

TAX TIME

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N.O. REGIONAL BUSINESS PARK

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SWINE PALACE THEATRE

P. 9

LOUISIANA

inGOODcompany

The Official Magazine of LCIA.



THE MEMBER SERVICES ARM OF LCI WORKERS' COMP

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Association News:

You're not the only one making New Year resolutions. We, at LCIA, have some goals for 2013 too. Here are our New Year resolutions:

- :: **Enhancing the Member Portal*** – Our goal is to make the Member Portal LCIA's "Virtual Association." We want the Portal to be the place you go to educate yourself (and your employees) on business and industry topics and to interact with other companies. This year we are working to create an online library with training videos and articles about various subjects, which you will be able to access at any time.
- :: **The Orange Blog** – We want to regularly provide you with original content from experts in their respective fields. From HR Issues and Workers' Comp to tax advice and analysis of current events, we want to give you relevant content throughout each week.
- :: **Securing discounts for you** – We are working with national and regional businesses to secure reasonable discounts on products and services you regularly utilize. What vendors do you rely on? Let us know, and we can talk to them about negotiating a discount with LCIA.
- :: **Creating industry-specific events and reaching more of Louisiana** – LCIA has businesses from many different industries. We know each industry has its own needs. That's why we want to create more industry-specific workshops in 2013. We also want to reach more of you by hosting workshops in more cities throughout Louisiana.
- :: **Meeting with LCI policy holders** – We want to see more of you in 2013! We want to meet with you, so we can get to know your specific business needs. If you are interested in learning more about LCIA, please contact Christina Buras at christina@lciassociation.com.
- :: **Creating new programs and services** – We resolve to keep creating more programs and services for you, LCI policy holders, throughout 2013 and beyond.

* The Member Portal is LCI/LCIA's secure site, where you go to pay your workers' comp bills online.

Notes From The Association



Christina Buras
Associate Director, LCIA

2012 was an impressive year of growth for LCIA, and moving into 2013, we're now prepared to delve into the projects we didn't have the capacity to do before like: specializing events by industry, securing quality discounts for LCIA members, and making the Member Portal the "Virtual Association" we always wanted it to be.

Since Nick came on board last October, we've constantly been brainstorming about ways we can make the Association better. As the Marketing and Communications Coordinator, Nick has already implemented a number of improvements, such as: revamping *In Good Company*, tweaking the Newsletter, and increasing our social media presence. I can't wait to see what he comes up with in 2013.

With Nick at the Marketing and Communications helm, I can now dedicate myself to making our programs better by getting out to meet all of you in your hometowns across Louisiana. I want to know what we can do to help you with your business: workshops, online programs, networking events, discounts, etc. I want to hear your ideas, so we can put them into action.

From the LCIA team, we hope you have a fantastic New Year, and we look forward to seeing you in 2013.

:: Christina



Nicholas Peddle
Marketing and
Communications
Coordinator, LCIA

The fourth quarter of 2012 was an exciting one for me. I joined LCIA, which also meant joining a great team of professionals dedicated to helping small businesses succeed. We have done some extensive planning to ensure that our communications efforts are effective and well-received.

Highlights from the end of last year include the following:

- :: Our Facebook iPod Nano raffle. We tripled our number of Facebook likes during the month of November. We have also dramatically increased the content we provide through our Facebook page.
- :: Changing the format of *In Good Company*. We shifted things around so it is easier for you to absorb the information the magazine provides. Since this is our inaugural issue, please let me know what you think of it.
- :: Creating the Orange Blog. We are proud to now offer you articles and tips from experts between issues of *In Good Company*. Topics of blog entries include HR issues, Workers' Comp, and analysis of current events.

I look forward to building on our momentum and carrying it throughout 2013. It is my personal goal to make sure we reach you to tell you about our workshops, and to provide you with content throughout each week that is relevant to you, the small business owner and LCIA member.

:: Nick

On the Issues:

TAX TIME

This is the first issue with our “On the Issues” section. The goal of this section is to take a current or local topic of interest, and provide you with commentary from multiple expert voices. And why not start with taxes? Universal in nature, we have selected taxes as our topic du jour, and provide you with two helpful points of view. You will get helpful advice about tax-deductible business expenses and learn about taxes’ impact on local economies.



Which Business Expenses are Tax Deductible?

Paul Jouet, Owner, Tax Help Nola

It can be difficult to know what business expenses you can deduct from your taxes, and none of us want to miss out on potential deductions. If the process is unclear to you, you’re not the only one. In fact, last year the IRS won 55% of Tax Court Cases that involved business expenses. The IRS defines your business expenses as “ordinary and necessary.” That is, the expense should be routine and directly related to the business activity. There are several key areas the IRS will look at on your tax return if audited:

Auto Expenses

The automobile expense is one of the most audited items on tax returns. Having good records to support your deduction will help you in an audit. You should keep a record of your business mileage. Business purpose involves driving from your place of employment to another work site, to meet with a client, or going to a business meeting. Commuting from your home to the office does not count as a business purpose. However, if you have an

office in your home, then traveling from your home office to meet with a client or conduct business is tax-deductible. The standard mileage rate for 2013 is 56.5 cents per mile. Taxpayers can also deduct parking fees and tolls in addition to mileage.

