Advantage
Your personal finance edge
September-October | 2024



Tax considerations for remote work: What you need to know

How to embrace disruptive technology in a remote environment
7 ways to rev up your business this fall | Small business + big data
Winter-proof your home | How cybersecure is your home or business?

Minding your Ps in business

As the scorching summer temps begin to fade and we find ourselves welcoming the cool, crisp beginnings of fall, it's the perfect time to mind our 'Ps' in business—the four pillars crucial to our success: productivity, preparation, protection and processes.

We start with an exploration of the tax implications that come with remote work. As more of us enjoy the flexibility and convenience of working from home, it's important to understand the tax considerations that come with it. You'll find valuable tips for both employees and employers to ensure you remain compliant and make the IRS happy.

As more of us enjoy the flexibility and convenience of working from home, it's important to understand the tax considerations that come with it.

Next, we tackle the challenge of disruptive technology. From AI to cybersecurity, we provide practical advice on how to embrace advancements and thrive through potential disruptions.

Next, we've compiled seven actionable steps to help you leverage the season's energy and momentum. Whether it's through marketing strategies or operational tweaks, these tips will help gear you up for a successful stretch to year-end.

Data analytics isn't just for big businesses anymore, which is why we show you how your small business can harness the power of big data to drive decisions and improve outcomes.

While winter may seem far off in the future, preparation is key to staying ahead. Our checklist for winterproofing your home ensures you're ready for the colder months, keeping your living (and remote working) space warm and safe (and those heating bills lower).

Finally, we tackle the topic of cybersecurity. Will a single email take down your home or business? Find out how cybersecure you are with our fun and informative quiz.

Here's to your business and minding your Ps!

Your trusted advisors

contents

September-October | 2024

Features

4 | Tax considerations for remote work: What you need to know

Remote work has many benefits...and several tax considerations. Here's what you need to know.

6 | How to embrace disruptive technology in a remote environment

Evolving tech isn't new, but it can be "disruptive." Learn how your business can address AI head-on and thrive in a remote environment.

8 | Small business + big data: A winning equation

Data analytics isn't just for the tech giants; it can help you, too. Discover how.

10 | 7 ways to rev up your business this fall

Fall is a season of change. Embrace it by using these seven tips to boost your business.







Departments

2 | From the firm: Minding your Ps in business

Discover the four foundational pillars of business that drive efficiency, ensure readiness and streamline operations.

12 | Life and living: Winter-proof your home: Your cozy season checklist

Winter will be here before you know it. Get prepared with these nine tips.

14 | Mind flex: How cybersecure is your home or business?

What can happen when you click on a link in an email? Find out.



This magazine is published by Rightworks, 1516 S. Walnut St., Bloomington, IN 47401 (rightworks.com) and distributed as a courtesy by professional services firms nationwide.

This publication is intended to provide general information only and is not to be construed as providing financial, legal, or other professional advice or services. The information and points of view presented may not be appropriate for your specific financial position or circumstances. Contact a financial or legal professional before making any decisions or plans regarding your financial management.

Tax considerations for remote work: What you need to know



It's no secret that remote work has been on the rise, especially since the COVID-19 pandemic. In fact, 35% of workers with jobs that can be done remotely are working from home all of the time, according to a Pew Research Center survey.[1] Chances are, your business may employ remote workers or even hybrid workers. And if that's the case, it's important to understand the tax implications of remote work. In this article, we'll break down tax considerations for both remote workers and employers.

State tax requirements

One of the first things to consider is state tax requirements. Here's what you need to know:

State income tax for employers:

- Employers must withhold state taxes based on the employee's work location. This means you may need to register for payroll taxes in multiple states if your employees are spread out.
- If you have employees who work remotely in different states, it may establish a nexus. This can subject your business to various state taxes and filings.

