



The Value Framer

Vol 1, Issue 1

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Taxing Issues

Understanding the tax implications of running a small picture framing business is all about staying out in front of the issue and planning carefully to avoid surprises.

A friend of mine nearly lost her business. She had started a small one chair styling salon and was doing just fine. Customers were lining up and the money was rolling in. She kicked herself for not doing it sooner. It was a no brainer, running her own business. She was planning on buying a new car. And then the bad news. The government wanted thousands of dollars in unpaid self-employment taxes and she didn't have the money. It nearly wiped her out.

"Nobody told me!" she complained, a lament heard frequently by those caught in the snare of federal, state and mu-



The first rule of tax planning for small business is to watch out for yourself; don't expect anyone to give you a heads up.

nicipal business taxation. While they teach you the capital of South Dakota in grade school and the date of Antietam in college, nobody bothers to tell you the tax responsibilities of running a small

business in a capitalist economy—and not knowing can ruin you.

Another friend was running a small home-based picture framing business and doing just fine.

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September-October 2007

Questions Answered in this Issue:

- What is self-employment tax?
- How are waves and pillowing avoided in art on paper?
- Is conservation framing appropriate for all artwork?
- Do you need an angle plate to cut an 8-sided mat?
- How do you become a sole proprietor?

Inside this issue:

Can a permanent mount be a conservation mount? 2

Understanding Basic Hinge Mounting

The most commonly employed of all mounting methods, mounting with tape seems so easy and obvious it appears not to require explanation. But here are a few tips to help you do it right.

Mounting artwork using tape has many advantages. Not only is it quick, easy and clean, but it is a good way to preserve your artwork since, when done properly, it leaves very little adhesive residue on the artwork and allows you to

retrieve the artwork from the frame in the same condition it was in when it went in. But mounting with tape is not called "tape mounting" as you might suspect. Rather, it's called "hinge mounting" in reference to the tabs of tape, called hinges, from

which the artwork suspends.

Proper hinge mounting always involves this: suspending the artwork from hinges attached along the top edge of the paper. A single long strip of tape is never used along that top edge,

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The T-Hinge is the most basic of hinge mounting techniques.



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He was good at what he did, enjoyed it, and had plenty of customers. And then the tax bill came due. He was so discouraged by what he saw as a trap sprung on him by a predatory federal government that he closed down his business and sold all his tools. A little awareness, foresight and planning would have prevented that. The first rule of tax planning for small business is to watch out for yourself, don't expect anyone to give you a heads up. It's up to you to do your homework. However, we here at the Value Framers's Guild can help.

Number one for anyone running a home based business is the curious specter known as self-employment tax. Many self-employed people naively think that by working for themselves they can escape paying their full share of social security and medicare taxes. Since in a typical business the employer pays

half of these taxes and the employee pays the other half, and since in a home based business there is no employee, just the employer working for himself, it's thought that only half the taxes have to be paid. Wrong.

"Of all the government agencies you're likely to deal with the IRS is likely the most competent. This is no United States Post Office, my friends."

The way the federal government looks at it, as a self-employed person you are both the employer *and* the employee, and so you owe both. That's 15.3% of what you pay yourself!

Mind you, when you were an employee you paid only 6.2% for social security and 1.45% for medicare, and many unsuspecting small

business owners go merrily along paying just that, only to find, at year's end that they have underpaid by half. On \$40,000 of income that's nearly \$3,000!

Don't be caught. Factor 15.3% for self-employment tax into the price you charge for labor and then set aside this amount weekly in an account to pay your quarterly taxes.

Yes, I said quarterly taxes. As a self-employed person, you will not be having your taxes automatically deducted from your weekly pay check. The government is pining for that uncollected revenue and it's not willing to wait until the end of the year to collect it. You generally have to make estimated quarterly tax payments if you expect to owe \$1,000 or more in taxes. Most self-employed people pay taxes quarterly using a payment voucher from Form 1040-ES. The form and

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Can a Permanent Mount be a Conservation Mount?