Meals and Entertainment

You may deduct 50% of costs for meals while traveling on business and while entertaining clients and customers. Be sure to keep good records on who was present, the dates and times, the reasons for the entertainment, and business discussions that took place. The expenses must be “ordinary and necessary” business expenses and meet one of two tests. The “directly related test” applies if you can show that the main purpose of the activity was business. The “associated test” applies if the expense is associated with a “substantial” business discussion.

Sub-Contractors

Individuals performing work for a business may either be classified as employees or subcontractors. If the workers are classified as subcontractors, the business needs to issue payment to the subcontractors and keep a W-4 on file – which requires the subcontractor’s name and tax ID. At the end of the tax year a single IRS form—Form 1099-MISC—is issued, which documents the total payments to each subcontractor. When payments were below \$600 for the tax year, the business may omit the issuance of Form 1099-MISC.

You need to keep your tax records and supporting documents until the statute of limitations runs out for filing returns. This means you’ll want to keep those records for three years following the date of filing or the due date of your tax return, whichever is later. If you filed your 2011 tax return on April 17, 2012, you’ll want to keep those returns and those records until April 17, 2015. If the return was filed after the due date then, you’ll want to keep them 3 years after that date.



A Taxing Problem: How E-Commerce is Threatening our Local Economies

Dana Eness, *Executive Director, StayLocal! and The Urban Conservancy*

As citizens, we enjoy contributing to our community's well-being. While some of us do so by volunteering for a local non profit or coaching a Little League team, we all contribute through the taxes we pay. Our local business owners are especially important to our community's economic health. A well-educated labor pool, low crime, quality schools, and financially stable families are dividends the public derives from the contributions local businesses make with the jobs they provide, the philanthropic work they do, the property taxes they pay, and the payroll and sales taxes they collect.

In fact, municipalities rely heavily on the tax dollars their business community provides. But often those projections fall short, and when they do, dollars allocated to city services like public safety and street maintenance get slashed.

Why do sales tax projections regularly miss the mark? One variable often overlooked by city governments is one that business owners in sectors like electronics and book sales are well aware of: the accelerating popularity of

e-commerce, which has seen double-digit quarterly growth in the US since 2010.

"Cyber Monday" is the Monday after Thanksgiving, and in recent years has signaled the beginning of the online holiday spending spree. In 2012, Cyber Monday spending in the US soared to \$1.46 billion, making it the heaviest online spending day in history, and also put it on track to be the heaviest spending day of the holiday season for the third consecutive year.

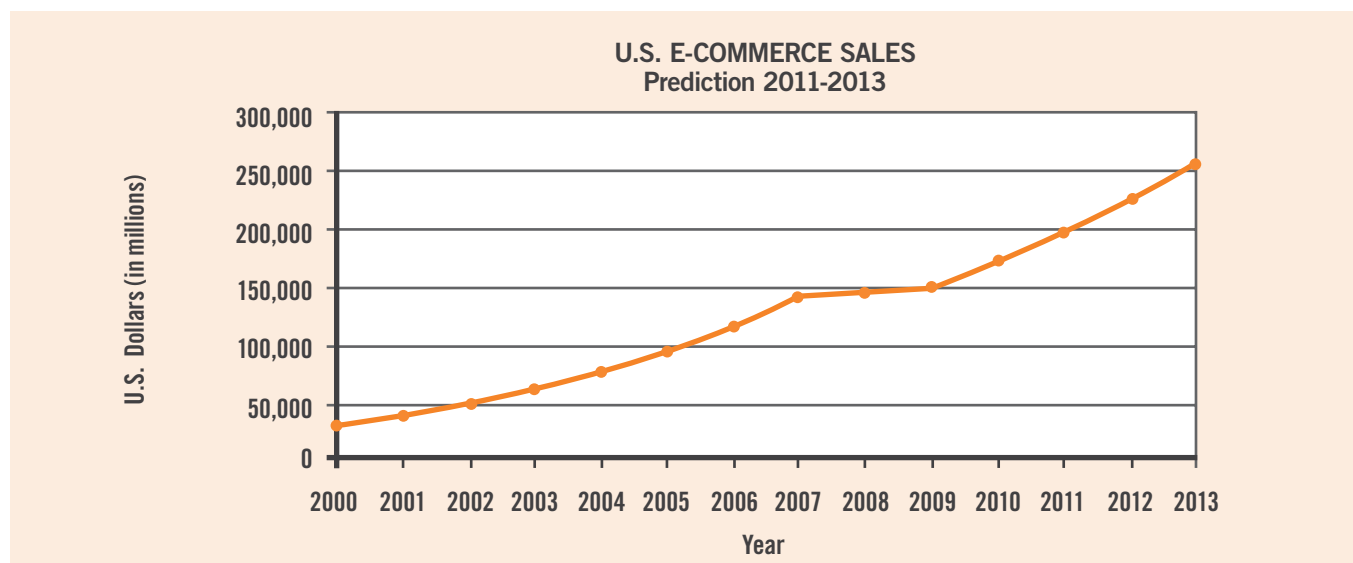
Since many large e-commerce retailers skirt sales tax collection, e-commerce represents a considerable depletion of needed—and anticipated—revenue from communities. Fortunately, municipalities and brick-and-mortar stores have a number of tools available to keep revenue from being siphoned from the local economy. The best strategies to increase sales tax revenue involve coordinated efforts between independent businesses and their local government.

