five categories. The main content area contains a word cloud centered around the word 'marketing' and two side categories.



## Financial Management

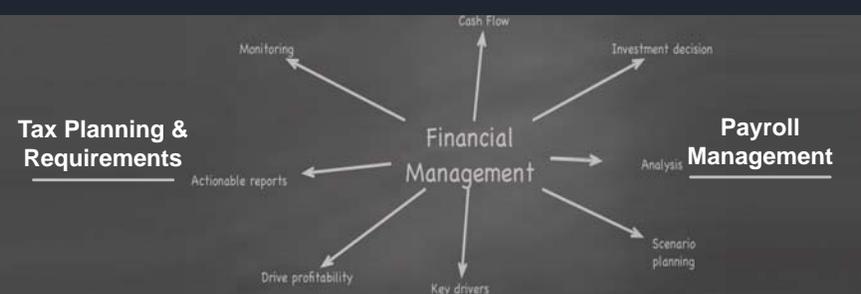
**Cash Flow Management**

**Funding Options**

**Bookkeeping & Accounting**

**Loan Application Assistance**

**Financial Analysis & Projections**



**Financial Management**

- Cash Flow
- Investment decision
- Payroll Management
- Scenario planning
- Key drivers
- Drive profitability
- Tax Planning & Requirements
- Actionable reports
- Monitoring



## Specialized Assistance

**Tech Transfer & Commercialization**

**SBIR/STTR Assistance**

**Patents & Trademarks**

**Location & Site Analysis**

**Distribution & Manufacturing**



**Patent**

**Veterans' Assistance**      **Government Procurement**

Opposition      Innovations      Prosecution

USPTO      Drafting      Examination      Pre-Grant      IPR      PCT

Patent      Journal      EPO      Search      Claims

Office      Post-Grant      Infringement      Licensing      Landscaping      Invalidity      FTO      Training      Appeals      Validity

IPAB      Watch      Action      Technology-Transfer      Prosecution      Claims

Publication      Specification      Prior-Art-Search      Response      Examination      Pre-Grant      Patent      Journal      EPO      Search      Claims

# Social Media Marketing

Social media marketing is the process of gaining website traffic or attention through social media sites. Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it across their social networks.

**“Let’s Put Our Cities on the Map is specifically aimed at helping small businesses”**

- Learn how to put more information about their business into Google
- Get their company verified for Google searches
- Add information such as location, hours of operation
- Add photos to enhance the listing
- Get a diagnostic tool to see how they can improve their listing and visibility
- Get a one-year free website and domain name from Google partner StartLogic
- Learn about local training workshops and other resources

**Missio**  
 “Start small. Work to increase engagement with those who have connected with you and figure out what types of content will get them to like, comment, and share.”  
 — Gail Goodman, CEO, Constant Contact.

**Google** Before you begin – Claim Your Business  
 CAN CUSTOMERS FIND YOU ON GOOGLE?

**LET’S PUT OUR CITIES ON THE MAP**  
 with Google

*“In Social Media, content leads to conversations, conversations build relationships, and relationships result in ROI.” — Robert Caruso, CEO, Bundle Post*

# Emerge Online

A Small Business Online = **Success START HERE!**

NO WEBSITE AND/OR NO SOCIAL MEDIA = FEWER CUSTOMERS

## KNOW THE SOCIAL MEDIA TREND & WHO’S ON IT

1

- Facebook reached new milestones this year, generating as much as... 2015 is coming to a close and it has been a really great and wild year for social media.
- 4 BILLION video views daily from more than...
- 1.49 BILLION monthly active users and more than...
- 1.31 BILLION users on their mobile devices.
- YouTube is still of it and running strong from billions of views from its more than... 1 BILLION active users.

Live video streaming is picking up pace, now that related apps like Meerkat and Periscope has been launched.

Other social media sites are also enjoying the same upward trends, like...

## 2016 Social Media Trends

So, what should business owners and digital marketers expect from the world of social media in 2016?



