LET'S TALK
MONEY®
November/December 2022

Protecting Intellectual Property

Intellectual property (IP) can be a significant asset that increases your business's value. Failing to protect IP can leave you with no recourse if a competitor or former key employee appropriates methods or processes you've developed.

What is Intellectual Property?

In general terms, intellectual property is any product or service you've created that the law protects from unauthorized use by others. Businesses can own these intangible assets in the form of patents, trademarks, copyrights, and trade secrets, and they can be bought and sold just like tangible assets.

Help with Safeguarding IP

Any information you don't want others to know can be protected. An intellectual property attorney can advise you on the protections you may need to help prevent competitors from using your IP. These could include the following:

Copyrights protect software, graphics, video/sound recordings, databases, books, and blog articles.

Patents protect inventors by giving them the legal right to exclude others from making, using, or selling an invention for a limited period.

Trademarks protect things that identify your brand, including words, phrases, symbols, designs, or a combination. Logos, colors, names, taglines, and slogans all can be trademarked.

Trade Secrets include any confidential information that give a business a competitive advantage, such as distribution or sales methods, strategies, production processes, and even lists of vendors and clients.

Add IP to Your Business Plan

Protecting your business's intellectual property should be an integral part of your business plan. Include money in your budget to pay for securing your IP rights. As part of your plan, ensure that key employees, contractors, and business partners are bound by non-disclosure agreements.

Insurance Protection

Your business's general liability insurance coverage may offer limited protection in the event of litigation. However, you may want to purchase specialized intellectual property insurance that covers the legal cost of pursuing infringement or theft of IP.

Karen Petrucco
Account Manager

LTM Client Marketing
45 Prospect Ave
Albany, NY 12206

Tel: 800-243-5334
Fax: 800-720-0780
sales@ltmclientmarketing.com
www.ltmclientmarketing.com

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

End-of-Year Tax Moves

During the holiday bustle, income taxes may be the last thing on your mind. But, if you want to lower your tax bill, you have until December 31st to employ certain strategies that can help. Your tax and financial professionals can provide helpful suggestions.

Check Your Withholding

If your 2021 tax bill was higher than expected, you might need to increase your tax withholding. The IRS's Tax Withholding Estimator can tell you if you should file a new Form W-4 to have additional money withheld from your pay.

Bunch Medical Expenses

If you've already met the deductible for your health and dental insurance plans and you plan to itemize this year, consider scheduling elective surgery and medical and dental procedures that you planned for early next year before December 31.

If you've also had major medical expenses during 2022, you may be able to deduct unreimbursed expenses that exceed the 7.5% of the adjusted gross income threshold.

Donate to Charity

You can take a tax deduction for charitable donations of cash or goods. For items such as clothing, furniture, etc., estimate the fair market value (what the item might sell for at a thrift or consignment shop) to come up with a donation amount. Donated items worth more than $5,000 (art, antiques, etc.) require a written appraisal.

Give to Charity with a Donor-advised Fund

If you want to donate to charitable organizations before the December 31st deadline but haven't decided where you want your donations to go, consider a donor-advised fund (DAF). With a DAF, you contribute cash, securities, life insurance, money in retirement accounts, or other assets and take an immediate tax deduction in the year you make your donation.

What Happens to the Donated Funds?

Funds can be invested for tax-free growth until you're ready to select charities to receive the funds. Generally, you can recommend the investment strategies that will be employed. Once you're ready to select the charities to receive your donation, you'll be able to decide whether the organization(s) will be given the entire donation at once or spread out over time.

What Are the Choices?

Your donation can support any IRS-qualified public charity that you choose. The DAF will ensure that your funds are used for charitable purposes. Keep in mind, though, that while the DAF typically will give the funds to the charities you've selected, the final decision rests with the sponsoring fund. There are many donor-advised fund providers, so take time to consult your financial and tax professionals.

Keep a Lid on Your Holiday Spending

It's easy to get carried away and spend too much during the holidays. Before your holiday spirit leads you into debt, look for ways to control your expenses.

Start with a List

Make a list of all the people on your gift list. It might include family, friends, coworkers, and people who perform services for you. Decide on a budget and either assign an amount to spend on each person or determine the total amount you can afford to spend.

Streamline Giving

Everyone's budget is tight around the holidays. Cut down on purchasing individual gifts by having a "Secret Santa" at work. Perhaps adults in the family also would appreciate not having to exchange gifts anymore.

Leave Credit Cards at Home

Limit yourself to using cash only, which will help prevent overspending. Decide what you want to buy for the people on your list before you shop. Don't be tempted by sales that lure you to stores you didn't intend to visit.