One strategy is to pass legislation requiring large e-commerce retailers to collect and

remit sales taxes. Since 2008, statewide coalitions of business and consumer interests in ten states including California, Arkansas, and North Carolina have resulted in the passage of "e-fairness" enforcement legislation. Such legislation is often misconstrued as a new tax. In fact, it enforces collection of existing sales tax due states and municipalities by online megaretailers as brick-and-mortars are required to do.

Educating consumers about the connection between where they spend their dollars and the direct benefits to their community's health and safety is key to changing consumer habits. City governments can work closely with their local Chambers of Commerce, merchants' associations and independent business alliances to communicate a unified message and create a strong "buy local" culture.

Independent retailers and their local governments have a mutual interest in a thriving local economy that generates a solid tax base to adequately fund community services. By working together, they can make sure that wealth is generated and retained locally.





[clear the clutter]
Offers a 10% Discount
for LCIA Members.

Professional organizer Stasia Cymes
will help you organize your office,
your home, your life.

Do You Have Too Much Stuff?

Clear the Clutter will work with you to create a more organized office. Stasia works with her clients throughout the process of getting organized. She assists with getting rid of things you don't need, implementing a filing system that works for you, and setting up your workspace so it is functional.



About Clear the Clutter: Stasia Cymes is a professional organizer with a holistic approach. By recognizing your specific needs, she will help you with the emotional aspects of being overwhelmed with clutter and how it came to be. Her services include coaching and ongoing support to manage future clutter in both homes and offices, and she offers free consultations to help you get started. Visit www.clearthecluttertoday.com or call Stasia at 504-920-1800 to take the first step.



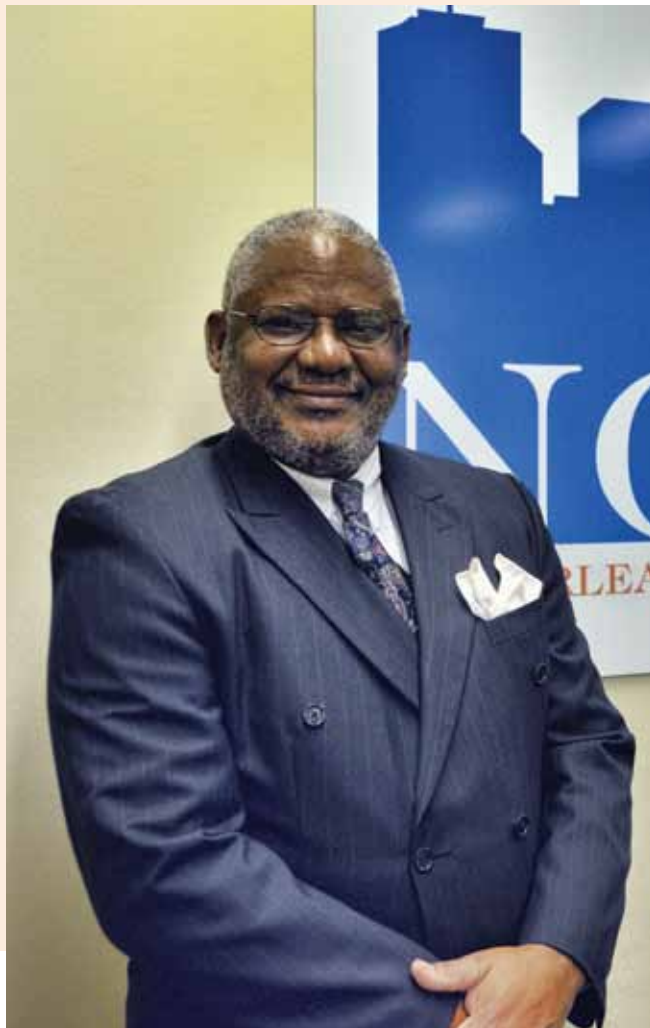
[clear the clutter]

About LCIA discounts: At LCIA, we are always looking for new ways to make your membership more valuable. We are working with both member and non-member businesses to provide discounts to all LCIA members. If you are interested in offering a member discount and receiving the associated advertising through LCIA, contact Christina Buras at 985-612-6733 or Christina@lciassociation.com.