Stay ahead of the social media marketing game by familiarizing yourself now with all social media trends and new features that will be hitting it big in 2016 – and beyond

**Instagram** hitting the **300 MILLION** user mark and its Ads program going global.

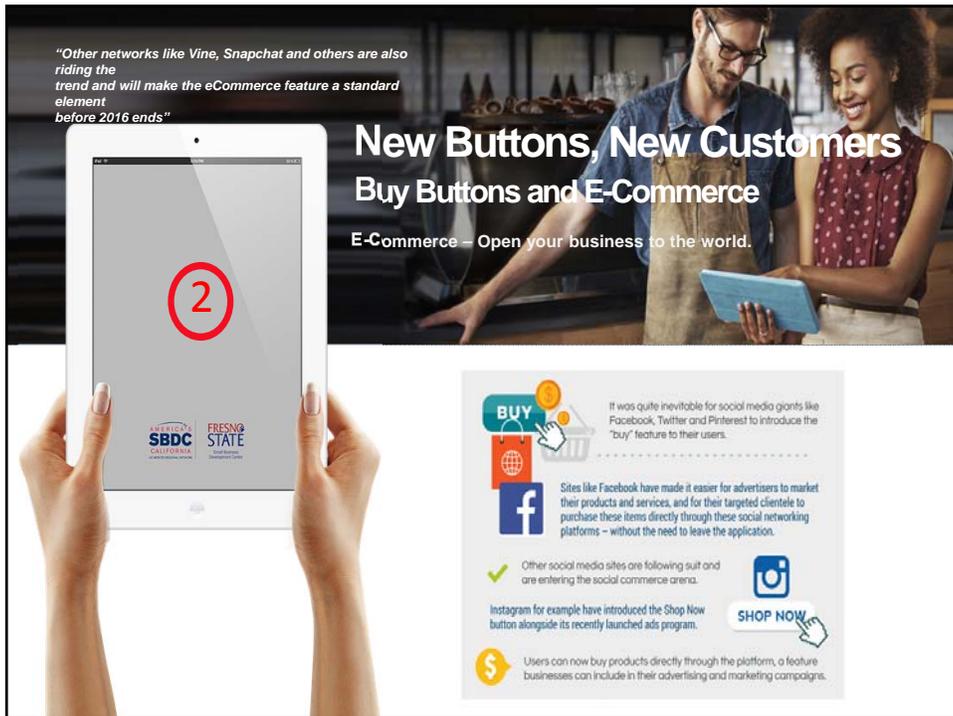
*With these figures and trends, it can now be said that social media has reached the point that it is no longer regarded as a mere fad but as a truly viable and effective tool for marketing products and services and for creating brand awareness.*

It is still continuously evolving and is expected to reach even new heights in 2016 and the periods to come.

## New Buttons, New Customers Buy Buttons and E-Commerce

E-Commerce – Open your business to the world.

*“Other networks like Vine, Snapchat and others are also riding the trend and will make the eCommerce feature a standard element before 2016 ends”*



**BUY** It was quite inevitable for social media giants like Facebook, Twitter and Pinterest to introduce the “buy” feature to their users.

Sites like Facebook have made it easier for advertisers to market their products and services, and for their targeted clientele to purchase these items directly through these social networking platforms – without the need to leave the application.

Other social media sites are following suit and are entering the social commerce arena.

Instagram for example have introduced the Shop Now button alongside its recently launched ads program.

Users can now buy products directly through the platform, a feature businesses can include in their advertising and marketing campaigns.

**SHOP NOW**

## Live Stream is IN

One of the primary attractions of Social Media is that users can get almost real-time and in-the-moment updates from friends, personalities and brands that they follow.

Users take videos or photos at an earlier time or real-time and then publish them a few minutes later or live streaming for all their followers.

Live stream and in-the-moment updates will dominate the social media sphere, satisfying users ever-growing craving for immediacy.

