

THE PROFESSIONAL PUBLIC ACCOUNTANT



May - June 2009

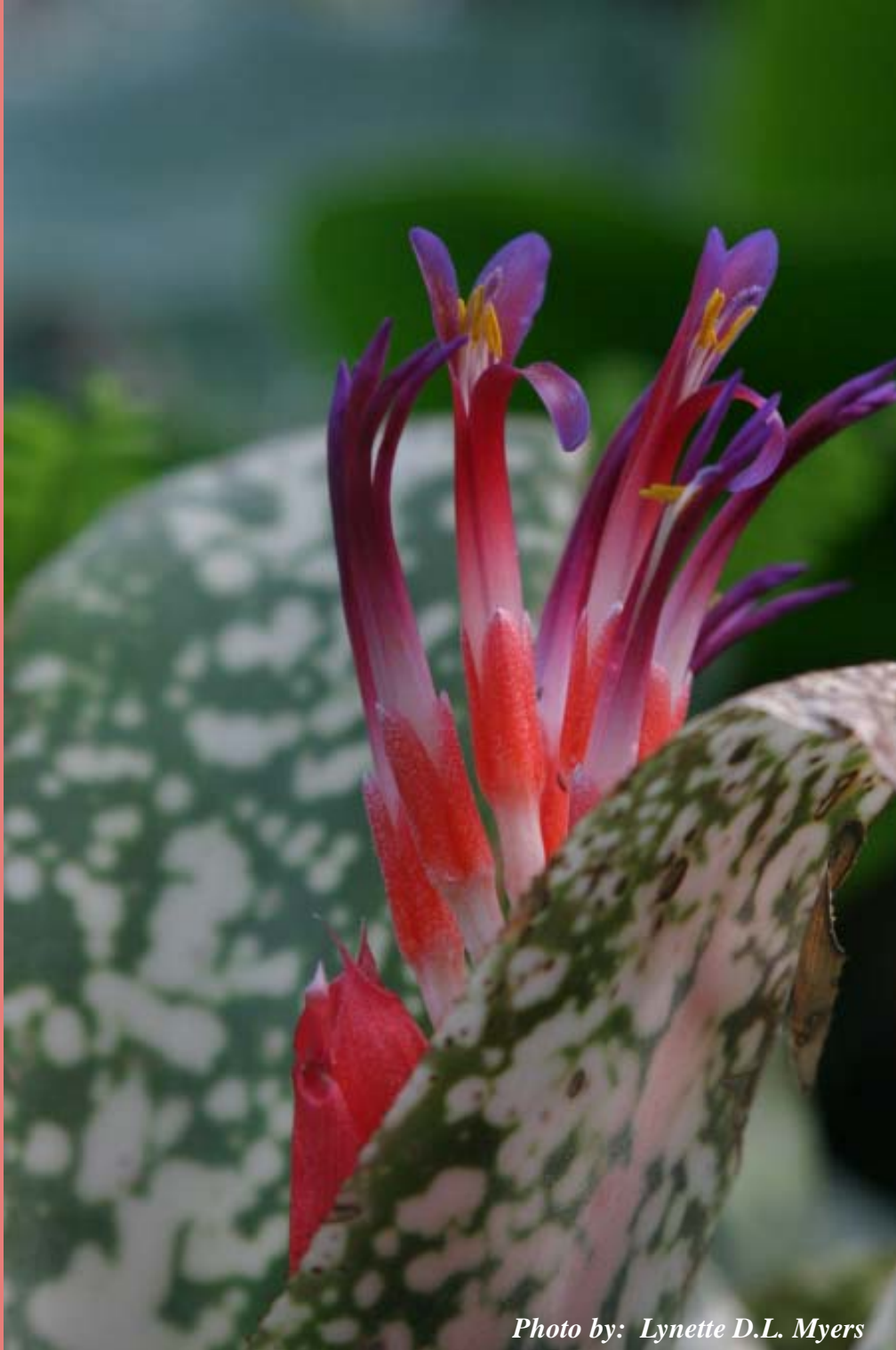


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Doing the Numbers

Get Your Business on the Web with New Service for PASC Members

Convention Agenda & Registration

61st Annual Accounting Forum & Convention

Applying the Value Add Approach

Special Tax Break Available for New Car Purchases This Year

From the President

Energy-Saving Steps This Year May Result in Tax Savings Next Year

2009 PASC Seminar Season

Vice President Biden: Recovery Payments Will "Make a Big Difference"

Coffee Break

Cloud Computing and the Paperless Office for Accountants

The Professional Public Accountant

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Table Of Contents

- 3 *From the President*
- 4 *Energy-Saving Steps This Year May Result in Tax Savings Next Year*
- 5 *Coffee Break*
- 6 *Cloud Computing and the Paperless Office for Accountants*
- 7 *Vice President Biden: Recovery Payments Will “Make a Big Difference”*
- 7 *Our Condolences*
- 8 *Convention Agenda*
- 9 *Convention Registration*
- 10 *61st Annual Accounting Forum & Convention*
- 11 *Gunnison Information*
- 13 *Applying the Value Add Approach*
- 15 *Doing the Numbers*
- 15 *Special Tax Break Available for New Car Purchases This Year*
- 16 *Chapter Offices*
- 16 *Get Your Business on the Web with New Service for PASC Members*
- 18 *2009 PASC Seminar Season*

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Opinions expressed herein are not necessarily those of the PASC Board of Governors or the Society.