Member Spotlight

Since our first issue of *In Good Company* in 2009, we have spotlighted various LCI insured-businesses. While the magazine has evolved, this section has remained constant because we feel it is an important way of connecting the LCIA network. We want to introduce you to one another and show you the contributions your fellow LCIA members are making to their respective industries and their communities. Above all, we want you to know that with LCIA, you're... *In Good Company*.

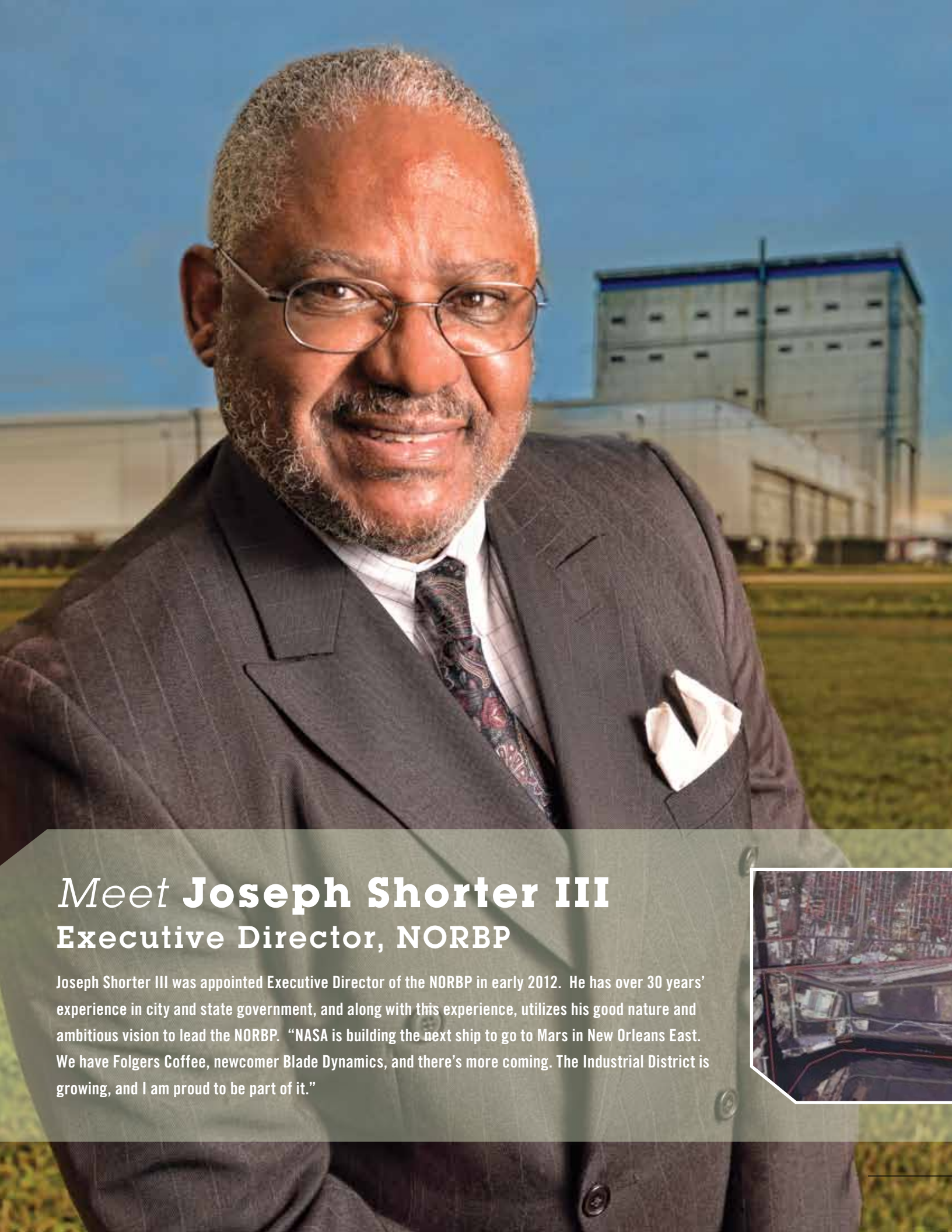
New Orleans Regional Business Park



Swine Palace Theatre



King Lear, 2011, Photo by Eddy Perez



Meet **Joseph Shorter III** Executive Director, NORBP

Joseph Shorter III was appointed Executive Director of the NORBP in early 2012. He has over 30 years' experience in city and state government, and along with this experience, utilizes his good nature and ambitious vision to lead the NORBP. "NASA is building the next ship to go to Mars in New Orleans East. We have Folgers Coffee, newcomer Blade Dynamics, and there's more coming. The Industrial District is growing, and I am proud to be part of it."