State income tax for employees:

- You generally owe state income tax to the state where you physically work. However, if you work in a state different from your employee's location, you may need to file a tax return in both states.
- Be aware of the convenience of employer rules. If you live or work in a specific state (i.e., Connecticut, Delaware, Nebraska, New York or Pennsylvania) with this rule in place, it means you're taxed as if you work in your employer's state—even if you don't. You'll need to file both a resident and a nonresident return, unless you live in a reciprocal state or a state without income tax.[2]

Helpful tip: Check out the Multistate Tax Commission's website (mtc.gov) for specific state tax rules and agreements.

Home office deductions

If you work from home, you may qualify for certain tax deductions. But it's important to keep in mind that you'll need to meet specific criteria.

Eligibility for employees:

- **W-2 employees.** Due to the 2017 Tax Cuts and Jobs Act[3], employees who receive a W-2 and work from home can't deduct work expenses on their federal tax returns to reduce taxable income. However, some states may allow these deductions; check your state for the specifics.

[1] "About a third of U.S. workers who can work from home now do so all the time," Pew Research Center, March 30, 2023. https://pewrsr.ch/4bZzWgj
[2] "State-by-state reciprocity agreements," Thomson Reuters® Tax & Accounting, September 13, 2023. https://tmsnrt.rs/4c30Zay
[3] "Tax Reform Provisions that Affect Individuals," Internal Revenue Service, April 12, 2024. https://bit.ly/4fhEqlx

• **1099 employees.** If you're a self-employed individual, independent contractor or a freelancer, you may be able to deduct expenses related to having a home office. But a space must be used exclusively for business purposes to qualify for a deduction.

Calculating the deduction:

• **Simplified method.** Using the simplified method, you deduct $5 per square foot of your home used for business, up to a maximum of 300 square feet.[4]

• **Regular method.** If you opt for the regular method, you can calculate actual expenses, including mortgage interest, utilities and insurance, based on the percentage of your home used for business.[5]

Deductible business expenses

Remote work can come with a variety of business expenses that may be deductible.

Internet and phone costs:

• **For employees.** Employees generally cannot deduct unreimbursed business expenses like internet or phone costs on their federal returns.

• **For self-employed individuals.** These expenses are deductible if they're used primarily for business purposes.

Office supplies and equipment:

• **For employees.** Unless self-employed, employees cannot typically deduct these expenses.

• **For employers.** Businesses can deduct the cost of providing office supplies and equipment to employees.

Payroll taxes

Managing payroll taxes for remote employees involves understanding the various state and local taxes based on where your employees work, not just where your business is located.

• **Withholding taxes.** Employers must withhold federal and state income taxes and Social Security and Medicare taxes based on employee work location.

• **Unemployment taxes.** Employers are also responsible for paying federal and state unemployment taxes, which can vary by state. It's crucial to stay informed about each state's requirements.

Employees must inform their employers about any changes in their work location, especially if they move to a different state. Failing to update your withholding could result in unexpected tax bills or even penalties.

Helpful hints for employees: For those who work from various locations throughout the year, you'll want to track the number of days spent in each location to help determine your tax residency status. And if you end up working internationally, be aware of potential double taxation issues.

Helpful hints for employers: If you employ remote workers, review your policies and procedures around remote work to ensure compliance with tax laws in all relevant jurisdictions. This means keeping payroll systems updated to handle multi-state withholding, registering for payroll taxes in states where employees are working, and providing clear guidance to employees about their responsibilities regarding work locations.

Stay informed

Tax laws can be challenging to understand, and they change frequently. Throw remote workers into the mix, and that can add even more complexity to your tax situation. When in doubt, don't hesitate to consult with a qualified tax professional who can provide personalized advice for your situation. ■

[4] "Simplified option for home office deduction," Internal Revenue Service, April 3, 2024. https://bit.ly/3LENnrh

[5] "Topic no. 509, Business use of home," Internal Revenue Service, July 3, 2024. https://bit.ly/3yaLHmt



How to embrace disruptive technology in a remote environment

Are you captivated by or apprehensive about the prospect of artificial intelligence (AI) in your business and, quite possibly, your personal life? Generative AI (GenAI) has sneakily woven itself throughout many of our daily processes. Google is using GenAI in search results (although, buyer beware). Our smartphones automatically group like images together to present a "Remember this day?" slideshow without us even asking. It's a little intrusive, but the innovation is endless.

