



What Taxpayer Identification Number Do You Use For Your Business Transactions?

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What's your taxpayer identification number? Many independent professionals, small businesses, sole partnerships and independent contractors use their social security number. Is your taxpayer identification number important? How does it apply to YOUR business?

Taxpayer numbers for individuals are typically social security numbers. We all have them...or should have them. I used to think this was all a person operating a business needed for the necessary taxation purposes, however, when I saw the path that some social security numbers take, I investigated safe-keeping measures and requested an employer identification number (EIN) from the IRS. An employer identification number is a number assigned by the Internal Revenue Service to sole proprietors, corporations, partnerships and other business entities. An EIN is needed for processing of tax returns by the IRS.

You may choose to apply for an employer identification number if you wish, or use your assigned social security number. Much of my life has been spent in the world of lawyers practicing habits that protect themselves and their clients. I am not an attorney and I do not dispense legal advice.

Unprotected Means Vulnerable

During my life in the legal world, I worked in a large corporate office, in a building of just under 1500 employees in numerous departments with various functions. I often noticed that unprotected invoices were floating through the offices, lying in clear view of the public on desktops, and passing through the internal mail system. Oooops....the majority of these invoices were sent in for payment of product or services and had social security numbers on them! The social security numbers were prominently placed in easy-to-read print on the invoices. Oftentimes, they were specifically labeled as “social security number” and “taxpayer ID number”.....and they were vulnerable.

The invoices were submitted for payment by contractors, advisors, consultants, experts, sole proprietors and independent contractors of a broad range of professions. These providers of services or products deserved their money, and they were doing what they could to make the process easier.

Precautions Are Necessary!

Why would I be concerned about YOUR social security number? Well..... I care about my colleagues and my clients – they know it and appreciate it.

I've talked to many people, clients included, who have been victimized by identity theft. They have expended many months worth of energy and time - an average of fifteen months - repairing their credit, attempting to track the thieves, invoices, account debits and credits, keeping records of phone calls, letters sent and information received, interacting with credit card companies and credit reporting agencies, mortgage companies, and other lenders to begin recovery.

You may be an emerging – or established -- professional. You may or may not possess great business skills or have time to learn them. You may or may not know how to begin cultivating professional business habits. One of the primary ways Belinda Sanders Consulting serves clients is enriching and leveraging their competencies. It's been our experience that anyone can enhance their habits. No matter their starting point, it's never too late. Your business habits and professionalism reinforces – or undermines – your credibility in the eyes of your clients and potential clients!

Blunder Compromises Executive

Recently, I was aghast when one of my colleagues shared a document with me. It was a form used by a professional businesswoman. The woman had her own business, traveled frequently to cities other than her own, and often shared information with audiences, emerging professionals and colleagues.

Prominently displayed on the woman's document was – yes – her social security number. That weekend it was in the hands of a large roomful of people attending a seminar. Oooops! Fortunately, the speaker had followed Victor Broski's repeated admonition and included her contact information on

her document. Whew! Back in my office, I picked up my phone and dialed. Darn. Voice mail.....just when you least want it. I called back over a period of time, to no avail. Hmmmmm.....She must be working out of town. Then I remembered the address on the document.

I mailed the document and an urgent letter to the businesswoman in a handwritten envelope with a postage stamp on it. Time churned by. Late one afternoon, I finally received a phone call. The woman had returned to town, reviewed her mail and was responding to my letter as she walked away from her mailbox. She was shocked. "Absolutely stunned," she said, "that (my) social security number was on the document distributed!" She was grateful and relieved that I persisted in my efforts to reach her.

Professional Development Is Critical

Professional development is about more than just dispensing guidance, cutting lawns, installing plants, preparing reports, building homes, painting, roofing, delivering presentations, managing properties, or repairing cars. We typically think of it as performing a service or delivering a product we sell.

Have you given consideration to who will handle the administrative tasks and operating procedures of the business you've created? Being an independent contractor or small-to-mid-sized business owner is also about operating a business that yields an income generated by providing a product or service. Just providing a product or service is not enough.

Well....it *is* enough.....until you have clients that pay money, want receipts, proposals, agreements, guarantees and warranties for services, delivery contracts, presentation contracts, products.....and taxpayer identification numbers so they can prepare your paycheck! You DO want paychecks, right?!

IRS Makes EIN Application EZ

Consider applying for an employer identification number. It's easy to do by following the steps below:

- **CALL** the IRS at 1-800-829-4933
- **MAIL** or fax the Application for Employer Identification Number (Form SS-4)
- **APPLY** online through the IRS website at www.irs.gov/business/small.

You can find more information in “Starting a Business and Keeping Records” (publication 583) available from the Internal Revenue Service at the contact information above. Give consideration to an EIN. Then pick up the phone and make the call! You'll rest easier when you do!

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