A PARK WITH DRIVE:

Bringing Business Back to New Orleans East.

About the New Orleans Regional Business Park

The New Orleans Regional Business Park (NORBP) is a semi-public agency that serves as an economic development agency for the 7,000 acre Industrial District in New Orleans East.

What the NORBP Does

NORBP works with other agencies to attract business to the Park, and works on such issues as coordinating improvements to public infrastructure and identifying workspace for new businesses. NORBP also helps businesses obtain available tax credits and incentives,

particularly those that are relevant to businesses in the Industrial District.

The NORBP manages a 30,000 square foot building with a 100,000 square foot warehouse on Old Gentilly Road in the Industrial District. They offer meeting space, office space for lease, and are looking to have a business incubator by next year.

Who the NORBP Serves

NORBP works with a diverse range of companies. The presence of Industrial District occupants such as NASA and Lockheed Martin, allows NORBP to attract potential suppliers for these companies. Other industries in

the Industrial District include trucking and logistics, manufacturing, sanitation, and construction.

Other appealing factors of the Industrial District include tax programs, proximity to interstate highways and six railways, and the buildable land available.

Get in Touch with the NORBP

If you are in need of meeting or office space, or if you want to learn more about connecting with this growing Industrial District, go to www.norbp.com or call (504) 254-4603.



The New Orleans Regional Business park includes over 7,000 acres and access to the Mississippi River, Gulf of Mexico, several railroads, and major interstate highways.

CLASS ACT

About Swine Palace Theatre

Located on LSU's campus in Baton Rouge, Swine Palace is a professional theatre company that serves a dual mission of providing South Louisiana with high-quality stage productions while serving as a training ground for students in LSU's M.F.A. Professional Actor and Technical/Design Training Programs. What started as an initiative in 1991 by the Department of Theatre has become a permanent fixture—strengthening the department and contributing to the Baton Rouge arts community.

Swine Palace utilizes three theatre spaces on LSU's campus to put on three to four productions per year. One such space is the newly renovated Shaver Theatre, which now has state-of-the-art facilities including space to design and create costumes, sets, and props. This allows Swine Palace and LSU students to not only perform on stage, but also complete all of the work behind the scenes.

A Professional Training Ground

Swine Palace proudly operates under a contract with the Actors' Equity Association, the union for professional actors and stage managers, and is one of only two theatres in Louisiana to hold this prestigious standing. This partnership allows students to work alongside top talent from around the country. In addition to learning from the best, students also gain access to networks of professional actors and directors that benefit them in the future.

At Home in Louisiana

Housed on LSU's campus in the state's capital, Swine Palace is proud of its Louisiana roots. In addition to being a key part of the arts scene, Swine Palace enjoys purchasing materials from Louisiana businesses to contribute to the state's economy. Swine Palace has also begun to highlight themes that are relevant to its home state. Recent

productions have celebrated Louisiana's bicentennial, while others confront relevant social issues. In fact, in 2006 Swine Palace received the YWCA of Greater Baton Rouge's 13th Annual Racial Justice Award and the Louisiana Governor's Arts Award for Outstanding Large Arts Organization.

Get in Touch with Swine Palace

Swine Palace is looking to continue its connection to the Baton Rouge community, specifically to the business community. The theatre purchases a lot of materials from local vendors, including those to build sets, props, and costumes. They also hire local companies to build the sets. Being on LSU's campus also allows for great exposure for businesses to advertise in Swine Palace's programs or provide sponsorships. Call (225) 578-4174 or visit www.swinepalace.org for more information.

Meet The Directors:

