



THE SMALL BUSINESS OWNER'S COVID-19 GUIDE

ADVICE FROM THE PROFESSIONALS
WORKING ALONG SIDE YOU

What You'll Find

I am excited that this guide has made it into your hands. Local professionals in the Dallas / Fort Worth area have worked together to create a comprehensive guide for business owners - each putting our best advice forward to help small business owners flourish after a rocky first quarter.

In the guide you will hear from *Financial Planners, Tax Professionals, Business Coaches, Marketing Professionals and more* to help better your business and your personal financial situation. **If you enjoyed this publication, I encourage you to do any of the following:**

1. Send a copy to a fellow business owner, so they too can receive value from our advice.
2. Get in contact with one of the professionals who gave their advice. Or,
3. Send us ([Hello@Flourish-FP.com](mailto>Hello@Flourish-FP.com)) a note about what you liked or disliked about the guide. It will help us know what is valuable to add if we do this again.

Enjoy!

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Utilizing Retirement Accounts Under The CARES Act

Over 25% of American withdrew from their retirement accounts during the COVID-19 pandemic. Gulp...



At **Flourish Financial Planning** we focus on working with small business owners in regards to their personal financial plans. We know that it is hard to separate your personal and business financial matters when you are a small business owner.

That's why it may be tempting to find a little more runway or capital for your business by raiding your retirement accounts. However, proceed with caution.

Yes, The CARES Act allows you to access your retirement funds without paying a penalty if you have been *affected (financially or health-wise)** by COVID-19.

But, no, it does not give you a green light to do so without negative implications. Here are some of the items to at least be aware of when you take money from your retirement accounts during this time.

First, if you are withdrawing from a non-ROTH account - like a Traditional IRA or 401(k) - you will still owe income taxes on the amount withdrawn. But, if you pay this money back into the account within 3 years you'll no longer be responsible for those taxes. While it sounds nice, **let's look at an example on how this plays out:**

You take \$50,000 out of your retirement account in the pandemic in 2020. If you don't put it back in your account in 2020, and you are in the 24% tax bracket, then in April of 2021 (at tax time), you will owe \$12,000 from that amount that you withdrew.

Then two years later, in 2022, you return the \$50,000 to your retirement account. At that time, you will need to file an amended tax return for 2020, and you'll get the \$12,000 tax liability back.

The amended tax return and tax liability may be a surprise or inconvenience, but there are other issues as well.

If you were or are trying to withdraw from your investments during a downturn in the market, you are likely **selling investments that have decreased in value**, not giving them a chance to rebound.

To continue with our example:

*Many businesses started to close their doors in the middle of March. At this time the stock market was at its lowest point (**Some major indices down over 30% from their recent highs**).*

*Let's say you take the \$50,000 from your retirement account at this point in time because your revenue slowed down from the business. **As of, the end of May, the S&P stock market index has gain over 35% since its lowest point** (when you hypothetically took money out of your account).*

So, if you wanted to put an equivalent amount back into your retirement account and for simplicity of illustration you were invested 100% in this stock market index (which is certainly not a recommendation) you would need to put over \$67,500 back into your account to equate to what it grew to.

Because of The CARES Act you can easily replace the \$50,000 (what you withdrew), but this additional \$17,500 to make yourself whole would be a new contribution to your account. And depending on the types of retirement accounts that you use, you may not be able to contribute that much in a single year.

As a final note on retirement plans for business owners, please know that you have several options available for you. As we serve many business owner clients, we often see business owners sold into a permanent life insurance policy as an "investment" because they don't have access to a 401(k).

You actually have more options for retirement savings as a business owner. You don't need to settle for a whole life policy. [We've written guide to help you navigate this - feel free to access it here.](#)

Flourish Financial Planning is a Fee-Only (No products to sell) Financial Planning and Investment Management firm helping business owners use their money as a tool to live a flourishing life.

Find us online at Flourish-FP.com or call / text (817) 799-7699.

*There are specific requirements by the IRS to meet to qualify for being affected

Disclosures: SDG Financial Planning, LLC DBA Flourish Financial Planning ("SDGFP") is a registered investment advisor in the state of Texas. Past performance may not be indicative of future results. The information provided in this report is informational and educational in nature and is not intended to be considered legal or tax advice or to replace advice from your investment professional. SDGFP makes no warranties with regard to the information herein or results obtained by its use, and disclaims any liability arising out of your use of any information. Moreover, you should not assume that any discussion or information contained in this report serves as the receipt of, or as a substitute for, personalized investment advice from SDGFP. PLEASE REMEMBER: Different types of investments and/or investment strategies involve varying levels of risk, are impacted differently by market or economic factors, and there can be no assurance that the future performance of any specific investment or investment strategy will be profitable, equal any corresponding indicated historical performance level(s), or be suitable for your portfolio. Diversification and asset allocation do not ensure a profit or guarantee against loss; the value of your investments will fluctuate over time which may result in a gain or loss of money.

