



FogHorn



Institute of Management Accountants

San Francisco Chapter

June, 2007 Newsletter

CONTENTS

1. President's Message
2. Future Meetings
3. Website/Newsletter
4. Gleim Special
5. Taxation Article
6. Career Article

End of Season Party

Chevy's, 2 Embarcadero Center

Date:

Wednesday, June 27, 2007

Time:

Time: 6:00 - till whenever

RSVP:

Contact:

Tim Chaney

(415) 243-3380

timothy@remxfinancial.com

President's Message—By Joel Smith

THANK YOU FOR AN AWARD WINNING SEASON

I am pleased to announce that the San Francisco Chapter has won two awards from IMA National this year!

The first award is in the form of a Banner that is awarded to the top 25 chapters in the Stevenson Division as determined by the chapter competition for membership growth, education hours, CMA certification earned and services offered to the membership. This is the first time that we have won such an award since 1969!

The second award is the Carter Trophy, which is awarded to the chapter in the Stevenson Division for having the most improvement during the year as compared to the average of the three preceding years.

I would like to thank the current board, John Hallett, Tim Chaney, Milo Fleck and Harry Massouda for all of their help. This could not have been achieved without you.

I would also like to thank all of the members who have participated over the last year. You have made all of the difference.

We will be having a party at Chevy's at 2 Embarcadero Center to celebrate the chapter's achievements. Hors D'oeuvres and drinks are on us.

Please come out to help us celebrate. Even if you have not come to any of the earlier meetings, think of this as a chance to get acquainted with what we are currently doing as well as our aspirations for the future.

I hope to see you all there.

FUTURE MEETINGS

Excel User's Group

We are wrapping up our 2007 season for the Excel User's Group. It has been a great year. We started out the year learning new functions such as Pivot Tables and Macros, and finished the year studying for the Microsoft Excel Specialist Certification. We will be gearing a lot of our program next year towards the Microsoft Excel Expert Certification. Whether you desire to have such certification or not, this is a great way to expose your self to more advanced functions of Excel Use.

In addition, John Hallett has been involved with creating a greater Bay Area Excel Users Group with members from various chapters from around the Bay Area. This is planned to be a fairly large meeting every month or so to further train our members in advanced Excel Topics.

Please keep an eye out for future editions of the Foghorn and be sure to check our website periodically for information. In addition, if you would like to be included on the Excel User's Group Distribution list, please contact one of the following:

John Hallett: (925) 285-5824 jhallett@well.com

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

Board Meetings

Our next board meeting will be held on **Tuesday, August 21st** at 6:00 pm at 595 Market Street, Suite 820. The meeting is open to all those 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 Tim Chaney at timothe@c@remxfinancial.com and let him know you will be coming.

CMA/CFM Certification Study Groups

As many of you may know, we have been in the planning for most of the year to start a CMA Study Group. Our goal is to work diligently over the summer to evaluate different programs. We will then contact those who have expressed an interest to present the options for their feedback. We hope to have solid plans in place by the time we roll out our next season in September.

If you would like to be on the contact list, please contact Harry Massouda:

Phone: (415) 777-0202, ext. 249 e-mail: harry@resourceanddesign.com

WEBSITE / NEWSLETTER

Website

Our website has been a little behind the times as we have not had a steady web administrator in the last several months. The board has taken steps to rectify this situation. We now have someone lined up to make updates on a regular basis and intend to have it fully updated within the next couple of weeks and on a more regular basis after that. 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 Joel with your feedback. His e-mail address is as follows:

Joel Smith jsmith@lautze.com

As e-mail has become our primary method of communicating with the chapter regarding upcoming events and other items of importance, it is crucial that we have current contact information. If your e-mail address has changed recently, or if you would prefer that we send our communications to a different address, 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.

Suggestions

As we changed our meeting format to better serve the chapter members' interests, we currently have an agenda that is more narrowly focused than it has been in the past. Recognizing that there are other subjects and topics that various members of the chapter may have an interest in seeing addressed, we are very open to suggestions and ideas on how we can better serve the membership in their pursuit of their professional endeavors. After all, it is what we are all about.

If you would like to see the chapter pursue other ideas, please feel free to contact one of the board members or, if you like, come to one of the board meetings to give your feedback.

**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
www.gleim.com**

TAXATION ARTICLE
Joel S. Smith, CPA, CMA
Lautze & Lautze
(415) 543-6900, ext. 269
jsmith@lautze.com

Time to start planning for next year's filing season starts now

For most folks, April was the end of the filing season but it's not the end of tax planning. Now, more than ever, you need to take a careful look at your tax situation. Your just-finished 2006 returns can be a great roadmap to future planning.

First, it's very important to keep in mind that everyone's tax strategy is different. There's not one tax plan that fits everyone. Maybe you want to retire early or maybe you're planning to start a second career after retirement. School or travel could be in your future. Maybe you want to start that business you've always dreamed about. That's why tax planning typically requires customization and consideration of your personal as well as financial goals. We can help you develop a tax plan that suits your needs and goals.

Important developments for 2007 and beyond

Over the past 10 years, the tax laws have probably changed more often than anytime before. A deduction you took last year might not be available this year. You can't keep up with all the changes. Fortunately, we're here to do that for you.