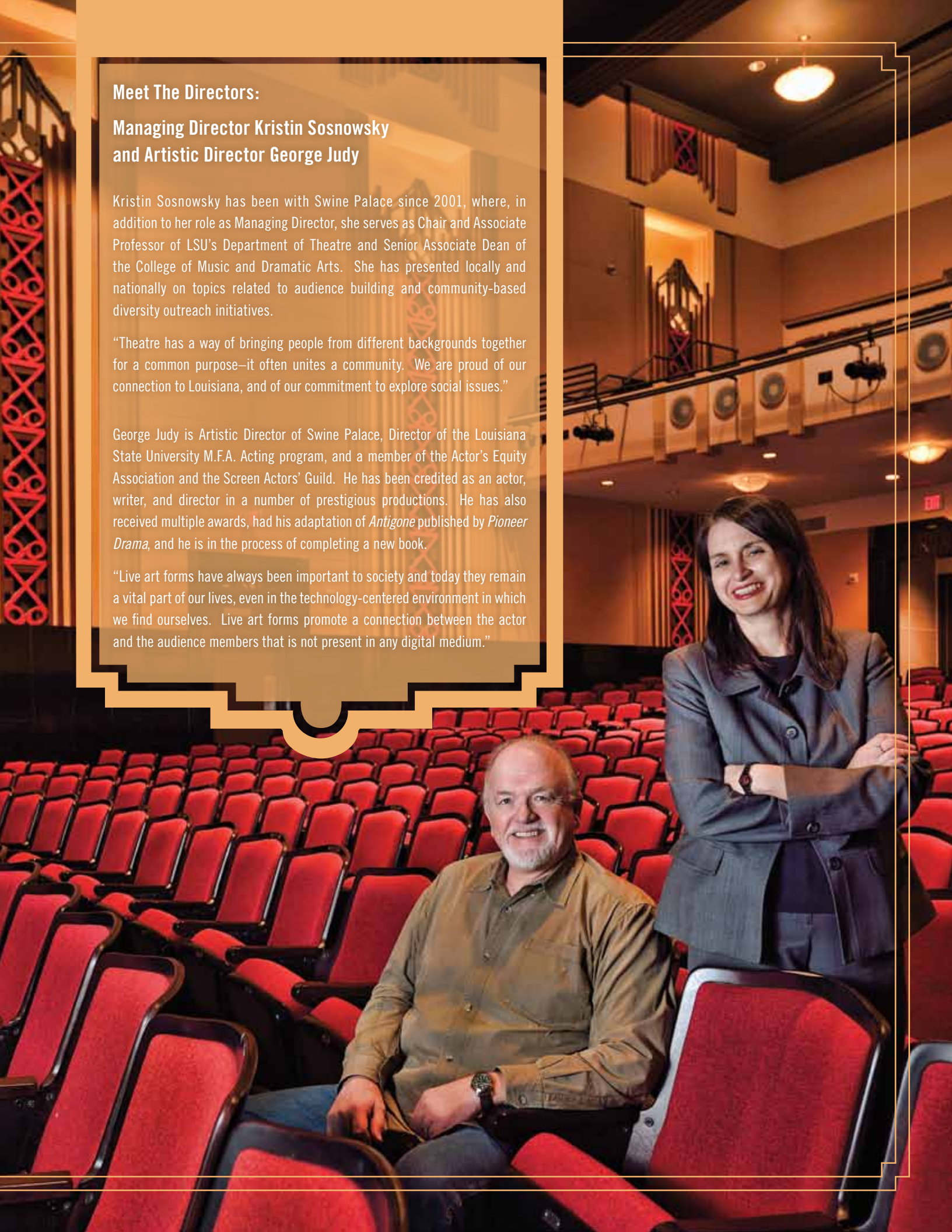
Managing Director Kristin Sosnowsky and Artistic Director George Judy

Kristin Sosnowsky has been with Swine Palace since 2001, where, in addition to her role as Managing Director, she serves as Chair and Associate Professor of LSU's Department of Theatre and Senior Associate Dean of the College of Music and Dramatic Arts. She has presented locally and nationally on topics related to audience building and community-based diversity outreach initiatives.

"Theatre has a way of bringing people from different backgrounds together for a common purpose—it often unites a community. We are proud of our connection to Louisiana, and of our commitment to explore social issues."

George Judy is Artistic Director of Swine Palace, Director of the Louisiana State University M.F.A. Acting program, and a member of the Actor's Equity Association and the Screen Actors' Guild. He has been credited as an actor, writer, and director in a number of prestigious productions. He has also received multiple awards, had his adaptation of *Antigone* published by *Pioneer Drama*, and he is in the process of completing a new book.

"Live art forms have always been important to society and today they remain a vital part of our lives, even in the technology-centered environment in which we find ourselves. Live art forms promote a connection between the actor and the audience members that is not present in any digital medium."



LCI Workers' Comp Corner

LCI Company News

- :: LCI Workers' Comp will be closed on Mardi Gras, Tuesday, Feb. 12, 2013.
- :: LCI's Marketing Team will be attending the following events:
 - January 24-26th YIP 2013 Annual Winter Conference at the Renaissance in Baton Rouge
 - January 31st PIA Professional Development Day at L'Auberge Casino Resort in Lake Charles

LCI Continues to Uphold Exceptional Financial Stability Rating

LCI Workers' Comp has done it again!

For the third year in a row, we've earned a Financial Stability Rating (FSR) of A, Exceptional, from Demotech, Inc. This level of FSR is assigned to insurers who possess exceptional financial stability related to maintaining positive surplus regarding policyholders, liquidity of invested assets, an acceptable level of financial leverage, reasonable loss and loss adjustment expense reserves (L&LAE) and realistic pricing.

FSRs are a leading indicator of the financial stability of a company. Demotech has a proven track record of predicting long-term financial stability. As the first company to have its rating process formally reviewed and accepted

by Fannie Mae, Freddie Mac and HUD, Demotech has been leveling the playing field by offering FSRs to insurers of all sizes.



The latest affirmed FSR reflects LCI's steady growth in capital and surplus.