Be Cautious with Shopping Online

Avoid blowing your budget by sticking to your gift list and budget. Ignore suggestions for other items that might appear on a website.

Inheriting a House

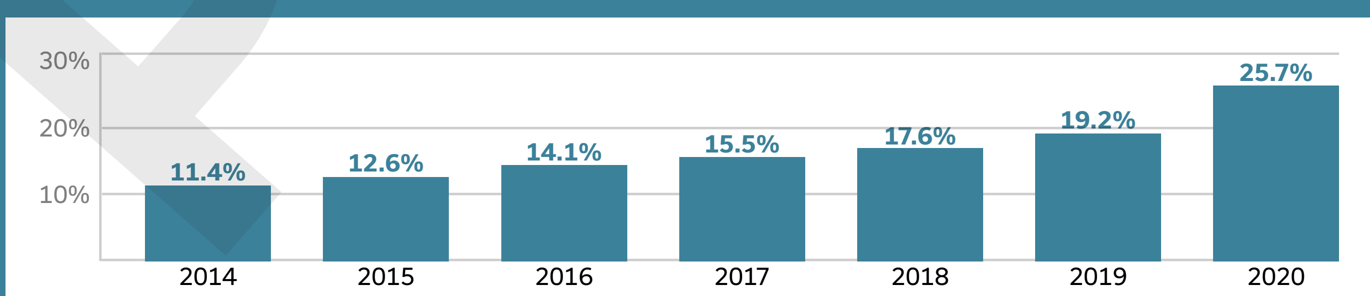
The decision of what to do with a house that passes to you as a part of an inheritance may be an emotional one, especially if it was your childhood home. While you have options, having the house appraised by a qualified appraiser and consulting your legal and insurance professionals should be your first steps.

1. **Sell the House.** You'll receive a step-up in basis to the home's value at the date of the owner's death. If you sell the house for its assessed value, you won't owe capital gains tax on the sale. However, if you sell the house later at a higher price, you'll owe capital gains tax on the difference between the selling price and your stepped-up basis.
2. **Become a Landlord.** Renting out the house can provide extra income, but you'll be responsible for maintenance and property taxes. Be aware of IRS rules regarding rental property and deductible expenses.
3. **Make It Your Home.** You could choose to live in the house yourself. Make sure you have an emergency fund in place to cover unexpected expenses.

More People are Shopping Online

Holiday retail trends over the past seven years have constantly been growing. Online shopping's share in the total holiday revenue wasn't projected to reach the 25.7% share until 2024 — indicating the effect the pandemic had on ecommerce growth.

The Share of Ecommerce in Total Holiday Retail Revenue (2014-2020)



Source: DigitalCommerce360.com

Succession Planning for Your Family Business

You may be completely wrapped up in running your business now, but someday you'll probably be ready to step away. Succession planning can help ensure a successful transition.

Who Will Succeed You?

Succession planning begins with choosing someone to take over the business once you're no longer involved. It might be a child, grandchild, or another relative or a key employee who will purchase the business from you. Transferring ownership to a family member should include a written plan for compensating the business owner, possibly by providing an income stream during retirement.

Grooming Your Candidate

Grooming your successor to take over may take several years, so it's important to choose a candidate long before you're ready to turn over the company. Your chosen candidate should become familiar with every aspect of the business by working in different areas or departments. Helping your intended successor build relationships with key clients prior to assuming your role can help ensure a good working relationship and continuity of business.

A Written Plan

Create a document that spells out exactly how the succession process will work. Your document should include arrangements for mentoring the candidate and designate specific employees to oversee the company's operations and procedures. Identify training opportunities that will help your successor take over the business once you're gone.

Selling to a Key Employee

Your successor may be a key employee who will purchase the business from you. An independent valuation can help you determine a fair price. You and your successor will have to come to an agreement on how to structure the sale. Common options are an all-cash transaction or installment payments over a designated period.

Tax Concerns

Selling a business can leave you with a large tax bill, so start planning well in advance to protect the proceeds of a sale. Strategies for reducing taxes on a sale include the Qualified Small Business tax exclusion and a non-grantor trust. Your tax advisor can determine if either strategy is appropriate for you.

Choosing a successor for your business can be challenging. Starting the process several years in advance can make the transition easier.

Recyclable
SMBUS

We Value Your Input...

Your feedback is very important to us. If you have any questions about the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

August 04, 2022

Reference: **FR2022-0726-0117/E**
Link Reference: FR2022-0519-0129

Org Id: 23568

1. LTM 2022 NovDec - Business

   Rule: FIN 2210
   6 Pages

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

hrm

Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.

NOTE: We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.