



FogHorn

January, 2006

Institute of Management Accountants
San Francisco Chapter

www.sfima.org

President's Message—By Mark Birnbaum

Happy Holidays and Happy New Year to all SF IMA members. 2006 promises to be an interesting year, with the various political, environmental and corporate responsibility issues that reared their heads in 2004 and 2005 still needing to be dealt with.

Those of you who missed the joint Golden West Holiday meeting hosted by the Oakland-East Bay chapter, in Jack London Square, last month missed a great meeting. The food was good, we heard an excellent presentation on the state of the economy, as well as predictions for 2006, and it was a really great feeling to be in the company of 80 other IMA members.

Your board continues to work hard to reinvigorate the chapter. The chapter will be hosting another three after-work social events at Chevy's Embarcadero II, in January, February and March. These meetings provide an excellent opportunity for all members to network and experience the diversity and range of our membership. We will be inviting other accounting-related organizations to join us at the February and March events. Joel Smith and John Halleck are putting the final touches on planning for the start up of an Excel users group. Keep an eye on the web site (sfima.org) for more details.

Once again, remember, the organization is what you make it. Get involved. Contact a board member; attend a social event or board meeting. Bring your ideas for events, speakers, etc...

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January Social Event

Date:

Thursday, January 12, 2006

Time:

5:30-7:30 p.m.

RSVP:

Contact:

Tim Chaney
(415) 243-3380

or via e-mail at

timothy@remxfinancial.com

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. As with everything else, if there is something you feel should be on the website that isn't, please feel free to contact Mark or Joel with your feedback. Their e-mail addresses are as follows:

Mark Birnbaum mbirnbaum@snader.com

Joel Smith jsmith@lautze.com

Over the last year we have sent several communications to the membership via e-mail. It has come to our attention that many of you have not been receiving these, as we don't have a current e-mail address for you. Please take the time to go to our website to update your contact information.

NEWSLETTER:

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 for more information.

Is there anything that you would like to see in the newsletter that you think would be of benefit to the membership? Please feel free to contact Joel to give your input.

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
www.gleim.com

Ten steps to jumpstart your 2006 tax year

You can, and sometimes should, wait until the last minute to take advantage of some tax breaks, for example, boosting itemized deductions through year-end payments. However, some tax breaks must be set up early and their benefits are proportionate to the amount of time remaining.

Tax planning is complex. Fortunately, some planning can be reduced to fairly basic steps. Keep in mind that you should customize your tax strategy to maximize savings and avoid costly mistakes.

Here are 10 important considerations to start saving you money in 2006.

#1: Tune up your recordkeeping. Taxes will always be higher if you're not keeping good records. On an IRS audit (The IRS is again stressing enforcement and audit rates are rising rapidly) the agent's mantra is "prove it."

If you don't have the proper records, you don't get the deduction or credit. This means knowing what tax items need recordkeeping and then setting up the right systems...and using them. As a baseline consideration, business taxpayers should be in the habit of keeping receipts, accurate inventories and properly managed expense reimbursement plans. Individual taxpayers should keep careful records on medical expenses, charitable contributions, and employee-related expenses.

#2: Defer income from the start. At the beginning of the year you should look into maximizing your tax-deferred savings. This can be done through retirement plans, educational plans and health savings accounts. The earlier you contribute to these accounts, the sooner they are earning tax-free interest and other investment returns for you.

#3: Take advantage of lower rates on dividends and capital gains. Most income is taxed at regular income rates. Dividends and capital gains, however, are taxed at a maximum rate of 15 percent. Take a look at your investment portfolio to make certain that it is "tax aware." Short-term gains should be avoided (unless the alternative is a long-term loss by holding an investment past its time). Tax-exempt income should be considered, along with its relationship to your state income tax liability. Losses should be managed carefully to maximize loss offsets.

#4: Anticipate major life changes. Getting married, divorced, having children, changing jobs, moving? Starting a new business, expanding? Most major events in your life have tax implications. The sooner you anticipate the tax side of these changes, the easier it will be for you to focus on the events themselves, knowing that you've got tax minimization covered.

