

The Kingston & Area



HOME BUSINESS A·S·S·O·C·I·A·T·I·O·N

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NEWSLETTER

Christmas Edition



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**MERRY
CHRISTMAS**



What Is KAHBA?



The **Kingston & Area Home Business Association (KAHBA)** is a group of home-based entrepreneurs, both full and part-time, offering experience, education, information, and support to each other. KAHBA is proud to announce it is now in its 15th year of existence. Initial membership to KAHBA is \$55.00 for the first year, and \$45 for each yearly renewal. For more information, please contact our Membership Director, David Kempson at 544-2178, or contact any executive member on our website www.kingstonhomebiz.ca.

KAHBA's Executive

The KAHBA executive is as follows:

President - Paul Grass; Vice-President - Lorayne Bradshaw;
Secretary - Stephanie Stone; Membership - David Kempson;
Treasurer - Heather Simpson; Guest Director - Sidney Berry;
Publicity - Gerry Koster; Newsletter Editor - Fred Georgeadis



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Web Site

our web site is:
www.kingstonhomebiz.ca

Next KAHBA Meetings

Meetings are usually held on the second Saturday of the month at the Crossroads Restaurant, Frontenac Mall. Time, 08:00 - 10:30 hrs. As well, KAHBA holds evening mtgs, to accomodate those who are too busy on Saturday mornings. This happens on the last Monday of each month. The next evening mtg will be on 29th of January 2007, as there is no Monday night mtg in December. Evening meetings are also held at the Crossroads Restaurant, time 6:30 - 8:00 pm.

Guests and Potential Members Are Always Welcomed

Membership to KAHBA is always Welcomed. Please take the time to bring a friend who may be considering or already has a home-based business. Guests who wish to just check us out are also welcomed. See you at the meeting!!

This Newsletter designed by:

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Five Ways to Block Spam

By Jason Kohrs - 30.JUN.05

Spam is one of those things that nobody wants, but probably has plenty of. If there happens to be anyone out there unfamiliar with spam, we are not talking about the luncheon meat, but the unsolicited, junk e-mail that clogs our inboxes. And in case you are curious, according to some sources, the junk mail version of spam earned its name from a Monty Python skit regarding the luncheon meat of the same name. Care to sing along? From offers for prescription drugs, to mortgage refinancing, to sexually explicit content, spam can leave us having to sift through mounds of trash to find the few messages we actually care to read. Although eliminating all junk e-mail may be impossible, there are several steps that can be taken to all but eliminate spam from your inbox.

1. Protect Your E-mail Address

One of the best strategies for avoiding spam is to protect your personal e-mail address. Your best defense is for the spammers to not even know you exist, but this is a difficult task to accomplish. Many spam mailing lists are created by harvesting e-mail addresses from websites where your information may be displayed. Newsgroups, bulletin boards, and chat rooms are just a few examples of places where spammers may run scripts to collect anything that resembles an e-mail address.

Many sites, such as bulletin boards, have safeguards to protect their members, but it does nothing if these members post their personal information in one of their posts, their signature, or somewhere else that puts the information in plain sight. In addition, signing up with unknown sources for online contests, mailing lists, and similar occasions where you need to provide an address as part of the registration process may also expose your address to spammers. Using your best judgment is your best defense. If you want to keep your mailbox clean, keep your address private, only giving it out to trusted parties.

2. Create a Spam E-Mail Account

Protecting your e-mail address is easier said than done, and if you find that it is impossible to keep your personal e-mail address completely private, a separate account may be the solution. Referred to by some as a “throw-away” account, this e-mail account doesn’t have to cost you anything, as suitable e-mail accounts are available for free from places such as Hotmail and Yahoo.

This throw-away account is the best choice when you are unsure that your privacy will be protected. Use it when registering with newsgroups, bulletin boards, sweepstakes, or in any other situation where you’re not quite sure your privacy will be

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Editor’s Note...



In our August issue, we featured our member, Dave Dossett as a “soldier” participant and as the “War Artist” for the CBC / Galafilm production “The Great War” filmed in Quebec. Dave was recently filmed during a follow-up interview, and he opted to share that with us. You can access that interview on line at the following link: <http://youtube.com/watch?v=96a8F2o3BGg> or you can go to YouTube.com and search for ‘Dossett’. Look for the production airing in Apr ‘07. To view David’s artwork visit his portal at: <http://pocketpcdewd.no-ip.com> or [http:// www.daviddossett.tk](http://www.daviddossett.tk)

How to Create PDF Files and Convert to PDF Properly

PDF- A Universal File Format A PDF (Portable Document Format) file is the most reliable, efficient way to share documents across platforms—Windows, Macintosh, or UNIX. The layout, content, fonts, and graphics in your file are preserved and can be viewed and printed. Adobe Acrobat is one of several software applications that can convert just about any type of file into the PDF format. To *view and print* PDF files, all you need is the free Adobe Acrobat “Reader” software, available at <http://www.adobe.com>. To *create* pdf files properly for different applications, follow the instructions below.

