



# FogHorn

February, 2006

Institute of Management Accountants  
*San Francisco Chapter*

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

## President's Message—By Mark Birnbaum

Hello fellow IMA members. I hope this newsletter finds you recovering/recovered from your various year-end closing duties. Spring is now just around the corner.

As always, your board continues to work to make your IMA membership more valuable, and to put on events that you will want to participate in.

Several weeks ago, we held our first Excel class. John Hallet introduced us to the world of Pivot Tables. For novices like me, this was a real eye opener. To see what this facet of Excel can do was truly amazing. After class, we adjourned to Chevy's for a pleasant informal dinner/networking time. John and Joel Smith are now planning a follow up, in the form of two hands on sessions; one for new users and one for people who have used pivot tables in the past. Future topics for the Excel users group include Vlookup, among others.

Keep your eyes open for announcements of these meetings. The social hour get together series continues, with dinner at Chevy's on Feb. 9 and March 9. Check it out. A great way to meet and interact with fellow IMA members.

As always, if there is something you'd like to see the Chapter do, contact a board member, and/or get involved in the board. It is a truly rewarding experience.

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### February Social Event

**Date:**

Thursday, February 9, 2006

**Time:**

5:30-7:30 p.m.

**RSVP:**

Contact:

Tim Chaney

(415) 243-3380

or via e-mail at

[timothy@remxfinancial.com](mailto:timothy@remxfinancial.com)

## **UPCOMING EVENTS:**

### **MEETINGS:**

We have changed our meeting format for the time being. We now are planning to separate the social networking events from the technical/educational meetings, thus having a regular social get together as well as implementing a regular educational workshop separately.

### **Social Gatherings:**

As mentioned on page one, we will be having a social gathering on Thursday, February 9, 2006, from 5:30 to 7:30 (or later if you like). This event will be held at Chevy's, located at 2 Embarcadero Center.

Future social events will be held on the second Thursday of each month at Chevy's. The next social gathering will be held on Thursday, March 9, 2006.

### **Excel Users Group:**

We were very pleased with the turn out for the first excel users group. We are currently in the planning stage for the next meeting. We will be sending out an evaluation form to those who attended the last meeting very shortly. Please take the time to fill this out, as we will use it to fine tune the format and flow of future meetings. Our goal is to create a workshop that provides people with valuable tools that they see the benefits of in their everyday life.

If you have any questions or comments, or wish to attend a future workshop, please contact John or Joel. Their contact information is listed below.

John Hallett:                   (415) 778-3344                   [jhallett@bloomrite.com](mailto:jhallett@bloomrite.com)

Joel Smith:                   (415) 543-6900, ext. 269                   [jsmith@lautze.com](mailto:jsmith@lautze.com)

### **Board Meetings:**

Our next board meeting will be held on Tuesday, February 21, 2006 at 6:00 pm at the office of Robert Half, 50 California Street, 10<sup>th</sup> floor. The meeting is open to all that wish to attend. If you would like to have some input regarding our direction or would just like to check out how the board operates, please contact Terra Casey at [terra.casey@accountemps.com](mailto:terra.casey@accountemps.com) and let her know you will be coming.

## **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 or Joel with your feedback. Their e-mail addresses are as follows:

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

Joel Smith            [jsmith@lautze.com](mailto: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](mailto: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 significant discounts on all  
CMA/CFM and CPE purchases!**



**Contact Matthew Cmar at:  
(800) 874-5346 Ext. 135  
Or by e-mail at [matthew.cmar@gleim.com](mailto:matthew.cmar@gleim.com)  
[www.gleim.com](http://www.gleim.com)**

## **FAQ: What if I receive an incorrect information return?**

Information returns usually arrive in January or February and consist of either Form 1099 or Form 1098. For some, they seem as ubiquitous as their holiday mail in December. Forms 1099s are especially likely to populate your mailbox, being used to report a whole array of income other than wages, salaries and tips. While a Form 1099 is needed to record every taxable transaction, one Form 1099 can record multiple transactions; for example, from your broker for dividends and stock trades. The payer will send a Form 1099 to you by the end of January and will file the form with the IRS by the end of February. Typical forms are sent out for dividend and interest income, self-employment or independent contractor's income, student loan interest and mortgage interest statements.