Part of being successful in picture framing means realizing that you cannot be all things to all people. Great presentation and low price don't always add up to long term conservation. But an informed customer will make the right choice for themselves.

In the fever that has accompanied the big push toward conservation framing in recent years, some questionable claims have been made. A few wood-based paper products, for example, have been touted as

100% acid-free behind the facade of acid-neutralization, which can certainly render the acid in paper harmless for a period of time, but can in

now way free a paper of its acid content thereby making it acid free. Or a conservation frame job, labeled as such, upon closer inspection, reveals that the framer used rag mats and linen tape, as would be expected to justify

the higher price, but slipped in two small pieces of masking tape at the corners behind the art to firm things up, making for a neat looking mount, but one that is not, after all, conservation.

There is a great urge on the part of some framers to satisfy their customers' demands for economy and neatness, and still peddle the whole concept of conservation. The problem is, genuine conservation framing does not always lend itself to the low price or flawless appearance the customer demands, and it might be difficult for the framer to admit that conservation framing, which the customer may demand and which he can charge more for, will rarely be inexpensive, and sometimes may not even provide the best presentation.

Case in point is the issue of permanent mounting. Permanent mounting, as performed with dry mounting, spray adhesives, adhesive

boards or PMA has many advantages, chief of which is the total elimination of waviness or pillowing from the artwork. But permanent mounting is just that - permanent, and many methods of permanent mounting are non-reversible, meaning that once the artwork is stuck down it's stuck down for good, which severely diminishes the artwork's value.

Consequently, permanent mounting is at odds with the stated purpose of conservation framing, which is to maintain the artwork's value by preserving it. Nevertheless, much is made by manufacturers of the archival qualities of its adhesive, and the fact that *some* permanent mounting methods *are* reversible. But there remains a big difference between using a pH neutral adhesive for a permanent mount and having a true conservation frame job.

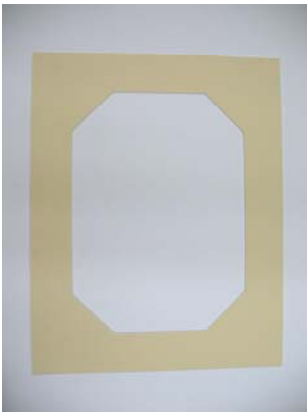
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How to Cut an Angled-Corner Mat

High end mat cutting equipment often includes an impressive accessory known as an “angle plate”, a tool used to mark out and hold mat-board for cutting angles other than right angles. Not a few owners of intermediate and lower end mat cutters have concluded that since their mat cutters don’t include an “angle plate”, they are unable to cut mats with angled windows, and that certain mats, such as eight-sided mats and the like, are beyond their capabilities. Wrong.



board for cutting angles other than right angles. Not a few owners of intermediate and lower end mat cutters have concluded that since their mat cutters don’t include an

If you own a mat cutter that has a guide

rail, you, too, can cut angled mats, and for a lot less than the cost of pricey angle plates.

In fact, all you need is a plastic 45/90° triangle (a \$2.50 investment at any office supply store) and you’re ready to cut an impressive angled mat like the 8-sided mat shown here. Here’s how.

Set your mat guide and mark out four borders of 1¾”. At this point you’ve defined your window opening in pencil.

Beginning at one corner of the window you’ve just marked, measure out along one of the lines 1¾” and draw a line to intersect the first line (Figure 1). Then measure down the vertical axis 1¾” and mark another line to intersect (Figure 2). Each line should be about 3 inches long. The combination of lines forms a small square box.

Align the guide rail of your mat cutter through the box at a 45° angle from corner to corner (Figure 3). Mark along the guide rail. The pencil line will bisect the box at 45° (Figure



Figure 1: After marking out the borders, measure out along one of the lines 1¾” and draw a line to intersect the first line.

4).

Repeat this procedure in each corner, defining the 45° angled corners (Fig. 5).

