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Local alliance has global reach

Arkansas businesses hoping to expand to a global market have a strong resource available, and the Arkansas World Trade Center welcomes more companies to take advantage of its services.

The Secretary of State's office has invited the Arkansas World Trade Center (AWTC) to forge a strategic alliance that will promote Arkansas's involvement in the international business field. Tapping into the AWTC's resources is one way the Secretary of State's office can help small business owners extend their customer base beyond the state's borders.

Located in Rogers, the AWTC has about 40 members, ranging from Wal-Mart and Heifer International to chambers of commerce across the state, according to Director of External Relations Denise Thomas.

The center has memoranda of understanding with many of the 300 other World Trade Centers around the globe. Strategic business expansions have promoted a stronger focus in certain cities and countries. The AWTC works closely with the U.S. Chamber of Commerce, embassies and the U.S. Department of Commerce and works on bilateral trade initiatives for companies both importing and exporting.

The AWTC serves the entire state and will travel across Arkansas to work with businesses interested in joining. Thomas said the center works with nonmembers to showcase the advantages of WTC membership.



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Keep it growing Serving small businesses is key for Martin team



Secretary of State Mark Martin is focusing the efforts of the Business & Commercial Services division (BCS) in an effort to strengthen small businesses and facilitate international business dealings.

Martin said America's small business owners have the greatest "incentive, responsibility and ability to lead an economic recovery. As a constitutional officer, I have a special obligation to ensure that public policies help spur economic growth. I want to take into account the unique perspectives of those who own and operate businesses in Arkansas."

Leading the BCS division is Deputy Secretary of State AJ Kelly, a longtime business advocate. Kelly said he views the job as a way to help business grow, rather than creating more hurdles for tax payers and job creators: the Arkansas business community.

Helping entrepreneurs grow and flourish benefits everyone. Small businesses "the engine of economic growth," employing over half of all private sector employees.

"My staff and I understand and appreciate the challenges that entrepreneurs face," Secretary Martin said. "With that insight, we can be effective advocates for small business."

We can be effective advocates for small business.

— Secretary of State Mark Martin

BCS provides a range of services to individuals and companies who conduct business within Arkansas. Consumers can search for a unique company name as well as file the appropriate document types to register a business. The division also records state trademarks, files notary public commissions, issues Authentication of Documents and Apostilles, and records Uniform Commercial Code (UCC) filings.



2011 Franchise tax collections on par with 2010 receipts

Franchise Tax collections held steady for the year, showing the durability of the Arkansas economy. To date, this year's franchise tax collection totaled \$22,455,899, which puts collections on pace with the previous year.

"My staff has done an outstanding job over the last few months to deposit franchise tax payments in record time for companies doing business in Arkansas," Secretary Martin said.

Arkansas has 145,626 registered businesses, and most pay the minimum franchise tax rate of \$150, payable between January and May 1 annually.

"We deposited all payments received before the end of the fiscal year, rather than having contributions to the general and education adequacy funds divided into two fiscal years. I am very proud of the dedication and hard work my staff demonstrated to process these filings so efficiently," Secretary Martin said.

Revocation deadline draws near

After December 31, corporations that have not filed all past-due franchise tax reports along with penalties and interest are subject to revocation. Franchise taxes continue to accrue, even for revoked entries, until the business is formally dissolved. Pay today to reinstate!

Total Franchise Tax Collections



Global Reach, continued

Applicants are interviewed and evaluated to determine whether they are import/export ready. The center refers applicants to other sources, such as the Small Business Administration (SBA), Small Business & Technology Development Centers (SBTDC) or SCORE, and the SBA business counseling program, to improve preparation. Most members are small- to medium-sized businesses, Thomas said, other than Heifer International and Wal-Mart.

The center is an affiliate of the University of Arkansas and works to pair student interns from Arkansas universities with statewide companies, giving the students international business experience and supporting the business community's global initiatives. Interns have worked with entities including Wal-Mart vendor Harvest Group and the Arkansas Economic Development Commission.

For information about the Arkansas World Trade Center, log on to www.arwtc.org or call (479) 418-4800.



Meet your BCS team

With more than 100 years of combined experience in the division, the BCS team leaders are ready to help you. They include (from left): **Julie Wolfe**, corporations team leader; **Anita Chance**, production manager; **Cynthia Fisher**, technology project coordinator; Secretary of State **Mark Martin**; **Julia Butler**, corporations team leader; **Beverly Robertson**, UCC team leader; and **Laura Wofford**, UCC team leader.

Calling All Nonprofits

Charitable Registration: Crucial info or just more data?

Have you ever wondered what happens to the data from nonprofit reports filed with the Internal Revenue Service or the Arkansas Secretary of State's Office? Both the IRS Form 990 and the Arkansas report are critical tools for knowing which nonprofits are operating in our state, what they are doing and how they are serving local Arkansans.

Since 2008, both the IRS and the Secretary of State require nonprofit information to be reported annually. On the federal side, all charitable nonprofits are required to file an IRS Form 990 each year. Check out the IRS website, www.irs.gov/charities/charitable/index.html to make sure you have the latest dates, deadlines and details for your organization.

Have you been revoked?