Maybe "intrusive" isn't the right word...let's go with "disruptive." AI is disruptive, and it's changing the way we interact with each other and the way we do business, especially for those who run remote businesses.

Staying resilient in the face of disruptive technology can be both a challenge and an opportunity. We'll explore how small businesses can harness these advancements while maintaining robust security and thriving in a remote environment.

Understanding disruptive technology

What is disruptive technology, exactly? It's the innovative technologies that can significantly alter industries and business practices. The fact that you're either reading this article online or in a printed version? Disruptive technology got us here. Consider the machinery that led to assembly lines, computers, the World Wide Web and the internet (two separate things, by the way), robotics, 3D printing, smartphones, streaming services, cybersecurity, cryptocurrency...the list is endless.

AI is a prime example that's revolutionizing the way businesses work, from chatbots that can answer customer inquiries 24/7 to AI-powered analytics that can give you insights into your business. It's no longer a buzzword—it's in our everyday lives. It can automate tasks, provide valuable insights and enhance your decision-making process, helping you stay ahead of the curve.

AI: Your new work bestie

While a small number of workers fear that AI will make their jobs obsolete, an astounding 74% say they're not worried.[6] And for good reason. There's a lot to love about AI. And it's here to help you—not replace you. Here are five ways AI can disrupt your business in a good way, and become your new best friend.

1. Save time and money

AI tools provide significant cost savings by automating tasks, allowing businesses to reallocate resources to higher-value activities and pursue growth opportunities.

2. Enhance marketing and customer service

AI helps you create and implement targeted, personalized campaigns by generating written content and photos for marketing purposes. Chatbots can handle routine questions any time of day, improving response times *and* increasing customer satisfaction.

3. Streamline human resources

AI can filter through job applications, assist with new hire onboarding, and answer employees' questions about benefits and company policies.

4. Maintain better financial control

AI can assist with budgeting and inventory management, track income and expenses, and generate financial reports.

5. Provide sales and customer insights

AI analyzes customer data to provide valuable insights, so businesses can create personalized experiences and recommendations.

For businesses operating in remote environments, AI can help you:

- Hire employees from virtually anywhere.
- Create a welcoming environment with collaboration and messaging tools.
- Run, record, transcribe and debrief meetings.
- Handle customer service while managing projects with the right online tools.

Where cybersecurity comes in

AI isn't just a tool for efficiency; it can also bolster your cybersecurity efforts. In fact, AI-driven security systems can detect and respond to threats faster than humans by monitoring network traffic for unusual patterns and flagging security breaches in real time. It can also automate routine security tasks, like updating software and managing access controls. So, how can you remain resilient in the face of disruptive technology?

- **Embrace the change**. Technology will always change. Stay curious and lean into new tools.
- **Stay informed.** Keep up with tech trends and cybersecurity developments by subscribing to industry newsletters or attending webinars.
- **Assess and adapt.** Review your cybersecurity strategies regularly and be open to adopting new tools and practices to improve your security.
- **Seek expert advice.** Reach out to technology and cybersecurity experts. They can provide tailored advice and solutions that meet your business needs.
- **Start small, think big.** You don't have to implement AI in everything you do right away. Pick one area to improve and go from there.

Disruptive tech ain't got nothing on you

We get it. AI and other tech can be daunting, especially for a remote business. But listen up: As a small business owner, you're already an expert at adapting to and overcoming challenges. Disruptive technology just presents you with a new opportunity to show what you're made of. You've got this. ■

[1] "CNBC|SurveyMonkey Workforce Survey May 2023," SurveyMonkey, May 2023. https://www.surveymonkey.com/curiosity/cnbc-workforce-survey-may-2023/



Small business + big data: A winning equation

Big data. Data analytics. Both terms we've heard thrown around the last decade or so. But they're more than just buzzwords. Data analytics is a game-changer, especially for small businesses. From empowering decision-making to driving growth, your business can benefit from data analytics. Let's dive into a brief history, explore the rising demand and discuss how you can implement data analytics in your small business.

