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Criser, Gough, & Parrish

# Small Business Alert

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## Leave Your Business in Style

by John H. Brown, founder and President of Business Enterprise Institute, Inc. Excerpted from <http://www.e-myth.com/cs/user/print/post/leave-your-business-in-style>.

You're beginning to think of a time beyond business ownership. But you don't have a clear vision of how to “leave your business in style.”

First, understand that leaving your company is a process. If you're already taking action to leave your business, ask yourself if you're approaching your exit in a methodical, logical and rational manner. Most owners don't undertake the necessary thought and planning that supports good ownership transitions because they don't know how to begin or exactly what to consider and analyze.

**The Exit Planning Process.** This process begins with understanding your exit objectives and the value of your business. Neither of these are small undertakings. Defining your true objectives can be a soul-searching experience. Determining the true value of your business can be a sobering process. It's not unusual for business owners to overestimate the value of their business—after all, the blood, sweat and tears you've put into your business make it priceless, right? Not necessarily.

Once you've determined what you want and what you (really) have, you then determine a proper path for you. ... According to the Small Business Administration (SBA), most business owners who begin the planning process fail because they fail to plan. To succeed, you need a written plan that clearly documents your exit objectives, the financial and other factors that need to be considered; and how you are going to achieve those objectives.

Along with this written plan you must have a checklist that:

- Assigns responsibility for each task to be completed throughout the Exit Planning process
- Sets a date for the task to be completed
- Designates the person responsible for completing that task

**Getting Started in the Exit Planning Process.** For your Exit Plan to succeed, you need legal input, financial input, tax input,

financial advisory input, and, often, consulting input. You may need, at some point, the services of a Business Broker or Investment Banker. No one advisor can be up-to-date on all of the intricacies of each discipline.

### What does it take to create an Exit Plan?

- Understand that there is a proven Exit Planning process. Learn as much as you can before you make final decisions.
- Commit to see the process through.
- Document your decisions and create a written plan (and checklist).

Hire an experienced team of professionals — Attorney, CPA and financial or insurance representative (at a minimum) to help see you through this process. These professionals should more than pay for themselves by putting money in your pocket. If they cannot, you have the wrong team.

## 2010 Kansas Tax Amnesty

The 2010 Kansas Tax Amnesty Program is an opportunity for individuals and businesses to pay back taxes for tax periods ending on or before December 31, 2008 without payment of penalty and interest. Penalty and interest will be waived on all paid taxes which meet the amnesty eligibility requirements.

The Kansas Department of Revenue will accept amnesty applications **between September 1 and October 15, 2010**. Full payment must be received or postmarked no later than October 15, 2010. To apply for Kansas Tax Amnesty, call the Kansas Department of Revenue at (785) 296-6121.

For more information on who does and does not qualify, please see our August 18, 2010 blog post, which is available through our website, or contact the Kansas Department of Revenue.

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# Employment Law Changes

by Rick E. Bailey of Conlee, Schmidt & Emerson, LLP

Employers should update their employee handbooks or policies to take into consideration two recent changes in the law: one from the Kansas legislature and one from Congress. The first change, enacted earlier this year by the Kansas legislature and effective July 1, 2010, **requires all places of employment to be no smoking.** Employers are required to put into place and enforce non-smoking policies, and to post conspicuous signs indicating no smoking. Employers failing to do so can be fined up to \$100 and managers who fail to enforce the policy can be fined individually.

The second change, enacted by Congress as a part of the Patient Protection and Affordable Care Act and effective March 23, 2010, **requires employers subject to the federal Fair Labor Standards Act to allow women reasonable breaks within the first year of childbirth for nursing or pumping breast milk.** These breaks must be:

- allowed as frequently and for as long as reasonably

necessary by the nursing mother;

- provided to all women not exempt from the overtime provisions of the FLSA; and
- in a suitable private area -- other than a bathroom -- free from intrusion by co-workers or the public.

Women taking these breaks should be compensated in the same way that other employees are compensated for break time of similar length. Employers should put policies in place to address how women should request these breaks, when and where these breaks may be taken, and how these breaks will be treated for compensation purposes. Employers who fail to provide these breaks as required are subject to penalties from the federal Department of Labor.

Employers should contact their employment lawyer right away to ensure their employee handbooks or policies address both of these two areas to avoid potential liability.

Pursuant to federal regulations imposed on practitioners who render tax advice ("Circular 230"), we are required to advise you that any tax advice contained herein is not intended or written to be used for the purpose of avoiding tax penalties that may be imposed by the IRS.

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