

# LET'S TALK MONEY<sup>®</sup>

July/August 2021

## Move Your Business Forward

Unprecedented events of the past year or so have been tough on businesses. Thriving in a hostile economic climate and coming out ahead on the other side involves assessing your business's strengths and looking for ways to build on them.

### Assessing Your Business

Identifying your business's capabilities and needs is a good place to start. Hiring or rehiring staff and providing training are essential steps in returning to normal. If inventory and supplies are low, they'll need to be replenished. These things come with a cost, so reviewing and potentially revamping your budget should be a priority. Then create a business plan for allocating resources that increases cash flow.

### Do You Need to Change?

Reimagining how you do business doesn't necessarily mean taking drastic steps. For example, build a website or expand your company's site to bring in more customers. If your website doesn't permit online ordering, adding that function can increase sales.

Businesses that rely heavily on in-person sales may benefit by making changes to their brick-and-mortar sites. Adding more space and amenities for shoppers can help make stores more customer friendly.

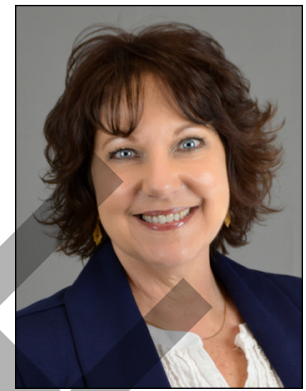
### Your Customer Base

Great customer service is the lifeblood of any small business. It keeps current customers coming back and makes it more likely that they'll refer others to you. You can retain current customers and attract new ones by providing products and services that meet their needs. Remember that needs may evolve over time, so pay close attention to what customers are ordering or asking for.

You can nurture existing customers by staying in contact through newsletters or emails about sales, promotions and events. Maintaining a presence on social media also can make you more visible and help promote your business.

### Protecting Your Assets

You're doing all you can to ensure your business's survival. But there's another essential step you should take. Property risk management includes audits, inspections, fire protection, loss investigation, property replacement costs, building code compliance and security. Keeping good records can help protect your business in the event of legal action by others.



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I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Small Business Version

**LTM** Client Marketing  
helping financial professionals stay connected

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# Navigating the Financial Aid Maze

Wasn't it just yesterday that your child was starting kindergarten? And now you're preparing to pay college tuition. Take a deep breath and review some basic information about financial aid.

## It Starts with the FAFSA

Start by submitting a Free Application for Federal Student Aid (FAFSA) form early. Forms will be accepted from October 1, 2021 – June 30, 2022 for the 2022-2023 school year. You can find the form on the [studentaid.gov](http://studentaid.gov) website.

Information on the FAFSA is used in determining your child's eligibility for federal, state and school financial aid. The information is shared with the colleges your child lists on the FAFSA. Then each college's financial aid office uses it to figure out how much aid your child may receive at that school.

## Types of Federal Aid

Federal financial aid takes several forms:

- ❖ Grants, including Federal Pell grants, Federal Supplemental Educational Opportunity Grants (FSEOG) and Teacher Education Assistance for College and Higher Education (TEACH) grants, are based on financial need and don't have to be repaid. Special grants are also available to children of certain armed-forces members.
- ❖ Federal work-study is another option. It provides part-time employment while a student is enrolled in school.
- ❖ Loans may be offered as part of a financial aid package and must be repaid with interest. Direct subsidized loans are

made to eligible undergraduate students based on need. Direct unsubsidized loans benefit eligible undergraduate, graduate, and professional students and are not need based. Direct PLUS loans are made to graduate or professional students and parents of dependent undergraduate students to help pay education expenses not covered by other financial aid.



## Beyond Federal Aid

❖ Scholarships are monetary gifts based on need-academic merit, talent, or a particular area of study and don't have to be repaid. Schools, employers, nonprofit and private organizations, religious groups, professional and social

organizations and even individuals may offer scholarships to help students pay for college or career school. The U.S. Department of Labor has a free scholarship research tool at [www.careeronestop.org/toolkit/training/find-scholarships.aspx](http://www.careeronestop.org/toolkit/training/find-scholarships.aspx)

- ❖ Private loans offered by banks are also available to help pay college expenses. However, these loans are generally not as affordable as federal loans. Colleges may have their own loan programs as well.

You can get more information on funding from a school's financial aid office.

# Balancing Act

Online banking and mobile banking apps may have made it easier to keep track of your checking account balance, but it's still important to make sure your records match your bank statement.

## Balance Your Checking Account

1. Start with the opening balance (the amount of money showing in your account).
2. Subtract transactions, including checks you've written, ATM withdrawals, automatic bill payments and debit card charges.
3. Add expected deposits, credits and any interest earned.
4. Deduct fees and charges.
5. Record the ending balance (your available funds).



