

# Foghorn



# IMA

September, 2005

Institute of Management Accountants  
San Francisco Chapter

[www.sfima.imanet.org](http://www.sfima.imanet.org)

## September Technical Meeting

*September 15, 2005*  
*San Francisco Chapter of the IMA*  
**Social Meeting Reminder**

We need your presence at our Social Meeting!!

The purpose of the meeting is to introduce new members to our program, reconnect with existing members, and to obtain input from all of you, as to what you want out of the chapter.

Admission is free and dinner will be served at no charge to members.

**When: September 15, 2005**  
**Time: 6:00 PM**  
**Where: Chevy's**  
**2 Embarcadero Center, SF**

Also use this meeting to see all your old (or young) friends and network with new folks.

Please join us in making the San Francisco Chapter  
the best it can be!!!

Please RSVP by responding to:  
Vanessa at [vvercollone@AccountantsInc.com](mailto:vvercollone@AccountantsInc.com)

### **CONTENTS:**

1. Front Page-Sept. meeting agenda
2. President's Message/Want Ads
3. Gleim special
4. Taxation article
5. Upcoming events
6. Finance article

### **Date:**

Thursday, Sept. 15, 2005

### **Time:**

6:00 PM.

### **Topic:**

Socializing and member input.

### **Speaker:**

The Board followed by free for all.

### **Dinner Cost:**

FREE!

### **Reservations:**

Contact:  
Vanessa Vercollone  
(650) 343-5111  
or via e-mail at  
[vvercollone@AccountantsInc.com](mailto:vvercollone@AccountantsInc.com)

President's Message  
Sept. 2005

It's the end of summer. The days are getting shorter, the kids are going back to school, and it's time to get together with your fellow members at IMA San Francisco, to plan the future of the chapter.

As you are all aware, the Board is hosting a dinner social/planning meeting on Sept. 15, at Chevy's, Embarcadero II. Please come and give your input, as to what direction the chapter should take, and what activities you would like to see. Better yet, volunteer to help make it happen. Being part of the Board can be a rewarding experience, both socially and professionally. Without participation, there is no chapter, so please come and let us know what you are looking for from the chapter. Please reserve your spot by emailing Vanessa Vercollone at [vvercollone@accountantsinc.com](mailto:vvercollone@accountantsinc.com).

I look forward to seeing you at the meeting.

Mark Birnbaum

## **WANT ADS**

Do you have a position available that you would like to advertise? Are you looking for a position? We offer free advertising to our members as well as to companies offering positions.

This is intended to be a service to our membership and not as free advertising for recruiters. The San Francisco IMA does offer advertising to others at reasonable rates, however.

Please Contact Joel Smith at (415) 543-6900, ext. 269, or by e-mail at [Jsmith@Lautze.com](mailto:Jsmith@Lautze.com) for more information.

San Francisco chapter members  
receive **30-40%** off all  
CMA/CFM and CPE purchases.



Contact Chris Handley at:  
**(800) 874-5346 Ext. 134**  
or by e-mail at [chris.handley@gleim.com](mailto:chris.handley@gleim.com)  
[www.gleim.com](http://www.gleim.com)

## **Start planning now for business energy conservation tax breaks**

New tax breaks for energy conservation can translate into significant savings next year. The new energy-efficient commercial building deduction rewards businesses that invest in energy conservation. Businesses that switch to solar power can claim a new higher credit. The new tax breaks are part of the huge energy law Congress passed this summer. The benefits under the new law, however, don't start until January 1, 2006, allowing a few months for planning before going "live" but also posing a trap for those anxious to put energy-savings measures into use as quickly as possible.

### **Commercial building deduction**

Businesses must first develop a conservation plan that anticipates energy savings of 50 percent or more. The IRS has to approve the conservation plan. A reduced deduction may be available for energy-efficient improvements that are not part of a certified plan. The maximum deduction is \$1.80 per square foot, less the total amount of deductions taken in any prior years.

The energy-efficient property must be installed as part of the building's:

- Interior lighting system
- Heating, cooling, ventilation, and hot water systems or
- Envelope (everything that separates the interior of the building from the outdoor environment, including windows, walls, foundation, basement slab, ceiling, roof, and insulation).

To qualify for the full deduction, the energy conservation plan must target all of the heating, cooling, ventilation, and hot water systems.

### **Solar investment tax credit**

The new energy law also rewards businesses that invest in solar power. The tax credit for solar energy jumps from 10 to 30 percent.

The higher credit applies to:

- Equipment using solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure or to provide solar process heat and
- Equipment using solar energy to illuminate the inside of a building using fiber-optic distributed sunlight

### **Maximizing your tax savings**

The IRS is currently writing guidance to explain the energy conservation tax incentives. It will likely publish that guidance later this year. In the meantime, you may wish to contact your tax advisor to start planning your energy conservation improvements and make sure you get the most out of these valuable new tax breaks. The energy-efficient commercial building deduction is temporary so you'll want to act soon to maximize your tax savings.