#5: Learn from your mistakes. Get your 2005 return done as early, if possible, so you can see where you paid too much tax.

#6: Consider a Roth 401(k). Starting in 2006, employer-sponsored 401(k) plan may be converted to a Roth 401(k). The benefits of owning a Roth 401(k) are similar to having a Roth IRA, where contributions to the plan are pre-taxed but distributions are tax-free. You can only elect a Roth 401(k) if your employer offers it as an option.

#7: Plan for new energy credits. Three significant energy tax credits are new for 2006, thanks to the *Energy Tax Act of 2005*. First, there's a credit of up to \$500 total over the 2006 and 2007 tax years for homeowners who install non-business energy-efficiency property, such as exterior doors and windows, insulation, heat pumps, central A/C and water heaters. Second, there's a residential alternative energy credit. Third, there's a new tax credit for buying a hybrid vehicle.

#8: Adjust for "qualifying child" status. One definition of a qualifying child now covers an array of tax benefits, including the dependency exemption; head of household filing status; the earned income tax credit; the child tax credit; and the credit for child and dependent care expenses. Every parent and caregiver should review the new rules to maximize the associated tax benefits.

#9: Review changes made by the 2005 hurricane disaster relief acts. Congress has passed tax relief for victims of Hurricanes Katrina, Rita and Wilma. There are special deductions, credits and other incentives for businesses and individuals. Investors in the Gulf Coast also are eligible for some tax incentives. Congress also made some technical corrections to past tax incentives, especially the new manufacturing deduction and nonqualified deferred compensation.

#10: Keep your eye on Congress. 2005 ended without Congress extending some very important tax breaks. For individuals, these include alternative minimum tax (AMT) relief, the state sales tax itemized deduction, the teachers' deduction for classroom supplies, and the higher education expense deduction. For businesses, the enhanced section 179 expensing deduction ends in 2006 if it isn't extended. Many lawmakers also want to extend the lower tax rates on dividends and capital gains but these are very controversial with the federal budget deficit at an all-time high. Some of these tax breaks are expected to pass in February and be retroactive to January 1, 2006. Be ready to act once Congress makes up its mind.

If you need assistance in taking any one of the 10 steps to maximize your 2006 tax savings, be sure to contact your tax professional.

FUTURE TAX TOPIC SUGGESTIONS:

Is 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.

COST PLUS
WORLD MARKET®
JOB DESCRIPTION

Job Title:	Occupancy Accountant
Reports To:	Assistant Controller
Department:	Accounting
Supervises:	0
FLSA Status:	Exempt

General Overview:

Responsible for reconciling and analyzing occupancy related accounts including, but not limited to, CAM, Real Estate Taxes, Personal Property Taxes, Straight-line rent, Other Lessee Expense, Percentage Rent, Lease Rights, Minimum Rent, Land Rent and Rental Income. Develop strong relationship with Real Estate department and third party property management.

Principal Duties and Responsibilities:

- Complete an operating vs. capital lease analysis for new store sites
- Responsible for the accounting and reconciliation of all capital and operating leases
- Analyze actual to budget variance for all areas of occupancy accounting and journalizing correcting entries, as needed
- Budget occupancy expense for all Company locations
- Journalize any transactions surrounding occupancy accounting
- Complete calculation of straight line rent on all applicable properties
- Must be detail oriented with a dedication to completing deadlines
- Must be a self-starter
- Strong interpersonal and organizational skills
- Intermediate skill level required for Excel
- Working knowledge of Microsoft Outlook and Word

Job Requirements:

- BS/BA in Accounting is required
- Sitieseer experience a plus
- Lawson experience a plus
- Prior occupancy accounting highly preferred
- Lease interpretation skills needed
- Utilize PC - 20-35 hours/week
- Phone contact - 3-10 hours/wk

Please contact: Heather Ferguson

Corporate HR Assistant

P: 510-808-9225 F: 510-465-6825

Job Title:
Reports To:
Department:
Supervises:
FLSA Status:

Inventory Accounting Analyst
Inventory Accounting Manager
Accounting 804
0
Exempt

General Overview:

Together with the Inventory Cost Analyst, perform the review, analysis and entry of adjustments to the monthly stock ledger and financial statements to provide accurate inventory evaluation and reporting. Assist in the review of distressed inventory by department and reason. Assist in the maintenance of the stock ledger by department and store to prepare the corresponding monthly G/L journal entries for cost of goods sold and additional cost reconciliation.