LCI Employee Spotlight: *One on One with Nancy Hebert*

POSITION: Audit Manager

HOMETOWN: Lafayette, LA

Serving LCI Insured-Businesses since: 2007

Q. What is the most rewarding part of your job?

A. It is very rewarding to work with our members to make them more comfortable with the audit process. Every policy is audited at the end of the policy term. As you can imagine, not everyone is thrilled by the concept of an audit.

Q. What is your greatest accomplishment?

A. I don't think it has happened yet. I have accomplished things in my career, in my life, but nothing great (yet). I have a strong desire to make a difference. I'm hopeful that I will accomplish something great one day.

Q. What motivates you?

A. I set daily and weekly goals for myself. While the thought of reaching these goals

is motivating, almost reaching the goals is also a great motivator. The audit department staff is also a source of motivation for me. Their energy and desire to succeed pushes me to work harder to make it happen.

Q. How do you like to spend your free time outside the office?

A. I love spending time with my daughter and my husband. I enjoy cooking, puzzles, and reading. I also enjoy home improvement projects, refinishing, restoring or repurposing furniture. I like to take something old and make it new again.

Q. What is the audits department's greatest strength when handling audits?

A. Our greatest strength is our staff. Each one of us is dedicated to serving our members.

We work very well together, all pulling in the same direction.

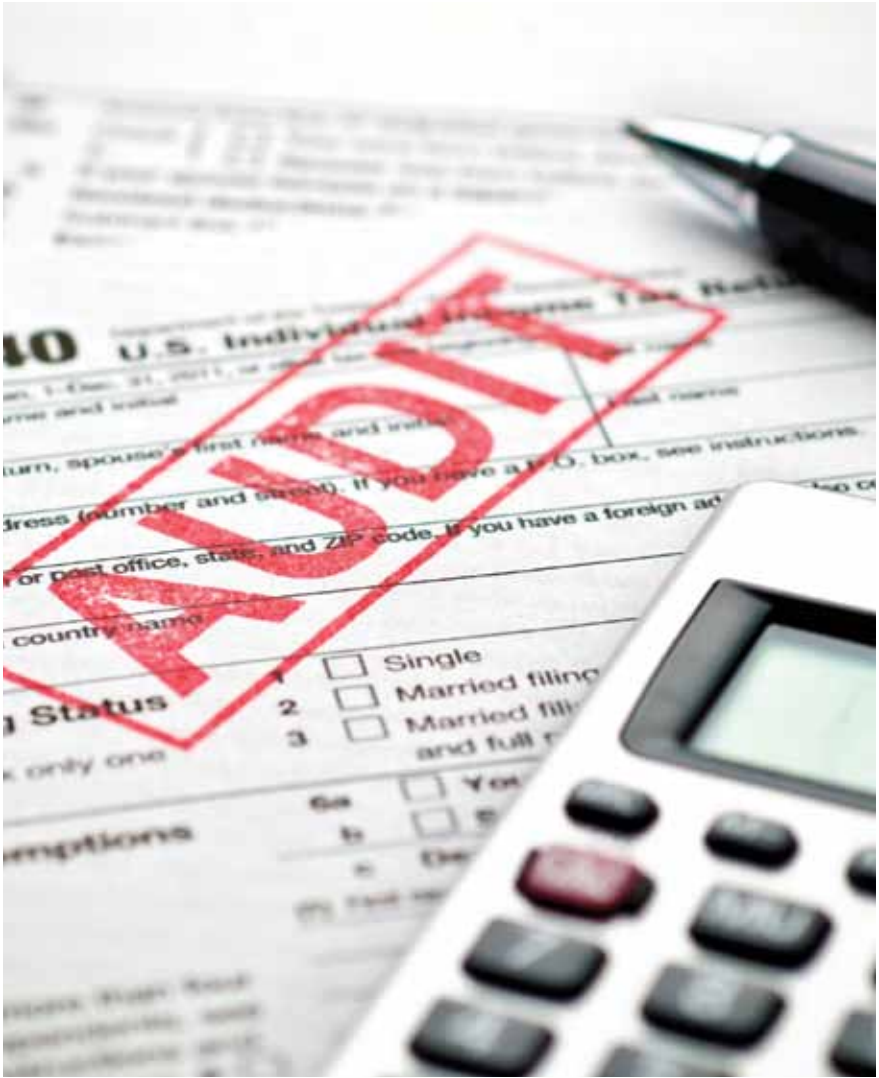
Q. How does your department service members and partnering agents?

A. As I mentioned before, no one is really excited to have an audit. We recognize this and try to work with the members to make it a less dreadful experience. We have great respect for our members and understand how hard they work and the difficulties they face. It is our goal with each audit to make sure the member understands the results. I believe that our partnering agents appreciate our efforts to treat their customers with the respect they deserve.