Periscope, a live streaming site recently acquired by Twitter, is leading the way with the live video broadcast feature it allows its users to take advantage of.

Other sites are also catching on, like Snapchat and Instagram that both offer on-the-go, in-the-moment update features.

*"With such features on social media, users need not leave the confines of the social network to find whatever they need online"*

## Search and Social Media

### It's a google way of life and Yelp recommends

Facebook will be at the forefront as it continues to work its way towards developing its own powerful search engine, which is made even more powerful through "M" its own digital personal assistant.

For years, Google has dominated online search and has emerged as the most powerful for finding information about brands, products and services.

The growing popularity of social media is slowly changing all that.

As much as **\$80%** of consumers are relying more on the opinion and advice of their peers and other consumers they associate with on sites like Facebook, YouTube, Yelp and Pinterest.

*This trend will continue on this path even more in 2016, with the search features on social media sites growing more and more powerful.*

## Sell Your Product via Videos

Video will continue to be a very powerful and influential element in social media and small business success.

**WHAT CAN**  
  
*do for you?*

According to Cisco, video will dominate 80% of Internet traffic in the world by the year 2019

millions of video minutes shared in social sites every second.

It generates...  
**62%** more engagement than ordinary photos so it is of no wonder why...  
**500 MILLION** users of Facebook watch on average of...  
**8 BILLION views** on a daily basis.

*"Teens spend 21% of their money on Food (21%)  
 -Spent more eating than shopping (1st time ever)"*

## Know Your Social Media Customer

### Who are you targeting online?

Born	Generation
Prior to 1946	Seniors
1946-1964	Baby Boomers
1965-1980	Gen X
1981-2000	Gen Y or Millennials
2001-present	Gen Z

**Only we.....Stand out!**

Identify what makes your small business special, why do customers return to buy your product or service.

*"Humor is a way to attract customers to your small business"*

**Are you a conversational brand?**

**Could we become one? Laughter grows your business**

From their Hot Sauce Buckets (if you check out their Twitter page, you'll see a lot of fun captions) to their Twitter account, TacoBell is great at making people laugh. Scrolling through their feed means seeing pictures of people enjoying tacos

There is no denying it, some brands or products are not above a good conversation. In turn they are clever, witty, helpful and are sometimes just straight up funny.

Small Businesses have discovered a great way to interact and connect with customers — by showing charisma and charm. This gives brands and products a human-like quality that can't be ignored. I mean, how could you not want to follow an account that you would want to be friends with in real life?

## Fuel your social media presence

You need a source of rich content to fuel your social media presence. Something that provides real value to your customers. Blogs, Podcasts, Video, etc.

Whatever you choose, make it:

1. In-depth
2. Searchable
3. Quotable and
4. Evergreen (timeless and relevant)

Many Small Businesses fail on social media because their content is boring, not attractive or spurs conversations that go beyond your product.

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## #10 Keep it short and regular.

- *add tags #s*
- *fifty character headline*
- *three-sentence body*
- *add drama*
- *add humor and*
- *have fun.*

**SERVICES**

- Buffer
- Social Bro
- Sprout Social
- Tailwind
- TweetDeck

**CONTENT**

- Alltop
- Feedly
- Holy Kaw!
- NPR
- Pinterest
- StumbleUpon

**SOCIAL MEDIA EXPLAINED**

- Twitter** - I need to pee »
- Facebook** - I peed »
- Instagram** - This is where I pee »
- Quora** - Why am I peeing ? »
- YouTube** - Look at this pee ! »
- LinkedIn** - I'm good at peeing »

**Schedule**

Save time posting content to your networks. Schedule messages and use Rich Site Summary (RSS) to automate content to post.



THANK YOU



-Facebook: <https://www.facebook.com/Fresno-State-SBDC-Fresno-Madera-Tulare-Kings-273281590959/>

-Twitter: [https://twitter.com/FS\\_SBDC](https://twitter.com/FS_SBDC)