



## Five Tips To Protect Your Start-up

News

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Tim Scott was quoted in *Biz New Orleans* on March 24, 2015. The article “Five Tips To Protect Your Start-up” offered advice to new business owners on how to protect their start-ups.

Tim said to pay wages properly. “Many people start a business and don’t realize Louisiana has very strict laws on how you can pay an employee,” he said. “You can’t just ‘take care of’ an employee later on down the road.”

Tim recommended doing some research at [www.dol.gov](http://www.dol.gov), or contacting a labor law attorney for guidance.

Paying payroll taxes properly is also an important consideration. “While you can learn the applicable laws and do your own payroll taxes, it is often, particularly for small businesses, more efficient and cost effective to have a payroll service that calculates all of those taxes for you,” Tim said. “Many business owners don’t know the proper way to claim independent contractors verses employees on their taxes.”

Tim cautioned that while some businesses withhold the proper amount of money, they don’t know or don’t remember where to send the withheld money. Not paying payroll taxes properly can result in potential civil and criminal liability. He recommends coordinating with a CPA from the beginning

Determining the right personnel policies for a new business is also a key element. “You want to plan for the company you want to be, not the company you are right now,” Tim said. “Write policies on how you expect your employees to interact with each other and lay out how certain situations will be addressed such as, but not limited to, work place harassment and violence policies, sexual harassment policies and severe weather/ disaster policies.”

Tim said many businesses begin with a great idea, but you need to protect that idea by writing contracts and having employees, vendors or contractors who you will be sharing confidential information with sign them.

Having employees sign a non-compete contract is another good idea, Tim said, but you need to examine state laws about those types of contracts.

Last, Tim said to buy employment liability insurance. “Get employment practices liability insurance which covers the costs of the defense attorneys if you get sued,” he said. “This will protect businesses from lawsuits from inside the organization. For example if an employee files suit against you or your business.”

To read the full article, please visit [\*Biz New Orleans\*](#).

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