Place the guide rail in alignment with one of the 45° angles you’ve marked. Using a 45/90° triangle, place it so one of the 90° edges is against the guide rail and the other is at a

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Conservation Framing

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As Janean Thompson, certified professional picture framer, and author of the book *Matting and Framing Made Easy* points out, “No reputable framer would use the term ‘conservation mount’ connected in any way with a work that is permanently mounted by coating the back of the artwork with adhesive. The two terms are the oil and water of the framing industry.”

The real advantage of acid-free mounting adhesive is that it will not change color and discolor the artwork. But, although it may protect the artwork in one way, it threatens it in another - by being permanent.

And as for the reversibility of permanent mounts, one needs to proceed with caution. Dry mounted artwork can be reversed by heating and melting the adhesive, but the artwork has to be peeled up from the mounting board and the adhesive rubbed off the back, a

risky procedure that could damage it. Genuine conservation framing would never require such rough treatment of the artwork.

Still, many framing customers demand the flat, firm stability of a permanent mount as well as the archival qualities of a conservation frame job, tempting the framer to pitch the acid-free properties and reversibility of the permanent mount, leaving the impression that the permanent mount is somehow a conservation mount.

A permanent mount cannot be a conservation mount, regardless of the fact that the mounting adhesive is acid free and reversible. The hard truth is that no conservation mounting job will ever involve the artwork being adhered across the entire plane of the paper. Consequently, waviness or pillowing is always a possibility with a conservation frame job. And although much can be done to mini-

mize waviness, the realistic person should be prepared to exchange the possibility of waviness for the advantages of conservation. To pretend that it is possible to permanently eliminate them and still have a true conservation frame job invites the kind of questionable claims that create confusion and misunderstanding about conservation framing.

The wise framer will explore with his customer the true archival value of the art. Not everything needs to be conservation framed. Artwork that is strictly of sentimental value to the holder but which has no intrinsic long term value can be mounted to good affect and at a lower price using permanent mounting methods. It’s a simple matter of informing the customer about the pros and cons of permanent mounting versus conservation mounting and letting him decide.





Angled-Corner Mat Procedural Photos

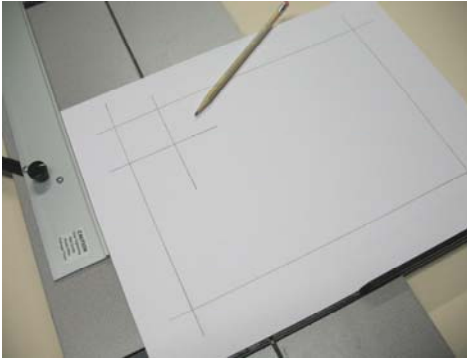


Fig. 2 Then measure down the vertical axis from the corner 1 3/4" and mark another line. Each line should about 3" long.



Fig. 3 Align the guide rail of your mat cutter through the box at a 45° angle from corner to corner . Mark a line along the guide rail.

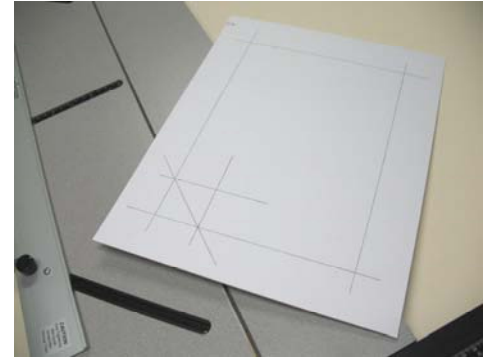


Figure 4: The pencil line you've drawn bisects the box at a 45° angle.

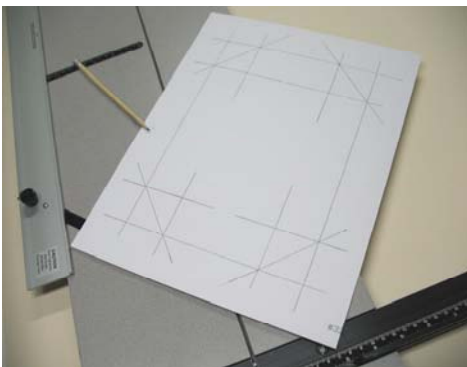


Figure 5: Repeat this procedure in each corner, defining the 45° angled corners.