The CARES Act - Loan Programs & Tax Credits

The start of 2020 was a tough time to be a small business owner. In many cases, you've needed to adapt your business model to be able to work digitally, work on reduce revenues and margins, and in some cases just wait things out before reopening your business. As a silver-lining to the "unprecedented times" Congress passed several stimulus packages and legislation changes to help small business owners and others who have been financial impacted by COVID-19. Currently, The HEROES Act is making its way through congress, but this will be limited to the new legislation through the end of May.

Payroll Protection Program

As the media has given a lot of attention to the Payroll Protection Program (PPP Loans) for small business owners, it is likely that you know a little bit about this program.

We want to give you a few tips for what to if you've received this loan.

Make sure you are keeping good "books" for how these proceeds are used. To pursue loan forgiveness (which is the highest and best use of the funds) 75% of the proceeds are to be used on payroll expenses and the remaining 25% on the qualified expenses such as rent and utilities (stay on your toes as this has been rumored to change).

We would always recommend outsourcing your bookkeeping to free you up for the highest and best use of your time, and a good bookkeeper would be able to keep the funds straight to prove your use of the loan. Another consideration would be to set up a separate bank account for these funds to show they are only used for qualified purposes.

Make sure you have a plan for repaying your loan, as well. While you have a 6 month waiting period before you need to begin repayment, we would suggest setting aside (into a bank account) your payment amount during those first 6 months. This will build some margin in your business, but will also make sure you have your revenue and other expenses in a place where you can afford the monthly payment when it comes about.

Local Grants and Loans

Following suit from the federal government, many local governments (at the county and city level) have started their own version of the PPP Loans or EIDL Grants. Check out your county and city commerce websites to see what types of plans are available for your business.

Employee Retention Tax Credit

First things first, you **cannot** use this option if you have taken the PPP Loan. If you've taken the loan, go ahead and skip down to the next section.

The Employee Retention Tax Credit is a broad, refundable tax credit that encourages employers to keep employees on payroll by giving the employer a tax credit of 50% of wages, up to \$10,000, paid while the employer has suffered a decline in revenue of 50% or more. The credit is refundable, meaning that it can reduce a company's tax burden below zero (the company would then get a refund). The credit is open to all businesses, regardless of size, if your business meets one of the following conditions:

- Your business is fully or partially suspended by a government order, or
- Your gross receipts are below 50% of your receipts from the same quarter in 2019. You will qualify for the credit until your receipts rise to 80% of their 2019 level.

While the Paycheck Protection Program offers forgivable loans if the money is used on specific items, some businesses have expressed concern about how easy the loans will be to get forgiven, and others have not wanted to take on more debt during a recession. The Employee Retention Tax Credit, on the other hand, does not involve debt of any kind; it is simply a reduction in your business's tax burden.

Payroll Tax Deferral

Businesses are able to delay the Employer Payroll Taxes in 2020 where **half will be payable at the end of 2021 and the other half at the end of 2022**. This can be somewhat risky as you may delay the payments and have quite a large bill due at the end of 2021 and 2022.

Our general recommendation would be to continue paying the payroll taxes as you currently would if you can. If cashflow timing is looking to be a little difficult due to COVID, but will likely (*hopefully*) pick up again next year, you delay the payments and try to set aside that amount in a separate bank account. This way, you won't be surprised by the large tax payment due in the later years, but you will still have the cash on hand in case of emergency.

Make sure you have someone to help keep you in the know who is watching the changes to these types of programs, a financial planner like Flourish Financial Planning or Tax Advisors like us at Master Plan Tax Services can help you navigate these waters.



*Master Plan Tax Services is here to relieve business owners from the burden of tax preparation, bookkeeping, and IRS representation allowing you to get back to the work you enjoy. Find us at **masterplantaxes.com** or **(682) 444-PLAN** to find out more about our tax, bookkeeping, or COVID Relief Consulting services.*

Shifting From In-Person to Digital Marketing

If you're a small service-based business like I am, you've probably relied on in-person meetings and events to build relationships and generate new business for your company. So what happens now when you aren't allowed to do that?