A 'byte' of history

Data analytics isn't the new kid in town, though it may feel like it. Data analytics dates back to the early 20th century, when statisticians started using data to identify patterns and make predictions. But it wasn't until the introduction of computers in the 1950s that data analytics began to garner some traction.

Now, look at us—vast amounts of information are generated and analyzed daily. And because advanced technologies allow us to process, analyze and derive meaningful insights from this data, it's accessible to everyone, small businesses included.

The growing demand

Why is data analytics so important today? It's because it helps take raw data and transform it into actionable insights. This means we can identify customer preferences (and personalize their experience with us), optimize operations (by streamlining processes and workflows) and predict trends. Data analytics helps you:

- Understand your customers better than they understand themselves.
- Predict trends before they happen (hello, competitive advantage!).
- Make decisions based on factual information; not always on 'hunches' or 'feelings.'
- Optimize operations and cut costs.

How to implement data analytics

Before you start sweating about complex algorithms and expensive software, take a deep breath. Implementing data analytics in your business can be straightforward and rewarding if you have the right approach and tools. Here's how to get started:

Identify your goals

Think about what you want to achieve with data analytics. Are you looking to streamline operations? Understand customer behavior? Improve your marketing efforts? Setting clear goals will help guide your data collection and analysis process. ***Hint:*** *Start small with data you already have.*

Collect relevant data

Gather data from various sources, such as customer feedback, sales records, website analytics and social media. Make sure the data is accurate and relevant to your goals.

Choose the right tools

There are many low-cost tools available (more on that in a bit) that offer powerful features and help you visualize data.

Analyze and interpret data

Use your data analytics tools to identify patterns, trends and insights. Look for actionable information that drives decision-making and improves business performance.

Implement and monitor

Apply the insights you've gained from data analysis to your business goals. Monitor your results and make adjustments as needed to ensure you're continuously improving.

Budget-friendly tools for data analytics

To help you get started, here are some wallet-friendly tools.

Google Analytics

This free tool provides in-depth insights to help you understand your website traffic and customer behavior. If you have an online presence, this tool is a must-have.

Tableau Public

This free version of Tableau allows you to create and share interactive data visualizations publicly. It's great for businesses that want to showcase their data insights.

Microsoft Power BI

There's a free version available with robust data visualization capabilities. It's a good tool if you need to analyze data from multiple places and create detailed reports.

Zoho Analytics

This affordable option provides comprehensive data analysis and reporting features. It integrates well with other Zoho products and various third-party apps (e.g., QuickBooks®, Google Drive, Microsoft OneDrive, Hubspot).

The bottom line

Remember, data analytics isn't just for the tech giants or Fortune 500 companies. It's made for businesses of all sizes—including yours. Take advantage of data analytics to make smarter decisions, understand your customers better and stay ahead of the competition. Start small, stay curious and watch your business transform. ■

Use your data analytics tools to identify patterns, trends and insights.



7 ways to *REV UP* your business this fall

As the days of summer begin to wane and the vibrant colors of fall start to merge, small businesses have the opportunity to revitalize their strategies and find ways to boost growth. As summer ends and kids head back to school, consumers are shifting their focus—and their spending habits. Now is the perfect time to take advantage of this seasonal change and implement new strategies to set your business up for success in the coming months.

Here are seven ways to help you boost your business this fall.

1 Reassess your business goals

It's good to review your business goals every quarter, making fall the perfect time for you to reflect on your achievements over the summer and identify areas that need improvement. Set clear, actionable goals for the remainder of the year. Whether it's expanding your customer base, launching a new product or increasing sales, you're more likely to stay on track with an intentional plan.