Figure 6: Using a 45/90° triangle, place it so one of the 90° edges is against the guide rail. Position it so the corner of the triangle is at the corner of the penciled square.



Figure 7: Make a mark along the full length of the 90° side of the triangle.



Figure 8: The line you draw will be at a right angle to the 45° angle that bisects the box. This is the key to the whole technique.



Figure 9: Position the triangle at the opposite corner of the penciled square and extend a line at a right angle from it.



Figure 10: Leave the mat under the guide rail and position the cutting head on the start line.





Figure 11: Insert the blade and begin the cut.



Figure 12: Cut until you reach the stop line and then retract the blade.

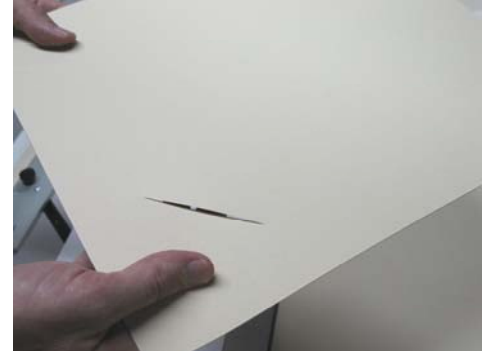


Figure 13: You have made a cut at 45° relative to the perimeter edge of the mat. Repeat this procedure for each of the angled corners.



Figure 14: Set the mat guide back to 1/4" and prepare to cut the straight side of the mat's window.

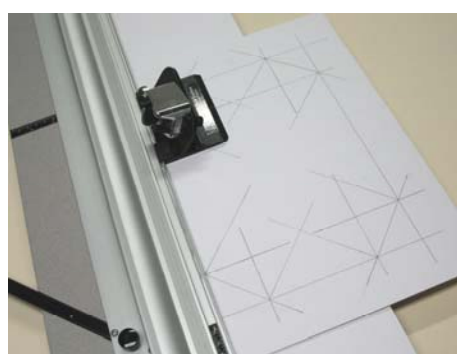


Figure 15: In each corner there is a penciled box. Start at the bottom line of the penciled box at the top left.

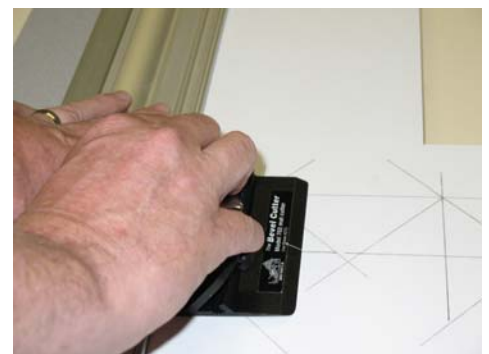


Figure 16: Insert the blade.

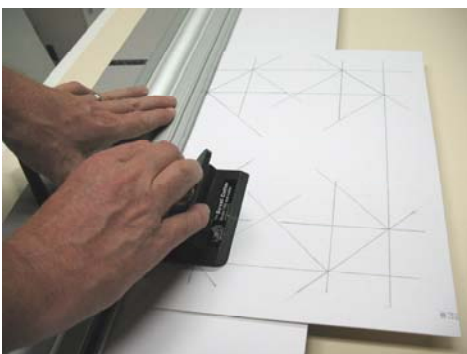


Figure 17: Stop at the top line of the penciled box at the bottom left.



Figure 18: This cut connects with the two angled cuts made earlier. Repeat for the remaining three sides.



The Angled Corner Mat is a core technique. Once you grasp it, you can cut octagonal mats, triangular mats and even star shaped mats.





