

INDA's Small Business Newsletter

Covering Issues That Affect You

March 17, 2008

INDA SMALL BUSINESS E-REPORT

Welcome to the INDA Small Business e-Report. This monthly e-publication provides INDA members with insight and advice on operating a successful small business in today's nonwovens industry.

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IT'S TAX TIME, BUT SMALL BUSINESS HAVE FEW AUDIT WORRIES

It's enough for a small business to worry about sales, profit margins, hiring (and firing) and all of those little things that take up the best part of the working week, but just imagine an audit from the Internal Revenue Service thrown into the mix! But don't worry, say many small business experts. The reality is that relatively few small companies will ever have to go through an exhaustive examination of their books in a full IRS audit.

So as both personal and business tax filing deadlines approach and pass, small businesses should instead focus on the little things that are much more likely to catch the eye of IRS employees – things like claiming too much for entertainment deductions or for home-office expenses.

The reason is simple: the IRS certainly doesn't have enough staff to do a high number of full, time-consuming audits. Instead, it is much more likely that a small business will receive a notice from the IRS questioning an item on a tax return. However, the more questions your return raises, the more likely inspectors will take the next step to a more complete audit.

Most of the work these days is done by computers, which help IRS employees identify the most common mistakes, such as when income reported on a return doesn't match up with income reported to the government in other filings. Another red flag: expenses and deductions that appear to be excessive for a company's business category. Deductions for home offices, for vehicles that are used for both business and personal use and for entertainment expenses are among those that can invite a closer look.

Also, one of the myths of small business accounting is that getting an automatic extension of the filing deadline makes a return more likely to be audited. Most accountants say that this is certainly not the case, especially since many small businesses routinely file for these extensions as a way of helping to manage cash flow.

The bottom line at tax time: Don't be afraid to take all of the deductions that are legitimately coming to your small business, but if you are doing something because you think you can get away with it ... don't.

MANDATED PAID SICK LEAVE DOESN'T MAKE SMALL BUSINESS HAPPY

Washington, D.C. is becoming the second U.S. city to mandate paid sick leave and not everyone is happy about a mandate that will be particularly hard on smaller companies. According to a report in Fortune Small Business, the D.C. city council in January voted to require businesses to provide as many as seven days off to employees each year.

The move in the Nation's Capital reflects a national trend – one spurred by workers' groups and decried by most smaller employers. In Ohio, the legislature

is considering a bill that would require businesses with 25 or more employees to offer sick leave. Another nine states are expected to debate similar laws this year. At the same time, Congress is set to consider the Healthy Families Act, which would set a Federal standard of seven days of paid sick leave for all employees of businesses with 15 or more workers.

INDA SMALL BUSINESS NEWS

LOOKING FOR INTERNS: THE INDA INTERN PROGRAM HAS HUNDREDS OF STUDENTS READY TO WORK FOR YOU

Nonwovens companies now have a valuable resource for identifying and recruiting interns, as more than 100 students from all over the world have posted their resumes and background information as part of the new online Intern Program sponsored by INDA.

Just unveiled in January with the goal of identifying, recruiting and training the next generation of nonwovens industry professionals, the online Intern Program is bringing together nonwovens companies and young students and professionals considering the industry as a career. Currently, more than 120 interns have participated in the program.

The Intern Program's goal is to help companies find qualified interns and employees where they are most comfortable – on the Internet – through the INDA Website at www.inda.org.

“Companies are looking for new talent and students are looking for opportunities to further their educations and this online Intern Program facilitates the two sides coming together,” says Rory Holmes, president of INDA. Holmes points out that in a recent survey of INDA members, more than 50% of top management at nonwovens companies indicated that finding qualified employees was extremely difficult.

Proving especially popular is a link where students can complete the intern form that is then posted online so that participating companies can review their interests and background and contact them if they have a match. In addition, the INDA Website also allows INDA member companies to list their intern positions for all levels of positions within the company. The students then are able to check the available intern positions and contact the company directly.

INDA is promoting the online Intern Program through its newsletters and other publications as well as through outreach to leading engineering and textile schools and community colleges.

To learn more about the online Intern Program or to register, log on to <http://www.inda.org/class/interns.html>.

VISION 2009 RETURNING TO NEW ORLEANS

In a major announcement during VISION 2008 in January, INDA revealed that the VISION 2009 Consumer Products Conference will return to New Orleans for the first time since Hurricane Katrina ravaged the area. VISION 2009 will be held January 26-29, 2009 at the Sheraton New Orleans Canal Street, site of the original VISION Conference in 2002. For more information on VISION 2009 Consumer Products Conference, log on to www.inda.org.

WELCOME TO INDA NEW MEMBERS

The start of a new year has brought a number of new members to INDA, and most of them are smaller companies. Please welcome the following companies that have joined INDA already in 2008:

T.J. Beall Company
CMAI Global
gDiapers
IMERYS
Industrial Microwave Systems L.L.C.
Irving Personal Care Ltd.
A.D. Jezzi & Associates, LLC
JohnsonDiversay, Inc.
Martex Fiber Southern Corporation
Nice-Pak / PDI
Norman Lifshutz
Nordico Market Development
Pelzer Acoustic Products, LLC
Performance Fibers
Sabare International Limited (NW Division)
James F. Smith/EconForecaster LLC
Stahl USA
Winner Medical Group
Wausau Paper - Specialty Products Division
Zimmer Machinery Corporation

If you or your company is not yet an INDA member, please contact Marilyn Bellinger, mbellinger@inda.org, for details.

INDA MEETINGS SCHEDULE

2008

March 31-April 1

REACH 2008 — Registration, Evaluation, Authorization and Restriction of
Chemicals Workshop
INDA Headquarters, Cary, NC

April 8-10

Tennessee INDA Nonwovens Course
Hilton Knoxville, Knoxville, TN

May 8-9

Elementary Nonwovens Training Course
INDA Headquarters, Cary, NC

June 16-18

WOW08 (World of Wipes)
The Millennium Knickerbocker Hotel Chicago, Chicago, IL

September 8

Nonwoven Enhancements 2008
Hilton Americas, Houston, TX

September 8-11

INTC 2008
Hilton Americas, Houston, TX

September 16-18

INDA Nonwovens Course
INDA Headquarters, Cary, N.C.

October 28-30, 2008

New Energy Technologies 2008
Marriott City Center, Raleigh, NC

December 9-11

Filtration 2008
Pennsylvania Convention Center, Philadelphia, PA

2009

January 26-29

Vision 2009
Sheraton New Orleans Canal Street, New Orleans, LA

February 22-24
Annual Meeting 2009
Four Seasons Aviara, Carlsbad, CA

May 5-7
Link with Asia 2009 — The East/West Business Connection
Sheraton Wall Centre, Vancouver, BC Canada

September 21-24
INTC 2009
Grand Hyatt Denver Downtown, Denver, CO

2010

April 27-29
IDEA 2010 International Conference & Expo
Miami Beach Convention Center, Miami Beach, FL

THAT'S ALL, FOLKS

We would love to hear from you. Just email us at [mjacobson@inda.org](mailto:mjacobsen@inda.org) to let us know how you are getting along.

Michael Jacobsen
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INDA Small Business e-Report