2 Update your marketing strategy

Every new season brings change, and now is a great time to refresh your marketing strategy. Kids are heading back to school, and football is starting back up. Use these themes to your advantage by creating special offers and promotions that resonate with your audience. Consider offering discounts, hosting events or launching a fall-themed campaign. And don't forget to take advantage of social media. Engage with your customers and share seasonal content that's sure to capture their attention.

3 Optimize your online presence

Speaking of social media, make sure your social platforms and website are current and optimized for the fall season. Update your website with refreshed content, images and fall promotions. If you have an online store, prepare for increased traffic, and make sure your product descriptions are accurate and appealing. Also, consider SEO (search engine optimization) tactics to help improve your search engine rankings and attract more potential customers.

4 Refresh your email marketing

Email marketing remains a powerful tool for small businesses. Take advantage of it to keep customers informed about new products, special offers and upcoming events. Create engaging and visually appealing newsletters that highlight what's new this fall. Also, be sure to personalize your emails to make your customers feel valued and appreciated.

5 Consider the customer experience

Customer service should always be top-notch. Make sure your staff is trained to provide exceptional service and address any issues promptly. Customers and potential customers are looking for reliable and consistent service. Ask for their feedback to help you and your team improve where needed. Satisfied customers are more likely to return (hi there, loyal customer) *and* recommend your business to others.

6 Invest in staff training

As business begins to pick up during the fall (and into the holiday months), you'll want to ensure your team is ready to meet the demands. Invest in staff training to enhance your team's skills and boost their confidence. When your employees are well-trained, they'll be more efficient and provide better customer service. And this will greatly impact your business growth.

7 Prepare for the holiday season

The holidays will be here before you know it. And fall is the best time to start prepping. Plan your inventory, staffing and marketing strategies well in advance. Also, consider offering early-bird specials or holiday presales to help generate excitement and early sales. By getting a head start, your team will be well-prepared to handle the holiday rush.

Fall into change

With these seven tips to help you rev up your business, remember to embrace change and be adaptable. Take actionable steps to be proactive and ensure your business thrives. Here's to boosting your business this fall! ■



Winter-proof your home:

YOUR COZY SEASON CHECKLIST

Soon, the days will grow shorter, and the air will turn crisp. That means it's time for you to turn your home into a warm winter haven. But before you curl up by the fireplace with a cup of hot cocoa or tea, you'll need to tackle some winter-proofing tasks to keep your home as snug as a bug in a rug. Here's your ultimate checklist to ensure your home (and home office) is ready for winter!

1 Get that heating system checked out

Your furnace is the heart of your home's warmth, so be sure it's well taken care of.

Check the furnace filter

A dirty filter is a major source of furnace malfunctions and breakdowns, so replace it if necessary.

Call in a professional

Schedule an annual check-up to keep your system running smoothly. The last thing you want during a cold snap is a non-working furnace!

2 Seal up any drafts

Nothing ruins a cozy evening like a chilly draft sneaking in from windows and doors.

Caulk and install weatherstripping

Be sure to seal any gaps around windows and doors to keep the cold air out and the warm air in.

Create draft blockers

Cool air can sneak in under doors, so consider purchasing draft stoppers for added protection.

3 Examine your roof

Your roof is your first line of defense against winter weather, especially if you're in a snowy region.

Inspect for damage

Look for any missing or damaged shingles and get them repaired to prevent leaks.

Clean the gutters

Make sure your gutters are free of debris to help avoid any ice dams that can build up and cause water damage.

4 Check your fireplace and chimney

Who doesn't love a roaring fire on a subzero day with snow slowly falling outside? Before you fire it up, though, think "safety first."

Send in the sweeps

Have a professional inspect and clean your fireplace and chimney to prevent fires.

Check the damper

Ensure the chimney damper opens and closes properly to keep cold air out when you're not using the fireplace.

5 Survey your sump pump

No one likes a flooded basement. And if you have a very snowy winter, there's going to be a big thaw come springtime.

Test it

Ensure your sump pump activates and works correctly by pouring water into it.

