

Mastering Business Compliance

Sarah Sawyer: Welcome to this week's OK at Work with myself, Sarah Sawyer, my colleague Russell Berger. Both attorneys at Offit Kurman.

And today we are talking about compliance, keeping up with it, keeping up with making sure that you are keeping up with regulations, that everything's, You know, obviously things change and evolve, and compliance means a lot of different things. There's a lot of different laws to comply with, a lot of different policies and changes that are happening, and things that you've gotta be keeping an eye on.

And it can be a little overwhelming, I think, sometimes to be thinking about, "Am I compliant with everything? Has something changed? Has something changed within my business that's now triggering something I need to be compliant with?" And that can mean something with employment, it could mean something changing in the industry you're in around regulation.

There's a lot of categories. So what are some things, Russell, that people should be thinking about in the fun category of [00:01:00] compliance?

Russell Berger: Yeah, well, I think you're right. There's kinda two general moving parts here. One is the business itself, right? That can change, that can evolve.

You can take on new things that create new requirements. Um, Alternatively the law can change, the rules can change. And what you need to do to stay compliant even though you haven't changed all that much. So you know, a couple things is one, I think it makes sense every year to just assess where you are and how your business has changed, and what new things that may require you to comply with.

Two, and depending in the state that you're in or states that you might be in, when that legislative session ends, whenever, the articles come out that talk about, "Hey, these are the new laws you need to know that are going into effect this year," read those. Those are important.

And if it's not applicable to you, gloss over it, that's fine. But you know, you gotta keep up with the current events in your industry and in your state. The other thing that I think really helps with compliance is making it a process-oriented thing.

So we're talking about compliance, now we're talking [00:02:00] about process. These are kinda like, dry or boring topics to many entrepreneurs But, Which means you don't necessarily... If you're the entrepreneurial founder of your organization, maybe you hire someone or you delegate this task to someone.

But I think it's really important to have a compliance calendar to know "Okay, what tax filings do I need to do? What state property reports do I need to submit? What do I need to do business in this new state we're going into and stay registered there? What licensing do I need or do my employees need?"

And what are the required- for renewal and when are those renewals due? And if you can centralize that on a calendar somehow, I think it makes it a lot easier to manage in a centralized way. Otherwise, you're just letting everyone try to figure it out on their own.

That's not a really efficient way to operate from a compliance standpoint. So get centralizing it, tracking it, making it a regular routine part of kind of the business life cycle, it can be really important and helpful to avoiding compliance problems.

Sarah Sawyer: Yeah, and I [00:03:00] think that sometimes if you can delegate, I mean, obviously chief operating officers are prime for this or certain types of positions, HR professionals, those types of folks might be helping track this for you.

They might be in charge of being the ones to read the news in the morning on certain topics, and I think delegating is a great option here to have a couple of different eyes on it that are feeding back in to bring things up and make sure people are going to continuing education types of forums.

Like whether it's, I know I always enjoy the bene- instead of going to something where people are talking about new laws and things and- there's conversation around it, there's a social aspect to it, but then also you make sure that those things are getting on your radar. But I think the calendar is a great idea, especially with folks who are maybe running more lean, who don't have as many eyes out there on everything that is changing a- and they maybe wanna do it a little bit more like, oh, kinda like when you clean your gutters at your house, right?

You got a big storm or you get to the end of the winter and you say, "Oh, you know, it's about to be rainy season. I probably should take a look at my gutters to make sure that there's not a big clog up [00:04:00] there that's gonna really cause me a lotta trouble." So a lot of these things, and it's cyclical.

You're gonna clean your gutters, but then you're gonna have to clean them again, right? So it's not gonna be a one-time thing. I wish it was, honestly. As a homeowner, I wish that was a one-time thing." But I think that's a good way to think about it, especially if you're running lean and it's just you or a couple people make sure you're checking your gutters.

Make sure you've got that on the calendar and you're-

Russell Berger: Yes ... or the seasonal change of your air filter, or whatever. Some things are maybe once a year, some are twice a year, some are monthly, some are quarterly. Whatever it is I think just kinda building in that muscle memory of, and having a calendar like, "Okay, well, we're in June. We're rolling into July. These are the things that we do in June and July every year, and I can check them o- I don't have to do them today, but I can get them done in the next few weeks, and I'm right on track and I'm making sure that I'm staying compliant." 'Cause, sometimes, while these things, can result in penalties from states, like they can also impede the ability to do business.

Sarah Sawyer: Mm-hmm.

Russell Berger: Uh, or to file a lawsuit because you're not active. Those sorts of things. So they do have some, beyond just kinda like the penalty of it, like there can be some practical consequences. [00:05:00] So, keeping these things up-to-date can be really important.

Sarah Sawyer: Yeah, and if you're dorky like me, it's fun to check off the boxes periodically and feel like you're on top of things.

Russell Berger: Yeah. We would never accuse our clients of being dorky like you, Sarah.

Sarah Sawyer: Good. All right. Well, thanks Russell. See you next time.

Russell Berger: Thanks.