### **FUTURE TAX TOPIC SUGGESTIONS:**

Are there any tax topics that you would like to see addressed in future newsletters? Please feel free to send Joel an e-mail at the address given above with your requests and suggestions.

## **UPCOMING EVENTS:**

The board has been working hard to revamp our programs to make our events, newsletter and website as beneficial to the chapter's membership as possible. We want to encourage every member of the chapter to feel free to give their feedback and suggestions as to what they would like the chapter to provide them as far as topics for technical meetings, articles and other information for the newsletter, and information you would like to see posted to the website.

Below is a summary of some of the upcoming changes we have planned:

### **WEBSITE:**

Our new website is now up and running! You can now go to it to access all pertinent information, such as upcoming meetings and events, past and present newsletters, links to the National site, and contact information for the board members. Please check it out at [www.sfima.org](http://www.sfima.org). As with everything else, if there is something you feel should be on the website that isn't, please feel free to contact Mark, Vanessa, or Joel with your feedback. Their e-mail addresses are as follows:

Mark Birnbaum      [mbirnbaum@snader.com](mailto:mbirnbaum@snader.com)

Joel Smith            [Joel@bgwbcpas.com](mailto:Joel@bgwbcpas.com)

Vanessa Vercollone   [vvercollone@AccountantsInc.com](mailto:vvercollone@AccountantsInc.com)

### **NEWSLETTER:**

Advertising opportunities in our newsletter are available at very reasonable rates. Advertising space is offered in full page, half page, quarter page and business card sized slots.

If you are interested in advertising in the IMA's newsletter please contact Joel Smith for information and rates

A help wanted section is being offered for free to those who wish to advertise an opening or to any member who wishes to advertise that they are seeking employment. This service is intended to benefit the membership by posting information on actual job openings and is not intended for job placement services to advertise.

### **TECHNICAL MEETINGS:**

#### **Meeting Information**

The Board is hosting a social meeting on **September 15, 2005, at Chevy's, 2 Embarcadero Center at 6:00**. The purpose of the meeting is to introduce new members to our program, reconnect with existing members, and to obtain input from all of you, as to what you want out of the chapter. Admission is free and dinner will be served at no charge to members.

Please RSVP by responding to [Vanessa](#).

## ***What Dividends Can Do For Your Portfolio Mutual Funds vs. Stocks — Which Are Better?***

Provided by RBC Dain Rauscher and Jon Warner

If you've been investing for a while, you have probably been exposed to both stocks and mutual funds. And you may have wondered if one of these investments is inherently better than the other. The answer: both mutual funds and stocks offer distinct advantages.

Let's start by looking at mutual funds. The biggest benefit of owning mutual funds is probably the automatic diversification you achieve. Each mutual fund invests in dozens, or even hundreds, of individual investments — stocks, bonds, government securities, money market accounts and more. When you spread your money among an array of investments, you can lessen the effect of downturns in just one type of asset class.

Affordability is another positive feature mutual funds provide. You can invest in many funds by contributing as little as \$50 per month. On the other hand, buying individual stocks often mean contributing hundreds or thousands of dollars per order.

While mutual funds do offer some benefits, stocks also offer some unique advantages. For one thing, with individual stocks, more of your money may be going to work for you than is the case with mutual funds. While you may have to pay a commission when you buy stocks, you won't have to pay the variety of fees that accompany many mutual funds – fees that can add up and erode the real rate of return of your mutual funds.

Furthermore, stocks may offer some tax advantages over mutual funds. Because you pay no taxes on your stock until you sell it, you control when taxes are due. And if you've held the stock for at least a year, you'll most likely receive a more favorable capital gains tax rate.

While the same capital gains rules apply to mutual funds, you may not be the one to decide when these taxes will be paid. While you do maintain some control, because you can sell your mutual fund shares whenever you want, you should keep in mind that fund managers are constantly buying and selling individual holdings in the hope of boosting their funds' performance. These managers don't ask if you mind all these transactions, but you will have to pay for them — in the form of taxable capital gains distributions. And you may receive these distributions even if your fund has lost value for the year.

Given these factors, should you choose stocks or mutual funds? In the long run, you're probably best served by owning a mixture of both. Just make sure you're aware of all the advantages and disadvantages.

*This article is provided by Jon Warner a financial consultant at RBC Dain Rauscher in San Francisco (Phone # 415-445-8316) and was prepared by or in cooperation with RBC Dain Rauscher. The information included in this article is not intended to be used as the primary basis for making investment decisions nor should it be construed as a recommendation to buy or sell any specific security. RBC Dain Rauscher does not endorse this organization or publication. Consult your investment professional for additional information and guidance.*