Perform regular maintenance

Call a professional or refer to the manufacturer's guidelines for upkeep.

6 Prep your yard and garden

Your outdoor space also needs some attention before the cold weather comes in.

Turn water off and cover outside faucets

Exterior pipes can freeze and cause pipes to burst. Have your sprinklers blown out, and protect any outdoor faucets with an insulated cover.

Prune trees and shrubs

Make sure to trim any overhanging branches to prevent damage from snow and ice.

7 Stock up on supplies

If you're in an area that gets snow or ice, it's best to be prepared.

Gather winter essentials

Stock up on ice melt, salt, snow shovels and portable heaters.

Create an emergency kit

For example, put together a kit with blankets, flashlights, batteries, water and snacks in case of a power outage. It wouldn't hurt to have a similar emergency kit in your vehicle.

8 Improve your interior comfort

There are a couple of things you can do inside to help make the winter season a bit more cozy.

Reverse the ceiling fans

Now's the time to flip the switch on your ceiling fans so they run clockwise. This will help push warm air down.

Insulate the pipes

Wrap pipes in unheated areas to help prevent freezing and bursting.

9 Inspect the exterior

A thorough check around the exterior of your home can save you from headaches later on down the line.

Seal cracks

Examine the outside of your home to locate any cracks. Seal them up to prevent water from seeping in and freezing.

Rake the roof

In climates that experience heavy snowfall, invest in a roof rake to clear snow buildup and prevent roof damage.

Remember: Safety first!

Winter weather can be highly unpredictable, so start preparing now. Follow this checklist to ensure your home is winter-ready, so you can enjoy your cozy sanctuary when the temperatures drop. Happy winter-proofing! ■



How cybersecure is your home or business?

Whether you work in an office or from the comfort of your own home, it's important that you're always cyberaware. In the spirit of cybersecurity awareness month, we have a quiz for you. Take our quiz to see how well you'd fare when faced with a hundred-times-a-day occurrence: an innocuous-looking email.

You receive an email with a link. What do you do?

1 Do you verify the sender's email address before clicking?

☑ Always verify the sender's email address to avoid phishing scams.

2 Is the email from a trusted and verified source?

☑ Only click on links from trusted sources.

3 Do you hover over the link to check the URL before you click?

☑ Hovering over the link can reveal suspicious-looking URLs.

4 Does the URL look legitimate and match the sender's domain?

☑ Be cautious of mismatched URLs. When in doubt, ask the sender to verify.

5 Do you use antivirus software that scans emails and links?

☑ Using antivirus software can help detect malicious links.

6 Is your antivirus software up to date?

☑ Always keep antivirus updated for the best protection.

7 Do you have a firewall enabled on your home and/or business network?

☑ A firewall is essential for network security.

8 Do you regularly back up your data?

☑ Regular backups are critical in case of a cyberattack. Backing your data up to the cloud is the safest and most reliable option.

9 Do you use strong, unique passwords and enable multi-factor authentication (MFA) on your accounts?

☑ Strong, unique passwords are a key defense against cyberthreats. And MFA adds an extra layer of security.

10 Are your software and systems regularly updated with security patches?

☑ Regular updates are crucial for maintaining security.

11 Do you educate yourself, your family and your employees about cybersecurity best practices?

☑ Continuous education is vital for being cyberaware.

12 Do you only use secure Wi-Fi networks and/or VPNs?

☑ Using unsecured Wi-Fi networks can lead to cyberattacks.

13 Do you have a response plan in place for cyber incidents, and do you regularly test your cybersecurity measures and response plans?

☑ Having a response plan ensures quick and effective action, and regular testing helps identify and fix vulnerabilities.

Cybersecurity is an ongoing process. If you checked all these boxes, don't rest on your laurels. Always stay vigilant and proactive to keep your home or business safe from cyberthreats. ■



A modern firm for today's clients

We offer innovative, collaborative accounting and advisory services powered by our advanced online platform—because we know that's how today's clients want to work.

Experience the difference of working with a modern firm.

Visit us online today!