What happens when your main source of referrals, that relied on being in the same room with people, disappears overnight?

I have good news and bad news.

Bad news first. It's going to require a slight shift in how you do things.

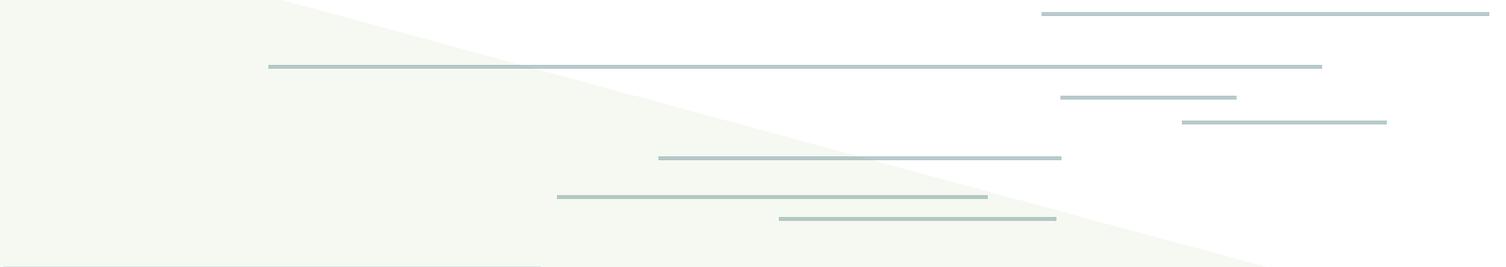
The good news? You can do the exact same thing you were already doing. If the strategies you were using offline were working to build business, you can use those same strategies online and continue generating new business.

Here's what I mean. Your offline sales process probably looks something like this: *You build a relationship with either a prospect or referral source, they get to know you through conversations where you explain what you do and how you do it (i.e. teaching them), and when they have a need or meet someone with a need for your services, they refer you.*

The same principles apply online. When a visitor arrives on your homepage, you must first build a **RELATIONSHIP** and **BUILD TRUST** with them before asking them to buy or take the next step in your sales funnel.

So how do you do that online? Start by asking what you do best offline. What are the helpful things you do for prospects (think: questions you answer, problems you help solve) when meeting with them in person?

You can turn the conversations you're already having into valuable content that lives on your website and helps build trust with new prospects 24/7.



What happens when your main source of referrals, that relied on being in the same room
Since we do this for our clients every day, we know how to pull the best content out of them (even if they don't realize it's there).

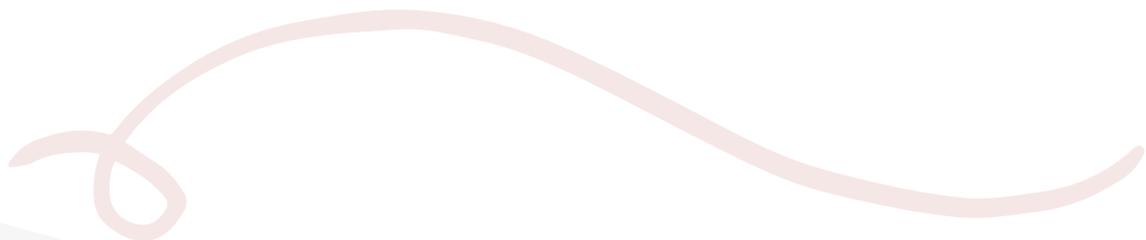
Try using my questions below to brainstorm your own authority-building content:

- *What are your prospects' biggest problems (in their words) that you help them solve?*
- *What do you wish your prospects knew before they came to you?*
- *What are the top 10 FAQ's your salespeople receive at each stage of your sales process?*
- *What are the top 10 questions your prospects should ask (SAQ's) at each stage?*
- *What are the biggest objections you get from prospects?*
- *What kind of information does the prospect bring to your meeting? Are they learning that from you or someone else?*

Using those questions alone, we've built a full year of conversion-focused content for every stage of our client's sales process. And you can too.

Here's how to take action: Map your customers' online and offline experiences. What are the differences and what needs to change? Then, use the questions above to brainstorm content gaps on your website that you can use to build trust and convert more new visitors. This can be on your homepage, your service pages, and on your blog.

