

Title:

Navigating the promotional maze

Word Count:

269

Summary:

Partnerships and direct promotions can be a liability. Make sure you limit your chances by realizing the possibilities and weighing the good from the bad.

Keywords:

tax deductions, tax tips, wealth building

Article Body:

Pros and cons to three hot topics

Invited to be officer on the board—flattering or dangerous?

Officer and director liability is staggering. If a friend of yours is starting a company or charity and she asks you to sit on the board, carefully make your decision to accept or decline the position. If a mistake happens and the shareholders file a lawsuit, you could be named in the lawsuit because you're a director or officer of the company; you are also personally liable for the salary of any salaried employees (if you're an officer of a company). Before you casually accept an offer to become an officer or director of a company, make sure you have insurance, which is called "director of liability policy." If you're not pursuing the position and it's something you're invited to accept, you may want to ask them to pay the premiums on your insurance.

Limited partnership vs. general partnerships

Limited partnership: Your liability is limited to the amount of your investment
General partners: You have unlimited liability. Because you have the day-to-day control of the company, the trade off is more liability.

Smile. Some debt can be great

Good debt verses bad debt is another way to say credit verses debt. Not all debt is bad. Credit that entitles you to invest is good, such as your home mortgage (assuming your house has appreciated), starting a business, or purchasing investment properties. What determines if it's good or bad is what you do with it. If you're buying depreciating assets, you're not incurring good debt.