Many recent tax breaks have been temporary and some have expired for 2007. If you took one or more of them last year, you won't be eligible this year. These include the additional exemption for housing individuals displaced by Hurricane Katrina, tax-favored treatment of qualified hurricane distributions from eligible retirement plans and certain energy credits, among others.

The good news is that there are new and expanded tax breaks for 2007. You might be able to take advantage of a new deduction for the cost of premiums for home mortgage insurance. Teachers can claim a deduction for out-of-pocket classroom expenses. There are also some tax incentives for energy-efficiency improvements to your home.

Additionally, there are many proposals in Congress to expand or create new tax breaks. We could see new tax breaks for retirement savings, new energy-efficiency tax credits, more special tax breaks for military personnel, and more generous education tax incentives among others.

AMT problems

Almost 40 years ago, Congress passed the alternative minimum tax (AMT) to make sure that the wealthiest Americans pay their fair share of taxes. Today, the AMT has become the "regular" tax for millions of middle-income people. Everyone in Washington knows that something needs to be done. They just can't agree on what to do.

In the meantime, Congress has tried to keep as many middle-income folks out of the AMT by increasing exemption amounts and tinkering with credits. Last year, that helped a lot of people. In 2006, the AMT exemption amounts were \$42,500 for single individuals and \$62,550 for married couples filing jointly.

The news isn't so good for 2007...so far. The exemption amounts are much less. They are \$33,750 for single individuals and \$45,000 for married couples filing jointly. Congress may extend the higher 2006 amounts into 2007; but at this point, nothing is a shoo-in. Preparation can help even the odds.

Moreover, certain credits are no longer allowed against AMT. These include the credit for child and dependent care expenses, the credit for the elderly or disabled and some residential energy credits, among others.

Your retirement savings

Some of the biggest challenges for most people center around retirement planning. We know that you've heard time and time again to start planning for retirement early. Last year's pension overhaul law, the Pension Protection Act of 2006, includes many provisions that help you save more for retirement.

How healthy is your 401(k), IRA or other retirement arrangement(s)? You can contribute up to \$4,000 to an IRA in 2007. After 2008, this amount is indexed for inflation in \$500 increments. Individuals who are age 50 and older can make even larger contributions thanks again to the catch-up rule. They can contribute an additional \$1,000 to an IRA. A spousal IRA and an IRA for a child who has a weekend or summer job are other great tools to help reduce your tax bill.

The pension law also increased the benefit and contribution limits for elective deferrals to 401(k) and some other plans to \$15,000 in 2006 and after, subject to a cost-of-living adjustment. If you work for a state or local government, the pension law also enhanced your elective deferrals if you have a 457 plan. And don't forget that Individuals age 50 and older can make "catch-up" contributions of up to \$5,000 for 401(k)s and some other plans.

More to plan for

There's a lot more to plan for:

- **Education tax breaks:** These are among the most complex in the tax law but can give you some generous tax savings if you plan ahead.
- **Hybrid vehicle incentive:** Many hybrid vehicles, cars and SUVs, qualify for a tax deduction but not all amounts are the same.
- **Military tax breaks:** Servicemen and women serving in a combat zone not only get more time to file their returns, they also are eligible for some special tax breaks.
- **Charitable giving:** Last year, Congress cracked down on abuses in charitable giving. Don't let the IRS deny your deductions.
- **Estate planning:** Tax planning is an important part of your estate plan. Not only should large estates plan for the federal estate tax, many family businesses and family farms should too. State tax considerations add to the complexity.

CAREER ARTICLE
Timothy Chaney
RemX Financial Recruiting
(415) 243-3380
timothyc@remxfinancial.com

The Flip-Side of the Counter Offer

Making ends meet with low pay, toiling long hours—you resolutely say, “I quit,” to your neglectful employer, having accepted another position with great benefits and higher pay—a wonderful alternative to your present situation. Yet, rather than respecting your decision as unwavering, your employer comes with a counter-offer: this is pretty ideal—no stressful new job; you stay in your comfortable niche, but now you get exactly what you wanted. Suddenly, your firmness erodes. You accept the counter-offer.

This situation is faced by countless employees. Superficially perfect, the counter-offer actually leads to disaster. Flattered, the employee mistakenly believes the counter-offer shows how vital the employee is to the team. Yet, in reality, the boss thinks more about benefiting himself. Think about it: Wouldn't it be easier to keep a current employee rather than find and train someone new? Wouldn't it be painless to keep the worker and meet those pressing deadlines, which are constant in the business and accounting realm? Accepting a counter-offer is a victory for the employer and is a huge error for the credulous employee.

Above all, an important characteristic to show is job loyalty. Most people mistakenly believe that the acceptance of a counter-offer proves steadfastness, yet this resignation truly proves the opposite. The prospective employer's job offer must be rejected, which ultimately tarnishes the employee's reputation. Furthermore, if the employee used a recruiting agency to find this prospective employer, the recruiter will never represent the person again. And recruiters usually talk amongst themselves.

The counter-offer and the subsequent acquiescence forever breach the trust between current employer and employee. The employer now knows that you would leave the company if offered a better position and now suspects that you may still be considering other prospects.

The bottom line is always remain trustworthy when making career choices--make a choice and stick with it. When offered the deceptive counter-offer, simply refuse.