

## September 2011 Newsletter

### Business Improvement Workshops restarts

**Business Basics Workshop** – Tuesday, September 13, 2011, at the Nittany Bank, near the Nittany Mall in State College, PA, time from 9:30am–Noon. Business Basics is an A to Z topical workshop on either starting a new business or getting a tune-up in your existing business. This fall's workshop agenda will include a more in depth look at Social Media as well as Traditional Media applications as part of the marketing section of your business plan. The six exercises in fine-tuning your goals and objectives, plus the free CD on business resources will be back for those who attend. Business Basics will run monthly September 2011 through June 2012. It is FREE to active SCORE clients. \$10.00 fee for non-SCORE clients--\$20.00 if at the door if you do not preregister! Register today and save some money! [Register here.](#)

### Beyond the Basics Workshop – Keeping Your Business Alive

#### **SMALL BUSINESS FINANCIAL TUNE-UP: BUSINESS SUCCESSION PLAN**

Workshop will take place on Thursday, September 22, 2011, from 1pm-4pm at the Perkins Restaurant in State College (1661 South Atherton Street). This is a FREE workshop sponsored by The Prudential Insurance Company of America's Western Pennsylvania Agency. Dan Edwards, Manager Agency Training will be the presenter. The focus of the workshop will be understand the importance having a succession plan for your business to avoid unforeseen events (death or disability), to make sure to plan for retirement or the sale of your business. Any of the previous can have a major impact on the owner or his or her heirs including tax consequences.

**Pre-Register is encouraged, [CLICK here.](#)**

### FYI – Good Records Reduce Tax-Time Stress

You may not be thinking about your tax return right now, but now is a great time to start planning for tax preparation or even next year's business financial record keeping. Organized records not only make preparing your return easier, but may also remind you of relevant transactions, help you prepare a response if you receive an IRS notice, or substantiate items on your return if you are selected for an audit. Here are a few things the IRS wants you to know about recordkeeping.

1. In most cases, the IRS does not require you to keep records in any special manner. Generally, you should keep any and all documents that may have an impact on your federal tax return. It's a good idea to have a designated place for tax documents and receipts.

2. Individual taxpayers should usually keep the following records supporting items on their tax returns for at least three years:

- *Bills - Credit card and other receipts – Invoices -Mileage logs- Canceled, imaged or substitute checks or any other proof of payment - Any other records to support deductions or credits you claim on your return*

You should normally keep records relating to property until at least three years after you sell or otherwise dispose of the property. Examples include:

- *A home purchase or improvement - Stocks and other investments - Individual Retirement Arrangement transactions - Rental property records*

3. 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 and 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*

For more information about recordkeeping, check out IRS Publication 552, Recordkeeping for Individuals, Publication 583, Starting a Business and Keeping Records, and Publication 463, Travel, Entertainment, Gift, and Car Expenses. These publications are available at [www.irs.gov](http://www.irs.gov) or by calling 800-TAX-FORM (800-829-3676).

#### **Links:**

- Publications 552, Recordkeeping for Individuals ([PDF](#))
- Publications 583, Starting a Business and Keeping Records ([PDF](#))
- Publication 463, Travel, Entertainment, Gift, and Car Expenses ([PDF](#))

#### **YouTube Videos:**

Record Keeping [English](#) | [Spanish](#) | [ASL](#)

Source: August 26, 2011 IRS Tax Tips

# Business Tip: Good Business Sense, Illuminated

## Using Rebates to Help Finance Lighting Renovation

### Before



Business owners are constantly searching for the best way to invest back into their company and get the best “bang for the buck.” Over the years my family has made many investments in Robert M. Sides Family Music Center, in our facilities, technology, marketing, and employees. We’ve grown from selling pianos out of my grandfather’s house to having four locations, selling and servicing a wide variety of instruments, and offering music instruction, and even hosting events in our Williamsport location auditorium. Recently we made another worthy investment—an upgrade of our lighting system in our Williamsport facility, a 52,000 square-foot building that includes several showrooms, a 150-seat recital hall, corporate offices, service center, and instructional rooms.