If you happen to receive an incorrect information return, there is no need to panic. However, you do need to act quickly to prevent a bigger problem; namely, having your tax return not match what your information returns say. Therefore, the first step to take when receiving any Form 1099 or 1098 is to open it immediately and take a look at whether it reflects the amount that you think should be reported. If the Forms just sit unopened in your shoebox until you bring it for return preparation, valuable time has been lost.

Should you determine that you have received an incorrect information return, first contact the entity providing the form and ask for a corrected form. Use the number the sender provides on the form. You should receive a revised form that has "corrected" marked on it. Sometimes the information provider itself catches a mistake and sends you a corrected form without your having to ask.

Sometimes, the discrepancy on an information return may be the result of a difference of opinion in interpreting the tax law. This can occur, for example, when determining in which tax year a transaction falls, or whether forgiveness of indebtedness income exists on a contested loan. In those cases, it is best to first try to persuade the information return provider to change its mind rather than just reporting the transaction on your return based on your interpretation. Once the IRS becomes aware of a difference of opinion, the issue usually will take a lot more effort to resolve.

If all else fails in your trying to correct an information return with the return provider, after February 15, 2005 you should contact the IRS at (800) 829-1040. An IRS agent will assist in filing a complaint by sending Form 4598 to the payer requesting that a corrected form be sent out. If no corrected Form is issued, you will have to file a Form 4852 that will allow for you to claim the true amount on your tax return. If you have already filed and have received a form not reported or forget to report income, you are obligated to file a Form 1040X to report income that was not previously reported.

Penalties do exist for payers who fail to provide you with the correct payee statements when they cannot show reasonable cause for the failure. However, if you operate a business and also wear the hat of an information provider, you'll be glad to know that inconsequential error or omission will not be considered a failure to include the correct information.

Nevertheless, both the party who provides and who receives an information return have obligations under the tax law that must be met in good faith and with reasonable efforts to comply. Otherwise, the IRS will not hesitate to use its penalty powers. Please feel free to contact me if you have any concerns regarding incorrect information returns this tax season.

### **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**

|                     |                             |
|---------------------|-----------------------------|
| <b>Job Title:</b>   | <b>Occupancy Accountant</b> |
| <b>Reports To:</b>  | <b>Assistant Controller</b> |
| <b>Department:</b>  | <b>Accounting</b>           |
| <b>Supervises:</b>  | <b>0</b>                    |
| <b>FLSA Status:</b> | <b>Exempt</b>               |

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**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**

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**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

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

*Impact of Rising Oil Prices on Investors and the Economy*

*Provided by RBC Dain Rauscher and Jon Warner*

Rising oil prices are affecting everything. You can't open a newspaper, flip on a business news TV program or even pump gas at the station without realizing that oil prices are climbing. Fueled by fears of limited supplies, terrorism worries and the continuing conflict in Iraq; oil prices have reached a 21-year high.

Historically, sharp spikes in oil prices have preceded or accompanied virtually every recession. But why is it that the price of oil can have such a dramatic impact on the markets and the economy, especially when rising prices in other commodities do not?

Generally speaking, oil serves as a critical component of production and transportation for many businesses in the United States. Sharp increases in the price of oil usually mean an increase in the costs of doing business. This in turn can translate to slimmer margins and lower earnings for companies. Continued weakness in earnings can hamper a company's growth and vibrancy, as well as put pressure on the equity markets.

While for many sectors increases in oil prices can have a negative affect on returns, it is probably no surprise that historically the energy sector has outperformed other sectors during periods of price increases. Conversely, automotive and retailing groups have in the past been poor performers during times of higher than usual oil prices, as consumers have less discretionary money to spend on these items.

While the direct impact consumers may feel when buying gasoline and heating oil is fairly obvious; what may be even more substantial is the effect that increased outlays for these necessary items has on a consumer's bottom line. More money on the necessities can leave fewer resources for discretionary spending, resulting in a reduction in overall consumer spending, and subsequently, a possible slowdown in the economy. In addition, the prices of those discretionary items likely reflect the increased costs of production.

In some way or another oil touches most goods and consumers, and therefore sharp rises in prices tend to have a more dramatic effect on the economy or markets as a whole than other commodities. The weight of both the direct and the trickle affects of rising oil prices tends to impact consumers and businesses from more than one direction. Whether it means increases at the pump, the cost of transporting or producing goods and services, or fewer dollars for clothes and cars; rising oil prices affect us all.

**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. RBC Dain Rauscher does not provide tax or legal advice.**