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instructions to file it are easy to get, but it's up to you to call the IRS and ask for them. Once you file your first voucher, you're on their radar screen and they'll send you vouchers for each quarter, but you need to get the ball rolling. Contact the IRS at 1-800-829-4933 or go to www.irs.gov.

Here's a bit of good news. Of all the government agencies you're likely to deal with the IRS is likely the most competent. This is no United States Post Office, my friends. When it comes to collecting tax revenue the federal government really has it's act together. When you call the IRS with a question, you will actually talk to a real person who actually knows what they're talking about and can give you workable suggestions to make things go more smoothly. Just be frank and candid and describe your situation as clearly as possible. The website, too, has plenty of information—perhaps too much. The dizzying array of forms, publications and instructions can be daunting, so save yourself the anxiety and give them a call.

It's worth noting that of all the taxing authorities, the one with the enforcement capabilities to reach a lowly self-employed person fumbling through their first year in business and make life difficult for them, the Feds win hands down. So get your ducks in a row with the IRS first.

Your state taxing authority may not be as competent. Of course this varies from state to state, as do the business taxation rules. Once again, it's up to you to figure out what your responsibilities are. Go to your state's department of revenue website.

You may find that you have to register as a business with the state and pay a fee for the pleasure. Doing so could open a Pandora's box of various permits and certificates including a seller's permit, use tax certificate and em-

ployee identification number. Also, it places you squarely on the radar screen of your state taxing authority, so you might want to fly under the radar until it is clear to all concerned that what you're engaged in is a business and not a hobby.

The IRS is interested in the whole question of whether an enterprise is a business or a hobby. Here's part of the criteria it uses:

Is This Really a Business ?

- Does the time and effort put into the activity indicate an intention to make a profit?
- Does the tax payer depend on income from the activity?
- Does the tax payer have the knowledge needed to carry on the activity as a successful business?
- Has the tax payer made a profit in similar activities in the past?

By this measure, it appears that fledgling picture framers might justifiably be considered hobbyists until they begin to become competent and generate a reasonable income from their endeavors. But if you decide to forego alerting the taxing authorities until, say, after you've racked up \$4,000 in sales, remember that there's another side to this coin. Tax paying businesses get to deduct business expenses from their taxes. Hobbyists do not. If you intend to take deductions, you'd better register to pay taxes.

And if you are not working from home and are leasing a commercial space this is a sure sign to taxing authorities that you are endeavoring to profit from a business. Prepare to pay all relevant taxes from dollar one.

State withholding taxes are considerably less than the Fed's. In Illinois the withholding tax is a mere 3% compared to the Fed's 17% chomp. But the amount the Feds take depends on a couple of factors, not the least of which is

the type of organization you are.

You could be a corporation, an S-corporation, a partnership, an LLC or a sole proprietor. If you take no other action, you'll be considered a sole proprietor for tax purposes. You will be taxed as if the business income is actually your personal income, which is appropriate under the circumstances. You needn't change to a different organizational structure until after your business has grown.

And what about sales tax? Again, different states have different rules, but using that \$4,000 sales figure as a bellwether, if your state demands a tax of 8.75% on sales, and you don't start collecting it until you pass that \$4,000 mark, the worst that can happen is you'll have to dig into your pocket for \$350 (plus potential penalties if you don't pay up in the same fiscal year).

In addition to Federal and State Taxes, their may be municipal taxes, particularly in larger cities. Even small towns and suburbs will want between \$50-\$300 from you for a business license, and once you hire an employee the whole landscape shifts again with requirements for a federal employee identification number (FEIN), federal unemployment tax contributions (FUTA) and poster compliance rules.

In the beginning, however, the main thing is to stay on top of self-employment taxes and comply with regular quarterly payments of state and federal withholding taxes. Remember that, in terms of your net pay, withholding would happen anyway, even if you were getting a check from an employer. The new wrinkle here is the doubling of social security and medicare taxes that comes under the label of self-employment tax and which takes so many new business owners by surprise. Do your homework and plan accordingly and you needn't be caught unawares.