After remodeling our State College store in 2008 and Wilkes-Barre store in 2009, we knew the Williamsport location, remodeled in 1986, was outdated and dark due to the heavy reliance on incandescent track lighting fixtures and T12 fluorescent bulbs. Additionally, with the arrival of electricity rate deregulation across the state we knew we’d be facing increasing costs in the years to come. We’d gotten estimates in recent years, but the cost of retrofitting such a large building were high and the job of fitting that into our budget daunting. A meeting with a lighting contractor put it, literally, in a new light. The firm was able to put numbers to the project, showing project costs, but also concrete financial and energy savings on the back end, including significant savings through rebates offered by the utility that serves us.

### Significant Savings Equals Cash-Flow Positive Investment

Utility rebates were something we had not been aware of, but it makes sense that even though they sell energy, the utility company requires efficiency to simply keep pace with the ever-growing number of users and usage rates. Therefore, they will pay you back if you show considerable energy savings through updating your lighting fixtures and bulbs. This was the break we needed to pull off such a large project all at once.

Four weeks of installation were completed in March of 2011, and before the project was finished, we had already noticed a 25 percent drop in cost on the electric bill for that month. Between the rebates and excellent five-year financing package, we’re saving around \$1,000 a month on electricity and we’ve quickly determined the project as a cash-flow-positive investment from year one.

The lighting contractor managed to not only forecast our overall savings through the upgrades we planned to make, but saved us money throughout the project as well. Rather than say, “Let’s do everything,” for example, they suggested using signs in lower traffic areas rather than installing a motion sensor. We changed the fixtures and bulbs, but we’ve also changed the culture and usage.

### Positive Customer and Employee Comments

Much of the focus of our remodel was centered on the customer experience, but it quickly became apparent that 20,000 square feet of our space is office and repair space. Whether you are working with a computer

### After



and paperwork each day or rebuilding and repairing pianos, violins or speakers, the older T12 bulbs were not bright enough, poorly positioned, and produced the “pulse” often visible in older four-foot fixtures. It’s difficult to quantify eye strain and fatigue for those working in these areas, but a brief comparison of the before and after shows the improvement in the work areas in terms of both lumens and color reproduction. The contractor tested fixtures and bulbs both on site with our staff and in their lighting design software to confirm we were getting the best result. Now we hear as many positive comments from our employees as we do from our regular customers.

Determining where to invest your limited resources is a tough job even in the best of times. However, a project such as this is rewarding on so many levels when it’s done well. Once we knew we could do it all in about 30 days while lowering utility costs, increasing sales, promoting sustainability, and improving productivity and the customer experience, it was truly a no-brainer.




### By the Numbers

- Achieved an increase in coverage and lumens of 25 to 50 percent in our shops, offices, and retail floor while reducing our electricity usage and maintenance costs
- Reduced our fixtures from over 225 incandescent track lighting bulbs to about 130 LED bulbs, which are now available in warm color spectrum (about 3300K in wide and spot coverage) and last for 50,000 hours
- Achieved proper color rendering of wood finishes by using warm spectrum T8 efficient fluorescent tubes on the floor so wood doesn’t get washed out by white light (about 5000K).

According to the EPA, the following pollutants are reduced as follows:

POLLUTANT	REDUCTION IN LBS
CARBON DIOXIDE	138,116
SULFUR DIOXIDE	1,068
NITROGEN OXIDES	215
NITROGEN OXIDES (ozone season)	137
MERCURY	0.006

### THE REDUCTIONS LISTED ABOVE ARE EQUIVALENT TO:

	PLANTING	33	ACRES OF TREES PER YEAR
	REMOVING	16	AUTOMOBILES FROM THE ROAD FOR ONE YEAR
	SAVING	10,326	GALLONS OF GASOLINE

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