



ISSUES

OUR BUSINESS IS SMALL BUSINESS

AUGUST 2016

Volume XXVI, No. 8

WATCH OUT FOR FICTITIOUS NAME SCAM

A “fictitious name” is any name under which a person or company transacts business in Florida other than the person or company’s given legal name. Fictitious names are commonly referred to as a “doing business as” name (or “d/b/a”), and they must be registered with the State of Florida so that the fictitious name can be connected to the owner.

For example, if John Smith is a plumber and names his business “John Smith,” he does not need to register a fictitious name because he is doing business in his given legal name. However, if John Smith wants to operate his plumbing business under the name “Super Plumbing Services,” John must register that fictitious name (d/b/a) with the State of Florida.

It works the same way with corporations and other business entities. A corporation or other entity formed with the legal name of ABC Services does not have to register a fictitious name as long as the corporation does business as ABC Services. However, if ABC Services wants to operate as “America’s Best Contractor,” that is a fictitious name, and it must be registered with the State.

Registration of a fictitious name is also generally required to open a business checking account in the name of the business, if the business’ name is different than the legal name of the individual or

the corporate entity. An individual or entity operating under a fictitious name also needs proof of the fictitious name’s registration to receive a local occupational license in the city/county they are working in.

To register a fictitious name in Florida, you must pay a \$50 fee to the Division of Corporations and you must certify that you have advertised the fictitious name at least once in a newspaper in the county where the principal place of business is located. Fictitious name registrations are valid for 5 years. If needed, you can get an official Certificate of Status proving you registered your fictitious name from the Division of Corporations for an extra \$10. A certified copy of your registration is available for an extra \$30.

If you or your business have already registered a fictitious name with the State of Florida’s Division of Corporations, you may receive a notice from a private company called *Florida Assumed Name Services* in Tallahassee letting you know your fictitious name is up for renewal and asking for \$125 to renew your fictitious name. The document looks very official and even contains what looks like a legitimate renewal form from the Division of Corporations with your fictitious name, address, and registration number pre-printed on the form.

Please do not confuse this mailing with any official notice from the State of Florida. This company is not affiliated with the Florida Division

of Corporations; it is a private company trying to charge you a lot more than you need to pay to renew your fictitious name registration. You can renew your fictitious name registration yourself, either online at the Division of Corporations' official website at **sunbiz.org**, or via mail using the renewal forms the Division of Corporations will send you. The renewal fee to the Division of Corporations is \$50, so please don't pay this private company \$125!

If you have any questions about your fictitious name or any renewal forms you got in the mail, you can call our offices at 800-262-4483 and ask for Karen or Lance.

UPDATED "BAD CHECK" STICKER AVAILABLE

If your business takes payments from customers in the form of checks, EFT payments, or debit cards, you are entitled to charge a service charge if the payment bounces or does not go through due to insufficient funds. Under Florida law, you are entitled to collect:

- \$25 if the payment is less than \$50
- \$30 if the payment is more than \$50 but less than \$300, or
- \$40 if the payment is more than \$300, or 5% of the amount of the payment, whichever is greater

These fees used to apply only to bounced checks, but because technology is allowing customers to pay in different ways, the law has been broadened to include bad payments made via Electronic Funds Transfer (EFT) and debit cards (not credit cards).

In addition to the service charges above, a business is also entitled to collect from the customer any fees that the bank has charged the business for the bad payment/bounced check. This amount varies depending on your bank.

If the customer has paid with a debit card or via Electronic Funds Transfer (EFT), you can run the original payment again and add the appropriate service charges and bank charges. If the customer has paid with a check, you should contact the customer to provide you a replacement payment for the original transaction amount, plus the service charges and bank charges.

As a service to our FUBA members, we have designed an updated "bad check" sticker listing these service charges that you can post at your business near the register where customers pay, and we are providing this sticker to all FUBA members free of charge. To request copies of this sticker, please email us at **FUBA@fuba.org** and include your contact name, business name, business mailing address and FUBA member number (if you know it).

FEDERAL LABOR LAW POSTERS ARE CHANGING

Under a new federal law effective August 1, 2016, civil penalties that the federal government charges businesses for violations of federal wage and hour laws, as well as for OSHA violations, are going up. As a result, the federal government is revising its Minimum Wage poster that is part of the All-in-One poster that you received from FUBA when you first joined. Please know that we will be printing the new posters as soon as they are available and will make them available to our members at little or no cost as a benefit of your FUBA membership. If you receive warning letters from poster companies, please feel free to disregard them.

FUBA MEMBER STICKER ENCLOSED

Thank you for your continued FUBA membership. Enclosed with this newsletter is a window sticker that you can place at your business to show that you are a proud member of FUBA!