Want more info on how to turn website visitors into leads? **[Click here to grab my free course.](#)**



Fluxe Digital Marketing is a content marketing shop that helps smart businesses strategize, produce and promote world-class content through a unique one-on-one interview process in a fraction of the time. Find us online at FluxeDigitalMarketing.com

Executing a Profitable Business During the Pandemic

In spite of the pandemic, small business teams have to run, execute profitably, and learn new tricks for getting things done in new ways. As the business owner, there are 3 things that you must do:

Strategic Focus: *What's your plan for making it through the pandemic? Does your team know? Share the vision and goals of your company with your team, regularly. This is even more important during a crisis, the team needs clarity.*

Here are 3 statistics on why you should put a plan together, even if it's only for the next 90 days:

- *Planning ALWAYS improves performance*
- *Companies that plan have 30% faster growth*
- *71% of the fastest-growing companies have plans...in writing*

Lead Your Team: It's your job as the owner and leader of your company to determine WHO does WHAT. Maybe your team is working remotely for the first time, maybe you've been doing it for years, either way, your job is the same. Each member of your team should have a written job description outlining their roles and responsibilities. Make a critical business pivot? Has this changed the type of work your employees do? If anyone's roles have changed, be sure to highlight those changes with each of your employees.

Xtra Mile Truth: Clarity precedes results, leaders create clarity, put it in writing.

Rhythms and Routines: The establishment of rhythms and routines is one of the three most important leadership tasks for Business Owners. Not managing everything day to day, but setting expectations, process, reporting, and meeting routines that ensure work is moving forward profitably. Our data shows strong rhythms and routines make accountability part of the process, rather than a difficult, follow-up conversation.

No Focus, No Leadership, and No Routines creates an environment of frustration, stress, conflict, and stagnation. The biggest risk to an Small/Med Business owner in this economy is losing your best clients and employees to a company that lives on the Xtra Mile.

Business owners and entrepreneurs, who works on these three imperatives when you don't?

Nobody. Do Your Job!



XM Performance is a small business consulting, training, and coaching firm in Dallas-Fort Worth. We are passionate about helping small businesses build profitable growth, be amazing places to work, and have the capacity to give back in their communities. Get in touch with us at hannah@xmperformance.com

COVID-19 AND YOUR CUSTOMERS: A PRIMER ON HOW TO PROTECT YOUR BUSINESS

Unless you were a healthcare professional or worked outside of an office in a hazardous environment, you probably never heard the acronym “PPE” prior to the COVID-19 pandemic (the “Pandemic”), or if you had, you probably did not know what it was. PPE stands for personal protective equipment, and it includes anything worn to minimize exposure to hazards that cause serious injuries and illnesses. 29 CFR 1910.132. The most common examples include safety glasses, steel-toe boots, hard hats, rubber gloves, and masks. Id.

Traditionally, PPE has been more of a workplace safety issue for employers regulated by the Occupational Safety and Health Administration (“OSHA”) and state agency equivalents. While the Pandemic has certainly increased OSHA compliance risks for employers, the focus of this article is on the small business’ risk exposure to its customers and how PPE, when coupled with other measures, can help mitigate that risk.

Regardless of what state your business is in, it owes special duties to any customer who shops inside it. The law calls your customers “business invitees,” and it obligates your business to keep the parts of the premises ordinarily used by customers in a reasonably safe condition. See Restatement (Second) of Torts § 343. This includes an affirmative duty to discover dangerous conditions that are not known or obvious to your customer. See Restatement (Second) of Torts § 343A. A novel issue that has yet to be resolved by the courts is whether the general knowledge of the potential for a high level of spread of COVID-19 constitutes (i) notice of a dangerous condition that the business must guard against or (ii) fair warning to a customer of an obvious danger that the business has no duty to guard against. Resolution of the issue will likely fall somewhere in the middle in most jurisdictions.

Given the extensive media coverage on COVID-19, recommendations to the public to stay indoors, and tips to stay at least six feet away from one another if one must go outside, customers should certainly be held accountable to some degree, but it may be going too far to say that the risk posed by COVID-19 is open and obvious, and **a strong argument could be made that businesses are in a better position than customers to take the precautions needed to adequately reduce the risk.** At the very least, a business will likely find itself litigating a costly factual issue that will ultimately be determined by an undependable jury. Prudence is the crux of all of this, and the prudent course is to mitigate your risk by doing what you can to guard against the risk. So, what can you do?

There are reasonable, cost-effective steps that business owners can take to protect themselves by preventing the spread of COVID-19 to their customers. First and foremost, business owners should seriously consider providing PPE such as 3-ply face masks to their customers, or at the very least requiring that all customers have a 3-ply face mask before being permitted to enter the premises. While 3-ply face masks will not filter the air breathed in the customer, they will help contain the spread of droplets that carry the virus. Best of all, they are inexpensive. They can be sourced for less than \$0.50 per mask.