How to Create Low-resolution PDF Files For the Web

The plug-in called “PDF Writer,” included in Microsoft Word 2000 for Windows program, is a limited version of Acrobat Distiller software and can create low-resolution PDF files. A PDF file can be “optimized for the web” at low resolution and serve as an online form, a downloadable book or document, or a proof in the review process. Or the file can be “optimized for print” at medium resolution for printing on desktop inkjet and laser printers.

How to Create High-resolution PDF Files for Offset Printing

To create high-resolution PDF files for offset printing, I recommend that you purchase the Adobe Acrobat software program that includes the “Distiller” module for approximately \$250. This software will create PDF files that are “optimized for the press.” Many printing companies accept PDF files. This is very helpful when the printer does not support the program in which you created your project. First, consult with your print-

ing company to get their specific PDF file settings or better yet, get their “job options” file. Place this tiny file into your Distiller “settings” folder. It has all your printer’s technical specifications for printing the job at his/her shop. The next step to creating a PDF file is to convert your document into a PostScript file, using your printer driver. This process will embed the fonts and graphics into a new PostScript or EPS file. Then run the Postscript or EPS file through Adobe Acrobat. This will produce the PDF file. Print a final proof from your PDF file to check for possible missing fonts and other errors. Send this proof with your PDF file to your printer. Notes: Adobe Creative Suite applications have the option to simply save as a PDF file with a variety of export presets, eliminating the EPS/PostScript file step. Be aware that some printers may charge a fee to fix your file or add a surcharge for PDF files made from Microsoft Word documents. Avoid costly errors with a handy checklist for sending your project to the printer. What if YOU could know the secrets of a 1st class graphic designer that would help you create amazing marketing materials in a few hours, would you want to know how? Find out now at www.BuyAppealMarketing.com
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<[index.php](http://www.macgraphics.net/index.php)>

Welcome to New KAHBA Members

KAHBA would like to Welcome

Partick Glover of

Shire Oak Home Inspection Services

6274 County Rd # 2
R.R.#1 Odessa ON
K0H 2H0

Ph: (613) 386-3701

E-mail: homes@shireoak.ca

Website: www.shireoak.ca

Home Inspection - complete in depth home inspection above and beyond Ontario Association of Home Inspectors (OAH) standards of practice.



Also please welcome:

Reta & Larry McCormick, Wellness Consultants. Their business is:

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Camden East ON K0K 1J0

Phone: (613) 378-0289 **Toll free:** 1-866-223-9153

Email: retamc@ihorizons.net

Website: www.nikken.com

We teach people how to become healthier in their own homes, through the five Pillars of Health: healthy body, mind, family, society and finances. Please call for a personal consultation.

Income Splitting Techniques to Reduce Income Tax

by David J. Roffleisch C.A., LL.B.

What is Income Splitting

Canada has a progressive income tax system - the more you earn the higher the rate of tax which you pay. Income splitting is a family tax planning technique designed to shift income from a high rate taxpayer to a lower rate taxpayer such as a spouse or children.

A number of different techniques can be used to accomplish this objective. However, you must be careful because Revenue Canada frowns on income splitting and there are provisions in the *Income Tax Act* designed to curtail it.

Attribution Rules

The attribution rules in the Tax Act have the effect of ignoring the legal recipient of certain property income or capital gains and attributing the income back to hands of a person who transferred or lent property to their spouse or children. The attribution rules are specifically designed to prevent income splitting.

Nevertheless, certain techniques can still be effectively used to shift a certain amount of income or capital gains from high income to low income family members.

Spousal RRSP's

An RRSP deduction is available for contributions made to your RRSP or to your spouse's RRSP. Any contributions made to a spousal RRSP will belong to the spouse when withdrawn.

This technique is most effective when one spouse has little or no income. It is a method of retirement income splitting which can result in substantial tax savings.

Spousal RRSP contributions can also be used as a pre-retirement income splitting method, but there are attribution rules to avoid.

