

Fairfax County Small Business Commission

Small Business News

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Dranesville District

July 2013 Newsletter

New Small Business Accounting Standards

The American Institute of Certified Public Accountants (AICPA) has released a new financial reporting framework for small and midsize business entities. The new framework is designed to provide a simpler and more effective way to create financial statements. The framework is not designed to help with tax filing but rather, it is intended to provide management “a better way to describe a company’s finances.” The framework is intended for private businesses that do not require Generally Accepted Accounting Practices.

According to the AICPA Director, the new framework provides “greater certainty and consistency than the accounting practices many small businesses currently use.”

<http://www.businessweek.com/articles/2013-06-12/should-small-businesses-adopt-new-accounting-standards>

JOBS Act 2.0?

Despite the fact that the Securities and Exchange Commission (SEC) has yet to fully implement the rules and policies of the 2012 JOBS Act, Republicans in the U.S. House of Representatives will begin a push to pass a new JOBS Act. The House Financial Services Committee strives to introduce legislation this fall that will build on last year’s JOBS Act and will help small businesses raise capital.

While there are very few details as to what the bill will contain, one aspect of the bill, according to Congressman Scott Garrett (R-NJ), is intended to “make it easier for small businesses to trade their stock.”

Some members of Congress and investor advocates are skeptical of the new legislation, fearing that small investors are already “vulnerable to fraud” as the SEC has struggled to finish formulating the rules required in the first JOBS Act.

<http://www.politico.com/story/2013/06/house-gop-eyes-small-business-bill-92618.html>

Small Business Owners Playing It Safe

According to a recent study by The Hartford, the number of small business owners who identify as conservative in their risk-taking business practices has risen 63% in the past year. More specifically, 80% of small business owners, compared to last year’s 49%, now identify as conservative rather than risky. This year’s study

also revealed that only 2% of small business owners identify as risky.

President and CEO of The Hartford, Liam E. McGee commented that “the decrease in the level of risk small business owners are taking is a significant concern,” noting that a willingness to take risks “fuels small business creation, innovation, and success.”

The survey also noted that small business owners have curbed their hiring practices as demonstrated by the 68% of those surveyed who had not hired a new employee within the past year and the 63% who did not intend to hire new employees next year. Of those who did hire a new employee in the past year, 70% restricted their hiring to one or two employees.

<http://www.dailyfinance.com/2013/06/11/small-business-owners-playing-it-safer-in-rising-t/>

Small Business Concerns with New Immigration Bill

The National Federation of Independent Business (NFIB) has raised concerns over the immigration bill that passed the U.S. Senate on June 27th. The NFIB “took particular issue with the creation of a new Bureau of Immigration and Labor Market Research, which would measure worker shortages and adjust caps on employment-based visas.” The group cited costs, supplied by businesses, as the reason for opposing that element of the bill.

However, the NFIB does support certain aspects of the bill, such as the E-verify program that will allow employers to check the work eligibility of prospective employees.

It is too difficult to determine what programs will remain in the final version of the bill or whether it will even be passed, as it is expected to face stiff opposition and undergo revisions in the Republican controlled House of Representatives.

http://www.washingtonpost.com/business/on-small-business/small-business-lobbyists-raise-concerns-as-immigration-bill-nears-approval-in-senate/2013/06/25/6fe43272-ddb8-11e2-b797-cbd4cb13f9c6_story.html

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