

THE SMALLBIZ BUILDER

Planning For Your Dreams



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PADGETT BUSINESS SERVICES®

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This Month:

- 4th Quarter 2016 Due Dates
- Employer Contribution to Employee Education
 - Deductions for Business Use of Telephone
- Protecting Your Small Business Against Cybercrime

4th Quarter 2016 Due Dates

October 1:

◇ *Businesses:* Deadline for establishing a new SIMPLE retirement plan for 2016

October 17:

◇ *Individuals:* 2015 Form 1040 due if on extension

October 31:

◇ *Employers:* File Form 941 for 3rd quarter 2016

During November:

◇ *Employers:* Request Form W-4s from employees whose withholding allowances will be different in 2017

December 15:

◇ *Calendar-year C Corporations:* 4th installment of 2016 estimated tax due

Employer Contribution to Employee Education

Do you have an employee who you'd like to see further their education? It may not be as tough as you think to help them meet that goal. Employers may give up to \$5,250. This includes education assistance that's employer-provided for graduate level courses, like programs normally pursued by an individual seeking an education leading to a law, business, medical, or other advanced academic or professional degree.

A written plan must provide guidelines for the assistance, which must be publicized to all of your employees, and must meet a number of conditions. These include nondiscrimination requirements, meaning it can't benefit highly compensated employees.

For more information on educational assistance benefits, contact us today.

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Deductions for Business Use of Telephone

Taxpayers who use a home telephone for business purposes may deduct any charges incurred beyond the monthly base rate, such as business long distance phone calls. The base rate including taxes for the first phone line into the home is not deductible; the cost of a business-only second line is deductible. Business calls made while traveling away from home are a deductible item. This includes any business communication by devices such as a fax machine. Cellular phones that are used for business purposes can give rise to a depreciation deduction. However, if the phone doesn't have more than 50% business use, depreciation deductions are limited and the Section 179 expense deduction isn't allowed.

Protecting Your Small Business Against Cybercrime



How secure is your small business data? Did you know that nearly half of all cybercrime attacks target small businesses? The threat is real, and must be taken seriously! Your business records should be protected from unauthorized access and internal controls should be put in place to protect sensitive data from outside thieves. The financial health of your business could be seriously undermined if personal or proprietary information is compromised.

So what can you do to help mitigate your risk against a cyber-attack or security breach? Data security includes all aspects of your business. Review your administrative practices, facility protection, computer security, personnel and information systems. Below are steps that you can take to better protect your business.

- Invest in a firewall, antivirus, malware, and spyware detection software.
- Perform routine backups to make it easier to continue working in the event of a cyber-attack.
- Consider an automated back-up system or even backing up to a third party to build in redundancies.
- Require strong passwords (numbers, symbols, uppercase & lowercase letters) on all computers and software programs and change them every 60-90 days.
- Store data in secure systems and encrypt information when transmitting across networks.
- Ensure that email containing sensitive data is encrypted and secure while being sent or received.
- Provide periodic training to update your staff on any changes and to ensure compliance.
- Complete a risk assessment to identify risk and potential impacts of unauthorized access.

It's almost impossible to completely safeguard against these type of attacks, so consider creating a plan outlining steps to take should you become a victim of any data breach or theft. You may also consider purchasing insurance that protects you against any losses from crime or fraud. Putting safeguards in place will not only protect the sensitive information of your small business, but it will also enhance customer confidence and trust. For a further discussion, contact us today!

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PADGETT BUSINESS SERVICES® is dedicated to meeting the compliance, profit & financial government reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter. **Planning For Your Dreams**