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Precision Computer Clients &
Affiliates

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Rolling Down the River Expo

We recently had the pleasure of attending the Rolling Down the River Expo, an event put on by our local chamber of commerce. Being involved with the local business community is extremely important to us and we were thrilled to participate in this event. There was a great turnout and we were able to meet many businesses from our local area. We are definitely looking forward to attending again next year.

Common IT Mistakes Made to Meet Compliance

Companies often make mistakes when rushing to meet regulatory compliance deadlines. You should be careful to ensure you don't weaken your company's security in the process. Below are 5 of the most common ways companies make these security missteps:

Botched Multi-factor Authentication - Many companies acknowledge that the old "Username/Password" log in isn't secure; however, a good number of them don't implement multi-factor authentication properly. In an attempt to hurry through this or implement override exceptions they can end up spending huge amounts of money on being even less secure than they previously had been.

Lack of Research - Implementing any "doable" software in order to become compliant can end up costing you on the back end. Do your research ahead of time to make sure the technology is up to par with what your organization needs and expects.

Retrofit Fail - Implementing a new security tool that isn't compatible with your current system is a common error and can end up causing big headaches later. Whenever you implement a new software solution you should simultaneously implement security from the beginning, and when implementing it later, be sure to verify compatibility.

Extremism for Compliance - Don't let fear lead to extreme "blanket" measures that make the situation worse - or have no benefit to your staff.

Poor Data-Gathering Processes - Gathering data and not using it properly or gathering the wrong data and failing to establish business

intelligence will result in a waste of time and money.

The best way to avoid these errors

is to slow down and take careful stock of where your company's greatest risks are. From there do your research of the security tools available to purchase.

In addition to avoiding a "rushed" implementation of security tools, don't forget to protect your company's privacy from computer forensics. For a couple of great options, visit our blog at www.pcmethods.biz.

New Software: xTuple

Here at PC Methods we have been helping businesses in the Chicago area for more than 30 years. Having installed countless applications and supported dozens of companies, we began to notice some changes among the needs of our clientele, and set out to find a new kind of software - one that is truly affordable and yet still comprehensive and flexible. xTuple ERP is widely considered as the most highly capable, fully cross-platform open source ERP system available in the marketplace. A particularly compelling choice for small to midsized businesses, xTuple is a great option for companies who want more control over their operations, increased productivity and measurable growth across all areas of their business - all with a lower total cost of ownership. If you'd like more information on this great new option, please give us a call. We'd be happy to go over the benefits in regards to your specific requirements.



**4G Technology
Keeps Business
Communications
CLEAR™**

CLEAR™ 4G WiMAX is the next generation in mobile internet technology. It combines the mobility you get with your cell phone with the broadband speed of internet you have at home.

With CLEAR mobile internet you can get online anywhere / anytime without having to find a wireless network. Instead, you have your own network that goes with you.

Use your laptop to watch live sports while traveling, and conduct business from wherever you happen to be. The best part is, you can get this outstanding new technology directly from us! If you'd like more information on this fantastic new 4G technology, give us a call.



Authorized Partner

Why is an LLC Better than an S-Corp?

An LLC is a business structure similar to a sole proprietorship or a general partnership. According to the IRS, "It is designed to provide the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership." As a pass-through entity, all profits and losses pass through the business to the LLC owner (aka "member"). Similar to partnerships, the member himself reports the profits/losses on their federal tax returns but not the LLC.

Operational Ease

One of the features that distinguishes the LLC from an S-Corp is its operational ease. There are far fewer forms required for registering and there are fewer start-up costs. Filing taxes is a once-a-year affair on April 15: a single-member LLC files a 1040 and Schedule C like a sole proprietor; moreover, LLCs are not required to have formal meetings and keep minutes, although we do recommend doing this if possible in order to maintain accurate records for your organization.

As a separate structure, S-Corps require scheduled director and shareholder meetings, minutes from those meetings, adoption and updates to by-laws, stock transfers and records maintenance. In addition to all of this paperwork are the tax forms required by the IRS.

Such forms include:

- Form 1120S: Income Tax Return for S Corp
- 1120S K-1: Shareholder's Share of Income, Credit, Deductions Form 4625 Depreciation
- Employment Tax Forms
- Form 1040: Individual Income Tax Return
- Schedule E: Supplemental Income and Loss
- Schedule SE: Self-Employment Tax
- Form 1040-ES: Estimated Tax for Individuals
- Forms 2553, 941 and 940

Taxes

The owner of an LLC is considered to be self-employed and must pay the 15.3% self-

employment tax contributions towards Medicare and social security. As such, the entire net income of the LLC is subject to this tax. Conversely, only the wages of the S-Corp shareholder who is an employee are subject to employment tax. The remaining income is paid to the owner as a "distribution" which is taxed at a lower rate. The shareholder of an S-Corp must receive reasonable compensation which negates the concept of working independently without the employee relationship in any manner. And, if you try to cheat the system by paying yourself a lower salary and higher distributions you might get a tax advantage for the year, but the IRS takes notice of such red flags. If and when they reclassify your distributions as wages you'll be back to paying the higher employment tax and you will have the IRS's attention.

	S-Corp	LLC
Limits owner liability for business debts & obligations	✓	✓
Company name protected by registration process	✓	✓
Company can have an unlimited term of existence	✓	✓
No limit to the number of owners		✓
No citizenship requirements for owners		✓
May be owned by another business, rather than individuals		✓
May issue shares of stock to attract investor	✓	
Owners can report business profit and loss on their personal tax returns	✓	✓
Not required to hold annual meetings or minutes		✓