If funds are withdrawn from a spousal RRSP in the two years after the contribution was made and claimed, the withdrawn funds are attributed back to the contributing spouse. For example if a contribution is made to a spousal RRSP in 1999, the beneficiary cannot withdraw those funds until year 2002 without having them attributed back to the contributing spouse.

Caution should be exercised in situations where the marriage is not stable. Remember any funds contributed to a spousal RRSP belong to the spouse to whom the funds were contributed. In the event of a marriage break up this can pose a problem.

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filter in with other attractive features like virus protection and pop up blockers. These ISP provide filters which effectively manage spam at the server before delivery, but they are generally not overly customizable on the end user level, and they obviously only protect e-mail accounts provided by the ISP.

Protection similar to what an internet service provider offers can be implemented by just about anyone with their own domain name, and access to their server. Domain names and web hosting have become so cheap that it is not all that uncommon for people to have their own website, or at least a domain name for e-mail. SPAM Assassin is a no-cost, server based spam fighting solution that can be installed on a server, and has become a common feature included on many web hosting packages.

These solutions use various rules and logic to analyze messages, much like the third party software does, but it all happens at the server level. This keeps the message from having to be downloaded to be processed, thus saving time and precious bandwidth.

Final Words

Spam is a nuisance that impacts people on several levels. Even if the content is not inappropriate or offensive, it is a waste of time and money. Although some spam solutions claim to eliminate 100% of all unsolicited e-mail, my experience tells me that this just isn't realistic. That said, protecting your e-mail address and implementing the appropriate spam filtering solution should nearly eliminate spam from your life.

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Capital Gains Earned by Minors

The attribution rules do not apply to capital gains earned by a minor. If you make a gift of cash to a minor and the minor then buys securities which appreciate in value, the capital gain earned by the minor on disposition of those securities will be taxed in the minor's hands.

Non-Investment Loans

The attribution rules are not applicable if you lend money to your spouse or child for non-investment purposes.

For example, if you lend money to your spouse for a vacation or to purchase a car, this frees up your spouse's money to be used to earn investment income. The investment income will then be taxed in your spouse's hands rather than in yours, resulting in income splitting.

Business Loans

The attribution rules only apply to property income. If you make a loan to a family member, including a spouse, to invest in a family business, there will be no attribution of business income to you.

Fair Market Value Loans

An exception to the attribution rules exists where funds are lent to a spouse or child and

interest at prescribed rates is charged and paid by January 30th of every year. In this case not only is there no attribution of income earned back to you, but your spouse or child is entitled to an interest deduction on the interest paid to you. Provided that the rate of return earned by your spouse or child is greater than the rate of interest paid to you, you have succeeded in income splitting.

Short Term Loans

Income attribution does not apply to interest on interest. While any interest earned on funds lent to a child or spouse will be attributed back to you, the actual interest earned belongs to your spouse or child. Furthermore, future interest on that interest earned will not attribute back to you.

A good planning technique is to make a short term loan for investment purposes. The income earned while the loan is outstanding is attributed back to you. Any interest earned by your spouse or child in the future on that initial income (which is now their capital) will be taxed in their hands, thereby resulting in income splitting.

Testamentary Trust

A testamentary trust (a trust set up in a Will) is taxed as an individual taxpayer and is entitled to the benefit of the same marginal tax rates as an individual.



Quote of the Month

“You may never know what results come from your action. But if you do nothing, there will be no result.”

Mahatma Gandhi

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When carrying out will planning consider setting up multiple testamentary trusts where there is more than one beneficiary. This will result in income splitting amongst the several trusts, each of which will be taxed separately and at a lower rate than if all income had been earned in a single trust.

Student Loans

If you own a corporation, you can arrange a loan from your corporation to your children for education purposes. If the loan is not repaid then it will be included in the child's income. Assuming that your child has earned no income, this loan will be taxed at very low rates.

Furthermore, if your child repays the loan in the future when taxable, the child can claim a tax deduction in the year in which the loan is repaid.

Offshore Loans or Gifts

If your children receive money, either by way of loan or gift, from relatives who are not resi-

dent in Canada, the attribution rules will not apply. Any income earned on these funds will be taxed in your children's hands at a low rate of tax.

Annual Interest Expense Payment

As indicated above, if you make a fair market value loan at the prescribed interest rate, the attribution rules will not apply, provided that the interest is paid by January 30th of every year.