Nancy's Helpful Audit Tips

- :: All policies are audited at the end of the policy term. It is best to keep the audit appointment as originally scheduled. If necessary, the audit appointment can be rescheduled. It is important to contact the auditor to confirm the appointment or to reschedule.
- :: Open and read all correspondence from LCI when it is received. Time sensitive notices may require action on your part.
- :: Prepare records prior to the audit appointment. If you have any questions regarding documentation required, please contact your auditor.
- :: If you use subcontractors who carry their own workers' compensation insurance, have a copy of the insurance certificate available at audit.
- :: Do not pay labor in cash. Cash payments are un-auditable and could result in additional premium.
- :: Make sure the auditor understands the operations of your business and the duties of the employees.
- :: Be prepared to discuss any changes in the operations of your business and/or any changes in ownership of the business.
- :: Ask any and all questions you have regarding your policy, the audit process, or any other questions you may have.

What You Need to Know About Audits



- :: Premium audits are required by Louisiana law.
- :: 30 days after a policy expires, members will be notified in the mail by LCI of their audit responsibilities. Members are responsible for cooperating with the audit process and providing documentation necessary to complete audit.
- :: If the member receives a letter scheduling a physical audit visit, it is important that the member call and confirm the proposed date and time.
- :: If the member receives a Self-Reporting Audit form in the mail, the member is responsible for completing the form and providing LCI with all necessary documentation to complete the audit. It is important to remember that mail audits are time sensitive!
- :: To obtain a blank Self-Reporting Audit form visit lciwc.com/forms.
- :: Audit assistance is just a phone call away! If a member needs additional help with the audit or needs to request a copy of audit forms/documents please contact Audit Department's assistant, Christy Nihart, at 985-612-6734.

RECORDS REQUIRED FOR AN AUDIT

PAYROLL

W2s with W3 TRANSMITTAL OR
STATE QUARTERLY TAX REPORTS OR
FEDERAL 941 TAX FORMS

:: AND ::

General Ledger *or*
Bank Statements with ALL Cancelled Checks

NON-EMPLOYEE LABOR/SUBCONTRACTORS

1099s with
1096 Transmittal *and*
Certificates of Insurance for Insured Subcontractors

:: AND ::

General Ledger *or*
Bank Statements with ALL Cancelled Checks



When selecting a workers' comp provider, being close counts.

For more than 20 years, LCI has helped all kinds of Louisiana companies—offering competitive rates, great service, and excellent coverage across 200+ class codes. Today we're proud to say that we serve more than 2500 businesses in 63 of the state's 64 parishes. So give us a call to see what we can do for you. Or if you want to chat in person, we'll be right here in our New Orleans headquarters.

lciwc.com :: 985-612-1230





LOUISIANA CONSTRUCTION
AND INDUSTRY ASSOCIATION

1123 North Causeway Boulevard
Mandeville, LA 70471

Presort Standard
US POSTAGE
PAID
Permit No. 77
Mandeville, LA

LCIA Events

JANUARY

QUICKBOOKS - BEGINNER AND INTERMEDIATE

WHEN: JANUARY 24
8:30 AM - 4:00 PM
BEGINNERS: 8:30 AM - 12:00 PM
INTERMEDIATE: 12:30 PM - 4:00 PM
WHERE: HOLIDAY INN
METAIRIE
LUNCH PROVIDED FOR THOSE
ATTENDING BOTH SESSIONS.

WORKPLACE SAFETY: OSHA, RISK ANALYSIS, AND WORKERS' COMP

WHEN: JANUARY 30
8:00 AM - 3:00 PM
WHERE: THE HORSESHOE
BOSSIER CITY
LUNCH PROVIDED.

FEBRUARY

HOW TO CREATE AN EFFECTIVE BUSINESS PLAN

WHEN: FEBRUARY 6
10:00 AM - 11:00 AM
WHERE: WEBINAR

WORKPLACE SAFETY: OSHA, RISK ANALYSIS, AND WORKERS' COMP

WHEN: FEBRUARY 21
8:00 AM - 3:00 PM
WHERE: HOLIDAY INN
BATON ROUGE
LUNCH PROVIDED.

MARCH

QUICKBOOKS - BEGINNER AND INTERMEDIATE

WHEN: MARCH 6
8:30 AM - 4:00 PM
BEGINNERS: 8:30 AM - 12:00 PM
INTERMEDIATE: 12:30 PM - 4:00 PM
WHERE: HOLIDAY INN
BATON ROUGE
LUNCH PROVIDED FOR THOSE
ATTENDING BOTH SESSIONS.

ALL ABOUT HR: PROPER EMPLOYMENT PRACTICES AND POLICIES

WHEN: MARCH 13
8:30 AM - 2:30 PM
WHERE: MARRIOTT LAKEWAY
METAIRIE
LUNCH PROVIDED.

MARKETING TACTICS BUSINESSES ARE USING TO ATTRACT AND RETAIN CUSTOMERS

WHEN: MARCH 21
10:00 AM - 11:00 AM
WHERE: WEBINAR

For more information and to register for these events, go to www.lciassociation.com/events, or call Christina Buras at 985.612.6733.