Principal Duties and Responsibilities:

- Responsible for various inventory related balance sheet and income statement accounts. Review reconciling items and assist in the preparation of appropriate adjustments and journal entries.
- Assist in the reconciliation of Physical Inventory results to the book inventory. Take lead in analyses of cost of sales reports and summary documentation. Analysis and reconciliation of cost of sales reports and Inventory balances to the G/L.
- Take lead in process improvements/issues/results for reporting and reconciling inventory.
- Take lead in streamlining the monthly close process and timeframe by establishing written procedures and processes.
- Assist the Inventory Accounting Manager in establishing the cyclical Physical Inventory paperwork policies; prepare schedules and deadlines; create internal and external documentation
- Prepare monthly inventory reporting and analyses of various monthly variances at the Store, DC and Corporate levels in an accurate and timely manner.
- Assist with claims and rebate accounting and processing.
- Responsible for RTV accounting and processing.
- Perform monthly reconciliation of receipts.
- Analyze receipts not invoiced and suggest adjustments.
- Special projects as needed.

Job Requirements:

- BS or BA degree in Accounting, Finance or Economics
- 3+ years Accounting experience
- Ability to self manage
- Lawson experience preferred
- Retail experience with cost accounting and inventory knowledge preferred.
- Strong teamwork, multi-tasking and analytical skills required.
- Understands and meets deadlines.
- Ability to communicate with different levels in the organization.
- General working mainframe systems knowledge (preferably AS400)
- Advanced Excel skills and intermediate Access skills required
- Must have strong analytical and judgment skills with the ability to explain finance in a clear and concise manner to non-finance/accounting individuals.
- Must be willing to work varied work hours including off regular scheduled hours during the busy holiday season or during critical times (i.e. cyclical physical inventories)

Please contact: Heather Ferguson

Corporate HR Assistant

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SHEEDY DRAYAGE Co.

When Joseph D. Sheedy founded Sheedy Drayage Co. in 1925, its equipment consisted of a single truck and its main work was hauling to and from San Francisco's docks and railway depots. The company now operates a fleet of more than 100 trucks, trailers, cranes and other heavy-duty lifting and hauling equipment. Sheedy is one of northern California's leading crane, rigging and heavy hauling contractors. Sheedy provides rigging services for everything from mounting statues to erecting tower cranes and manlifts. Sheedy has extensive warehousing facilities for the transfer of goods and machinery.

Because of its equipment and broad experience, Sheedy Drayage Co. today is distinguished by the ability to perform any hoisting, rigging, or hauling task efficiently and safely. The area served by the company extends throughout California – in fact, nationwide for heavy hauling – and Sheedy is continuing to expand its fleet and facilities in response to the region's economic development, as it has for more than a half a century. Sheedy is looking for an experienced Accounting Manager for its San Francisco headquarters.

Responsibilities/ Position Description:

Provide support to the Chief Financial Officer in the following areas:

- Accounts receivable monitoring
- Bank reconciliations
- General ledger account analysis
- Monthly closing and financial statement preparation
- Cash management
- Internal auditing

Administrative responsibilities will include:

- Selected payroll functions
- Billing support/processing
- Selected office management/tasks

Job Requirements:

- 3 – 5 years bookkeeping/accounting experience
- BS/BA Degree, accounting preferred
- Demonstrated supervisory experience
- Excellent oral and written communication skills\

Please submit your cover and resume to: jobs@sheedycrane.com. For more information on the company, visit our website: www.sheedycrane.com. No phone calls please.