If the borrower does not have sufficient funds to make the required interest payment, you can make a gift of the required amount, which will then be paid back to you as the required interest on the loan. The cash gift will not attract attribution because it was not made for the purposes of earning income. However, you should be aware that this is an aggressive technique which Revenue Canada may consider attacking under the General Anti-Avoidance Rule (“GAAR”) provisions.

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Lubricating Your Garage Doors...

Lubricate rollers and hinges with regular motor oil (e.g. 10W30) or a silicone-base lubricant. Do not use popular spray lubricants because, aside from lubricating, they have the property of degreasing. Having said that, don't use grease, it will just gum up the tracks and collect hair and debris.

Use very little motor oil for the tracks. You are trying to remove dirt and prevent rust. Keep in mind that the rollers are meant to "roll" in the garage door tracks, not to slide in them.

Springs require basically the same treatment. Apply motor oil on them and wipe off excess oil with a cloth. This will help prolong their useful life by preventing rust.

Do not lubricate plastic parts such as plastic rollers and plastic idler bearings. Finally, carefully inspect the cables to detect any signs of fraying.

This handy tip presented by John Platt of **Kingston Home Maintenance**, and a long time member of KAHBA.

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Handy Dandy Tip...

Did you know that drinking two glasses of Gatorade can relieve headache pain almost immediately, and without the unpleasant side effects caused by traditional "pain releavers"?

This handy-dandy tip
submitted by

Paul MacGregor
613-384-0339 or
1-800-465-1638



Editor's Correction

I would like to post a correction - the photo below indicates Dave Best providing a Reiki treatment to a fellow member at our 2006 Small business Community Showcase. Caption should have read as follows:



**Dave Best -
Caring
Hands Reiki**



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JOHN PLATT RR1 INVERARY, ON. K0H 1X0

(from pg. 3)

protected. You have to use your better judgment, as signing up for something from a trustworthy source, like the Computer Geeks mailing list, is much different than many things we'll just leave to our imaginations.

Since you are not expecting any important mail at this account, if it becomes over run with spam, you do just as the name suggests and throw it away for a new one.

3. Message Rules in Outlook / Outlook Express

Most people use either Outlook or Outlook Express as their e-mail client, but all of these people may not be familiar with creating message rules in the "Tools" drop down menu. Rules allow you to manually filter the delivery of e-mail, and can be created to analyze the sender's name, subject line, and message body before processing. For example, a rule can be created so that any message with a particularly offensive word in the subject line is automatically moved to the Deleted Items folder, or even better, just deleted from the server before download.

Another option provided by Outlook and Outlook Express allows the user to add senders to their "Blocked Senders" list. No rule needs to be created, and in a few clicks, a sender of unsolicited e-mail can be added to your personal blocked senders list. Whenever mail arrives from this sender in the future, it will skip the inbox and go straight to the Deleted Items folder.

Windows XP with Service Pack 2 provides even greater security in a variety of areas, including Outlook and Outlook Express. Many spam e-mails have images in the body that are coded to identify receipt of the e-mail. If the individually coded image has been viewed, the spammer knows that you have seen the e-mail, thus confirming your address as valid. With SP2, images are blocked to

prevent your computer from being identified, thus keeping the spammer from confirming they have a valid address to continue mailing.

4. Third Party Software

There are numerous applications available for purchase, or as free downloads, specifically intended to filter spam as it enters your inbox. These programs identify telltale signs of a spam message by analyzing hidden tags in the message, use of text and images in the message, and various other clues available that point to a message being unwanted.

A few examples of spam filtering software is available from these three companies; SPAMfighter, MailWasher, and Cloudmark. Each offers its own twist on the interface and manageability, but they all allow users to take control of the spam in their Outlook or Outlook Express mailboxes.

The price tag on this type of software may involve a one time fee of \$30 or more, and some come with annual subscriptions costing up to \$40. If the free software doesn't cut it for your tastes, these pay versions generally include a free trial so that you can be sure the program is right for you before you spend any money. The logic and data behind the spam filtering is constantly evolving, so these packages need to be kept updated, much like a virus scanning application, and this is where subscription-based offerings come into play.

5. Server Based Solutions



Most major internet service providers (ISP) now offer a spam filter as part of the package offered to its subscribers. AOL and Earthlink are just two of the big names out there that include a spam

(continues on ..pg. 7)



Merry Christmas

**The KAHBA Executive
would like to extend a
Very Merry Christmas
to all the KAHBA
members, their families,
and their friends.
Have a safe
Holiday Season!**