If the balance doesn't match your account statement, go through your records again to find the discrepancy. Common errors include forgetting to record a transaction, transposing numbers and adding or subtracting incorrectly.

## Expensive Mistakes

Your financial institution will charge you an insufficient-funds fee for each transaction that overdraws your account. Consider setting up overdraft protection or automatic transfers from a savings account.

# Spotting a Scam

In 2019, there were 27,000 reported fake-check scams, resulting in losses of more than \$28 million. Recognizing the telltale signs of a scam may prevent you from becoming a victim.

## Common "Scamagories"

In most fake-check scams, the victim is told to deposit a check and then given a plausible reason why some of the money has to be returned to the sender. Common scams to watch out for include:

**Mystery Shopper.** After "hiring" people as mystery shoppers, scammers send a check with instructions to deposit it in a personal bank account. Shoppers are told to wire some of the money through a money transfer service. Unfortunately, the consumer usually discovers that the check is counterfeit only after wiring the money.

**Car-Wrap Deals.** Victims who agree to use their vehicles for advertising are asked to wire money from a checking account to decal installers, who never materialize to do the wrap.

**Claiming Prizes.** Sweepstakes "winners" are given checks and told to send money to cover taxes, shipping, handling and processing fees.

**Overpayments.** Scammers who buy items that someone is selling online "accidentally" send a check for more than the cost and ask for a refund of the difference.

## Avoid Fake-check Scams

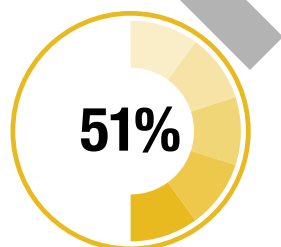
Never send money to someone you don't know. If you are a victim of a fake-check scam, report the scam at [ftc.gov/fakechecks](https://www.ftc.gov/fakechecks) or [ftc.gov/giftcards](https://www.ftc.gov/giftcards).



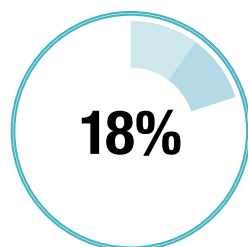
# Don't Be a Victim

Counterfeit check scams typically fall into these basic categories:

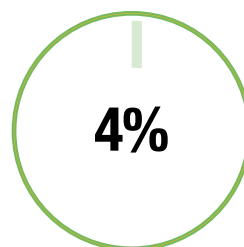
**Job & Income Opportunities**



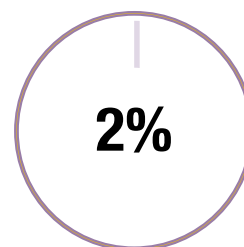
**Online Selling**



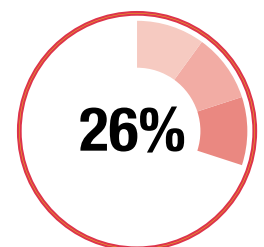
**Winnings & Grants**



**Loans**



**Other Stories**



# The Importance of Managing Cash Flow

Successful cash management is the first step in having sufficient funds to meet your business's financial obligations. Cash planning allows you to add inventory, expand to new locations and take additional steps to grow your business. It requires the attention and expertise of everyone on your management team.

## Providing a Snapshot

Your business's cash-flow statement is an important document. It records the cash coming in (inflows) and the cash going out (outflows), including cash from operating activities, financing activities, and investing activities. The bottom line of the statement shows how much cash is available to the company. It's a good place to start your planning.

## Maximizing Available Cash

Having as much cash on hand as possible should be the goal of managing cash flow. You can accelerate collections by encouraging the use of electronic payments and credit cards and by offering customers discounts for prompt payment. Postpone cash outflows by delaying payment to vendors for as long as possible to keep more cash in house. Implementing a purchasing plan can help prevent your business from holding too much inventory without receiving payment for it and thus tying up cash in unsold goods.

## Having Adequate Insurance

Business insurance protects you from financial loss due to accidents, natural disasters, product defects, and lawsuits. You can

purchase separate insurance policies that provide specific coverage for each type of loss, or you can buy a business owners policy that combines all coverage options into one bundle. Combining coverage is typically less expensive. Business owners with a home-based business who may not need such extensive coverage can have a rider added to their homeowners policy that offers protection for a small amount of business equipment and liability coverage for third-party injuries.

## Coordination is Key

Maintaining close relationships with your financial, legal and tax professionals can provide you with the guidance needed to keep your business running smoothly. Financial and tax planning are essential activities for the small business owner. Having the guidance of professionals can lend an unbiased perspective to your endeavors and help you better manage your business's cash flow.

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## ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

Reference: **FR2021-0301-0262/E**  
Link Reference : FR2020-1217-0081

Org Id: 23568

1. LTM JulyAugust 2021 - Business

Rule: FIN 2210  
5 Pages

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury  
Principal Analyst

hrm

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