Business owners should also consider these additional measures:

- Providing dispensers containing hand sanitizer in common areas and increasing the frequency of cleaning and sanitizing surfaces,
- Facilitating social distancing by directing customers to maintain a distance of six feet from others through the use of floor markings or some other means,
- Placing warnings that infected persons may be present on the premises,
- Revising sick leave policies to encourage employees to stay home when ill, and
- Installing higher quality HVAC filtration media and replacing them more frequently.

The Pandemic has created a host of new risks for business owners, but these risks can be effectively managed with a good ol' fashioned "ounce of prevention." If you have any questions about how to mitigate your risk, please do not hesitate to contact Michael Betts (mbetts@bccounselorsatlaw.com) or Spencer Chaffin (schaffin@bccounselorsatlaw.com) via email or telephone at (972) 584-9668.

Michael Betts and Spencer Chaffin are partners at BC Counselors at Law, PLLC, a Grapevine, Texas-based law firm focusing in the areas of estate and business planning and healthcare law. Michael is licensed to practice law in Oklahoma and Texas, and Spencer is licensed to practice law in Oklahoma, Texas, and New Mexico. Please visit our website at www.bccounselorsatlaw.com to learn more about us.

The contents of this article are intended for general informational purposes only and should not be relied upon as legal advice. You are urged to consult a lawyer concerning your own situation and legal questions.

Essential Hires During COVID-19

For decades, the world's best companies have utilized retained search firms to hire their top executives. This is because they know that making a great hire versus a mediocre hire at this level is critical, and **the cost of making a mis-hire can be catastrophic.**

But what about your company's essential hires? You know, those Senior Manager and Director-level hires that your company has deemed essential — who will be on the front lines delivering on your company's strategy, leading your company's digital transformation or ERP initiative, possibly even in a role that represents a new capability for your organization such as data science, intelligent automation/RPA, or digital manufacturing.

Essential hires represent one of the most important business decisions you'll ever make. Now, more than ever, it's important to know... **How can I reduce the real cost of making my essential hires?**

When beginning the hiring process for these positions, many organizations feel as if they should attempt to handle the search internally before engaging an outside firm. This feeling is most often based on one or more of the following assumptions:

- The cost of engaging an outside firm to conduct the search will be greater than the cost to handle the search internally;
- All hires are equal;
- Nobody from an outside firm could possibly understand the role and how to succeed in it better than people within the organization;
- The internal talent acquisition team's interests are better aligned with the hiring manager's than the interests of an outside firm.

Wanting to handle hiring internally for an essential hire is often founded in a genuine desire to be a good steward of an organization's time and resources. But are these assumptions about engaging an outside firm correct?

[We've broken down all of the "real" costs to your hiring and how to avoid mistakes in our guide, here.](#)

At iHs, the mission is human flourishing. Our goal isn't just to ensure the speed, efficiency, and quality of our work, but to see people go to work inspired and come home satisfied. To learn more or to start a conversation, visit iHs' website at <https://www.ihsrs.com> or give iHs a call at (847) 447-7700.

The Power of Choice

COVID-19 has left America in uncharted waters from top to bottom. From shelter in place to public/workplace restrictions, many of those most effected are America's small business owners. For many we can see the light at the end of the tunnel, and many will even come out of this time stronger than before. In these unprecedented times, **making sure you and your business are protected becomes paramount.**

If you are like most individuals and business owners, you're likely taking quite a bit of time during the pandemic to review your business and personal financials. As you do so, it is important to remember the **Power of Choice.**

With so many parts of our day-to-day lives that have changed in the past few months, choice is something that helps us maintain a sense of control. When it comes to insurance (personal or business), many of us started out with one company because a friend or family member recommended them to us and never changed. Others spend time every six months or every year looking on their own to make sure they aren't overpaying. Then there are those in between, those who work with an informative and independent agent who does that work with them and for them.

Take Goosehead for example, we partner with over 30 insurance carries across the state of Texas (and close to 100 nationwide) - connecting our clients and their businesses to one of these 30+ carriers that is the best fit for their specific situation. Instead of taking a one-size-fits all approach, we tailor the carriers and coverage to you, to find your best fit.



Overall, Goosehead is in the business of protecting people and their businesses, saving them money, and providing them the **Power of Choice.** Reach out to Graham.Richardson@goosehead.com or (214) 838-5484 to get more information.