On June 8, 2011, the IRS released a list of more than 275,000 nonprofits whose tax-exempt status was automatically revoked due to failure to file annual returns. (Full list available at www.acenonprofit.org.) Before 2006, only organizations with annual revenue of \$25,000 or more — roughly one-third of the 1.6 million nonprofit groups — were required to file. But a new federal law, the 2006 Pension Protection Act, required all organizations to file returns. Because it was embedded in 393 pages of a law that otherwise dealt with pension issues, many nonprofit groups did not notice the new filing requirement. If your organization is among those that lost their nonprofit status, check out the National Council of Nonprofits resource on revocation for information on your next steps: www.councilofnonprofits.org/revocation. The site offers helpful tips and a great list of answers to frequently asked questions.

Arkansas Filing Requirements

All nonprofits registered with the Arkansas Secretary of State's office are required to file an annual report on August 1 of each year. It is free to nonprofits and provides valuable, up-to-date details such as address, board members, and contact information. This year the filing

NONPROFITS, Continued on Page 4

Keeping Franchise Tax contacts up-to-date

All business entities — foreign and domestic — are required to have a Registered Agent or a Commercial Registered Agent on file with the Secretary of State. A Registered Agent, who must be located in Arkansas, receives service of process on behalf of a company (among other things), then delivers legal notices to the company to ensure a representative responds as required. Registered Agents do NOT receive franchise tax billings unless also listed as the tax contact. There is no fee for changing Registered Agent information with BCS; simply submit the form that you can find at <http://tinyurl.com/AgentChange>.

The Model Registered Agents Act of 2007 created a new type of registered agent called a *Commercial Registered Agent*, which is an individual or entity that is in the business of providing registered agent services. The primary purpose of a Commercial Registered Agent is to accept service of process on behalf of the entity it represents, and they must register with the Secretary of State. Both Registered Agents and Commercial Registered Agents are public information and are listed online in the BCS system.

Franchise Tax Contact Information

The person or entity responsible for paying annual franchise tax for a company is known as the *Franchise Tax Contact*. This contact is the ONLY person who receives the annual franchise tax billing information for an entity. Unlike the Registered Agent, a Franchise Tax Contact is NOT publicly identified online for any entity (although the person who actually pays the franchise tax in any given year is listed). Most importantly, the Franchise Tax Contact is *not the same* as the Registered Agent. Consequently, changing contact information for one *does not* change the other. In some recent cases, businesses have sold, Registered Agents have changed, and the information viewable online may show the new officers and directors. However, unless the Franchise Tax Contact is changed specifically, it remains the same. When buying or selling a business, it is critical to provide up-to-date Franchise Tax Contact Information. It is free and easy to do: simply file online at <http://tinyurl.com/FTcontact>.

Has your I.D. been hijacked?

In addition to the 9 million individuals affected by identity theft each year, businesses are a growing target. Fraudulent activity can be devastating for your company, so take steps to prevent thieves from hijacking your corporate I.D. and ruining your credit.

- ◆ Monitor accounts, bills and commercial credit reports for suspicious activity.
- ◆ Protect your EIN (employer identification number), account numbers and other financial info.
- ◆ Institute policies for using a business credit card and reporting any loss.
- ◆ Inventory company documents. Store only essential documents, and keep them in a safe and secure location. Use a confetti shredder for discarded papers.
- ◆ Do not share sensitive information in e-mails or on any web-based service.

Is your business a victim?

If you believe your business is a victim of I.D. theft, report the theft to your local law enforcement agency, banks and creditors immediately and place a fraud alert on your accounts. Also, contact the three major credit reporting agencies and request your business credit report. Request copies of all documentation used to open or access fraudulent accounts.

What can you do prevent and detect business identity theft?

- ◆ Routinely check your business data on the Secretary of State's website. Keep Franchise Tax and Registered Agent contact information current.



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Scan the QR code with your smartphone app to order certificates of good standing and search entities *on the go!*

Filing Reminders

Delinquent *Franchise Tax payments* including penalties and interest are **due by December 31, 2011**. Failure to pay franchise taxes, with penalties and interest can result in the revocation of the business's authorization to do business.

Companies that have ceased doing business continue to accrue franchise taxes until *formally dissolved* with the Secretary of State's office.

When searching or amending **UCC agricultural liens** transferred to the Secretary of State's office, you must reference the file number assigned by the state office for the original filing. Once transferred from the county to the Secretary of State, filings can no longer be searched using the county file number.

We're working to *improve our website* to better serve you! Let us know what you think about the recent changes by e-mailing us at corprequest@sos.arkansas.gov.

For more information visit www.sos.arkansas.gov or contact the Division of Business & Commercial Services (501) 682-33409 • (888) 233-0325

Nonprofits, continued from page 3

form now includes optional questions that help track nonprofits by type, such as a charitable organization, association, chamber of commerce, recreational club or other purpose. Previously there was no distinction in nonprofits, whether 501 c(3), c(4), c(6) or otherwise. Anyone requesting a list of certain nonprofits would get *all* nonprofits registered with the Secretary of State's office with no indication of IRS tax-exempt status. Nonprofits now have the option on the annual report form to indicate whether they are classified with the IRS. We appreciate your help in creating a more informative, user-friendly system for nonprofits, but respect your right to keep it private.

Next time you complete a report, remember you are providing a valuable service both for your organization and nonprofits across the state. Together, we can create a stronger Arkansas nonprofit sector!



Deadline for filing Nonprofit Annual Reports was August 1.

To file online, visit:

http://bit.ly/NP_AnnualReport