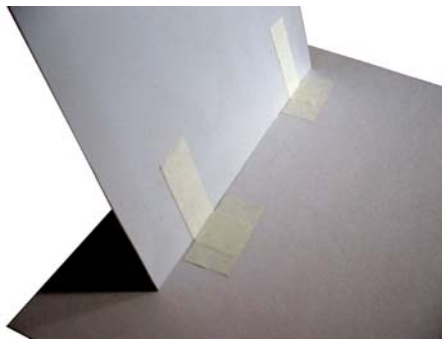


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and tape is never applied to the sides or bottom of the paper. The reasons for this are simple.

Hinge mounting can only work effectively for preserving artwork if minimal adhesive is used, so using as few hinges as possible accomplishes that end. But more than that, minimizing the number of hinges minimizes the restriction put on the paper, allowing the paper to expand and contract as it absorbs and rejects moisture.

Expansion and contraction of paper, called "breathing", is a common phenomenon with artwork, particularly with those items leavened with water, such as watercolor paper. To get these items to lie as flat as possible, the



When the mat is not permitted to touch the artwork, use the V-Hinge.

paper has to be allowed to breathe. Using as few hinges as possible promotes breathing, while taping down the artwork at each edge thwarts breathing and exacerbates waves and pillowing.

The easiest, fastest method of hinge mounting is called the T-Hinge and involves mounting the artwork to the mat at the back of the border above the window. It is also sometimes referred to as a reinforced hinge because it has us reinforcing the hold of the first hinge by placing a second hinge over it.

Lay the window mat face down and place the artwork image side down over the window. Coming in 1½" from the top left corner of the artwork, attach a tab of tape about ¾" long against the top edge of the paper. Attach

it horizontally so that the long edge of the tape is parallel to the top edge of the mat. And attach it so that half of the tape is on the artwork and the other half is on the mat.

Now come in 1½" from the top right corner and do the same with a second tab of tape. If the artwork is more than 16" wide you may want to assemble a third hinge mid-way between the first two.

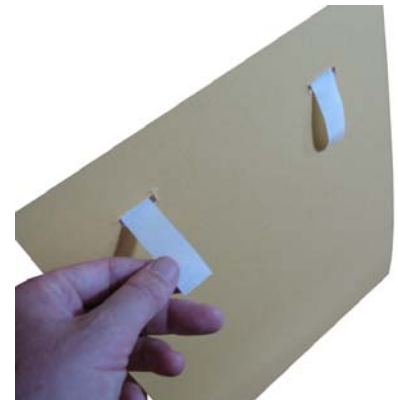
Now comes the reinforcement part. Take another tab of tape, this one about 1½" long, and apply it horizontally over the first piece of tape, but do not let this second tab of tape touch the artwork. Instead, bring the edge of the tape right to the edge of the artwork and cover the first tab of tape where it is attached to the back of the mat. Repeat the same procedure for the remaining hinge(s). This is the T-Hinge.

The downside to the T-Hinge is that it cannot be used in any application where the edges of the paper are displayed or where the mat is spaced away from the artwork, as in a shadowbox or elevation presentation. For these situations the V-Hinge is an alternative.

First, place the artwork on the mounting board and place the window mat over it for positioning. When you are satisfied with the alignment of the artwork in the window, remove the mat and set it aside. Maintaining the exact position of the top edge of the artwork against the mounting board - some framers will actually make an alignment mark on the mounting board along the top edge of the artwork to help them with this - flip the artwork over so it is image side down.

If you are doing this correctly and keeping the top edge of the artwork lined up in the same position, when you flip it over most of it will be off of the top edge of the mounting board. With the artwork in this position, come in 1½" from the top left corner of the artwork and attach a tab of tape about ¾" long against the top edge of the paper so half the tape is on the back of the artwork and half is on the mounting board. Attach the tape vertically so that the long edge is parallel to the sides of the board.