LAUTZE & LAUTZE
CPAs & FINANCIAL ADVISORS

Audit Senior Position

Serving the Bay Area, Central and Northern California, Lautze & Lautze traces its roots to the mid 1920s, with the firm name established in San Francisco by Richard and Robert Lautze in 1945. Throughout the years, Lautze & Lautze has continued to grow – with many of our clients growing with us for more than a generation. We have excellent opportunities for Audit Seniors in our San Francisco office. As one of the larger independent Bay Area firms, we provide an atmosphere that will showcase your unique contributions and encourage your aspirations. We take satisfaction in supporting and guiding our professional staff in developing the qualities and results they want to achieve. We provide training, professional education, and other opportunities to enrich, develop and advance your career with us. For more information please visit our website – www.lautze.com

Responsibilities/ Position Description:

- Lead and perform accounting services and audit engagements
- Responsible for all stages of audit engagements: planning, fieldwork, and completion of financial statements
- Supervise on the job training of staff accountants
- Maintains proper internal communication to ensure client and firm are informed of engagement progress and related issues
- Prepare timely evaluations of assigned staff.
- Develop and maintain strong client relationships
- Manage client responsibilities effectively; prepare written and oral communication to clients
- Develop supportive management style with team members; delegate tasks, provide guidance and training to others.

Job Requirements:

- Minimum 3 years recent public accounting experience
- BS/BA Degree, accounting preferred
- Licensed CPA (or CPA candidate)
- Demonstrated supervisory experience
- Excellent oral and written communication skills
- A motivated team player

Wealth Building Strategies Simplified

Provided by RBC Dain Rauscher and Jon Warner

While there may be many get-rich-quick schemes out there, real wealth building is not always a fast process. Just like any goal, building wealth takes time, focus and discipline. But even though you may never get rich *quick*, some simple strategies might help you build wealth *quicker*.

The basic idea of spending less than you earn is simple, yet it's still a hard practice for many people to follow. If you're frustrated by the amount of money you *haven't* saved at this stage in your life, it's essential to start controlling your spending. Many people have savings accounts they never touch – but they never put anything in them either! So what's the first step? Try paying *yourself* when the paycheck arrives. Set up payroll deposits into your savings or brokerage accounts. If you can, try investing 10 percent of your income each month. If that's too steep, start lower. Then, each year, try increasing the amount you invest.

Another detriment to wealth building is debt – and credit card debt can be the worst kind. Start by deciding how much you can afford to pay toward the debt each month. If you have more than one credit card, divide the money by paying the minimum balance on each card. Then apply the leftover amount to your highest rate card. Continuing this strategy will allow you to pay off the cards faster than if you just pay the minimum on all the cards each month. It will also reduce the amount you pay in interest.

Mortgages are another common form of debt, and pre-paying your mortgage can also save you money in interest. While paying more than you “have to” each month might sound unappealing, it's not quite as intimidating if you simply try rounding up your monthly payment. Even if you're only tacking on an additional \$50 or \$100 each month, it can really help. However, if you want to try a prepay strategy, just make sure your contract allows it without imposing a penalty. Also, if you have a very low mortgage rate, other savings vehicles might earn you more money. Ask your financial consultant which route is best for you.

If you're looking to build wealth, you also need to pay attention to your net worth, which means your total assets minus your total liabilities. Your goal should always be to increase your net worth – going backwards should not be an option. Reducing your debt is one way to help build your net worth. You can also try to increase your assets by investing more. It's easy to spend your money on consumer goods that fill an immediate need, or provide instant satisfaction. But chances are, if you look at a lot of the things you buy, you'll find they are assets that have little or no future value. Investing in appreciable assets means buying things that can increase in value, such as real estate, stocks, bonds or mutual funds.

A lot of these wealth-building strategies may sound simple, however, the most important part of the plan is applying self-discipline, which can be really difficult. If everyone had the determination, a lot more people would be wealthy. So if you are truly committed to improving your financial situation, challenge yourself to follow some very simple principles.

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.

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