Come in 1½" from the top right corner and



Many framers who float mount prefer the S-Hinge as it conceals the tape further down below the top edge of the artwork.

do the same with a second tab of tape. Then reinforce the hold of the first two tabs of tape by attaching two more tabs of tape, this time horizontally, so they cross the first two tabs. The edge of each of the second tabs of tape should come right to the edge of the artwork but not contact it. Now flip the artwork over, image side up, and allow it to depend from the tape. The artwork is now mounted to the mounting board and need not be in direct contact with the window mat.

With the V-Hinge the tape is adequately concealed behind the artwork, but is near the top edge, making for a potential problem if the artwork is heavy and pulls out of alignment, exposing the tape. To be on the safe side many framers who float mount prefer the S-Hinge which conceal the tape further down behind the artwork.

To S-Hinge, begin by cutting at least two slits in the mounting board. Because it is difficult to cut slits in foamboard, most framers prefer to mount to matboard with this technique and use foamboard behind it to fill the frame.

After the slits have been cut in the mounting board, feed a piece of tape about four inches long through each slit. As the tape feeds through the slit be sure the adhesive is up relative to the top edge of the mounting board. Feed the tape about two-thirds of the way through the slit and attach what remains

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Framing4Yourself and The Value Picture Framer

In conjunction with the Value Framer's Guild, Framing4-Yourself.com is dedicated to establishing small, dynamic, often home-based picture framing businesses whose commitment is to answering the burgeoning public demand for more reasonably priced picture framing, framing that services the wide range of customer needs, not just those at the high end. Whether it be posters or photographs, pencil drawings or canvases, all art, regardless of market value, is welcomed by the Value Picture Framer who will seek, first, to frame it as economically as possible, always allowing an educated consumer to upgrade and add features as they see fit, once they are apprised of the pros and cons of each alternative. An informed, quality conscious, price satisfied consumer is the goal of every Value Picture Framer.



Hinge Mounting

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to the back of the mounting board in the area above the slit. The rest of the tape will be hanging tongue-like down the front side of the mounting board. If you wish, you may secure this tape flat against the mounting board with a second piece of tape applied across it. Repeat the same procedure for the remaining slit(s). Place the artwork over the tape and your S-Hinge is complete.

Compared to other categories of mounting such as cold mounting or non-adhesive mounting, hinge mounting is simple and inexpensive, but using the right materials and techniques are important if you hope to get the results you expect. For any picture framer these are the most basic of techniques and learning them are essential to getting comfortable with framing for yourself.



Angled Corner Mat

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right angle to the guide rail. Position it so the corner of the triangle is at the corner of the penciled square (Fig. 6).

Make a mark along the full length of the 90° side of the triangle (Fig 7). The line you mark will extend at a right angle to the 45° angle that bisects the box. This is the key to the whole technique (Fig 8). Only by having lines at right angles to the start and stop points of the line you want to cut can you start and stop the cut in the right places. You can draw and cut a line at any angle, and be able to cut it, starting and stopping in the right places, as long as you have lines extending from it at 90° angles.

Position the triangle at the opposite corner of the penciled square and extend a line at a 90° from it. You now have lines to start and stop from (Fig 9).

Leave the mat under the guide rail and position the cutting head on the start line (Fig 10).

Insert the blade and begin the cut (Fig 11). Cut until you reach the stop line and then retract the blade (Fig 12). You have made a cut at 45° relative to the perimeter edge of the mat. Repeat this procedure for each of the four angled corners (Fig 13).

Set the mat guide back to 1¼" and prepare to cut the straight sides of the mat's window. Place the mat under the guide rail (Fig 14). Remember, in each corner there is a penciled box. Start at the bottom line of the penciled box at the top left (Fig 15). Stop at the top line of the penciled box at the bottom left (Fig 17). This cut connects with the two angled cuts made earlier (Fig 18). Repeat for the remaining three sides.

An impressive 8-sided mat will result. Applying the premise of this core technique allows you to cut octagonal mats, triangular mats and even star shaped mats, all for less than the cost of the instructions that come with an angle plate. Now that's versatility *and* economy.