Comments and suggestions should be sent to the editor, Lynette DL Myers, PO Box 1078 Eastlake, CO 80614-1078 or via email newslettereditor@coloradoaccountant.org.

From the President

I hope everyone had a successful tax year. January through April 15th is always most hectic. The public thinks that tax season is done on April 15th, but most everyone has clients that come in late to have their taxes prepared.

This is a gentle reminder that the Public Accountants Society of Colorado has an annual Accounting Forum and Convention in June. This convention helps members attain continuing education hours as well as the ability to get an update on the state of the organization. This is the time when the membership at large should attend the general meeting. The elected Board of Directors meets every two months after the June meeting. All members are welcome to attend Board Meetings and any Society meetings, and we want to encourage you to come.

The meeting in Gunnison will be the last meeting for the current President. At this meeting the President-Elect, Ernest Kozacek will be installed as the next president of the Public Accountants Society of Colorado. The continuing offices of Treasurer and Secretary are filled by Kirit Merchant and Robert Kuziak. A new President-Elect and other board members such as an Education Chairman, Membership Chairman, and two Directors must be filled. The new President-Elect has two years to become involved in the current events that effect PASC and to develop ideas on where the Public Accountants Society of Colorado are as an organization as well as where the organization needs support. These ideas can be developed and actively pursued as President-Elect and when President.

I want to thank those members who have assisted me during my four years of participation on the PASC board.

Matt Lewis helped to establish a training system for our board and has helped in many other ways during meetings and on special committees.

Leota Jensen has given major support monitoring the Colorado Legislature, making sure that nothing was passed to adversely affect the independent accountants in Colorado.

Andy Morehead has been actively involved with items affecting PASC while serving as President of the National Society of Accountants.

Bob Cross kept a watch for legislation on a national level and is the incoming President of the National Society of Accountants. We have asked him to be a speaker. Bob has also helped with drafting the proper language changes the PASC Bi-Laws. The Board of the Pikes Peak and Denver Mile High Chapters have given support and offered ideas for continuing Education beyond the Tax Seminars sponsored by PASC.

Lastly, I want to encourage the membership at large to consider participating on the upcoming Board of Directors for the Public Accountants Society of Colorado, to attend the chapter meetings, help sponsor continuing Education for your area, and mostly to attend the annual Convention in Gunnison.



A D V E R T I S E M E N T

Great News! *Earn Ethic hours or CPE Credits*

PASC members can now take advantage of NSA Member rates for webinars!

These Live Webinars are offered to help accountants and tax professionals **make** and **keep** more money.

Go to <http://www.nsacct.org> and click on this banner:



When registering, use code: **NSASOCPECO** in the place for the NSA Member ID#.

Register for one today!

Energy-Saving Steps This Year May Result in Tax Savings Next Year

IR-2009-44, April 22, 2009

WASHINGTON — The Internal Revenue Service today reminded individual and business taxpayers that many energy-saving steps taken this year may result in bigger tax savings next year.

The recently enacted American Recovery and Reinvestment Act (ARRA) of 2009 contained a number of either new or expanded tax benefits on expenditures to reduce energy use or create new energy sources.

The IRS encouraged individuals and businesses to explore whether they are eligible for any of the new energy tax provisions. More information on the wide range of energy items is available on the special Recovery section of IRS.gov. For a larger listing of ARRA's energy-related tax benefits, see Fact Sheet 2009-10.

Tax Credits for Home Energy Efficiency Improvements Increase

Homeowners can get bigger tax credits for making energy efficiency improvements or installing alternative energy equipment.

The IRS also announced homeowners seeking these tax credits can temporarily rely on existing manufacturer certifications or appropriate Energy Star labels for purchasing qualifying products until updated certification guidelines are announced later this spring.

“These new, expanded credits encourage homeowners to make improvements that will make their homes more energy efficient,” said IRS Commissioner Doug Shulman. “People can improve their homes and save money over the long run.”

ARRA provides for a uniform credit of 30 percent of the cost of qualifying improvements up to \$1,500, such as adding insulation, energy-efficient exterior windows, and energy-efficient heating and air conditioning systems. The new law replaces the old law combination available in 2007 of a 10-percent credit for certain property and a credit equal to cost up to a specified amount for other property.

The new law also raised the limit on the amount that can be claimed for improvements placed in service

during 2009 and 2010 to \$1,500, instead of the \$500 lifetime limit under the old law.

In addition, the new law has increased the energy efficiency standards for building insulation, exterior windows, doors, and skylights, certain central air conditioners, and natural gas, propane or oil water heaters placed in service after Feb. 17, 2009.

IRS guidance issued before the enactment of ARRA will be modified in the near future to reflect the new energy efficiency standards. In the meantime, homeowners may continue to rely on manufacturers' certifications that were provided under the old guidance and on Energy Star labels for exterior windows and skylights in determining whether property purchased before June 1, 2009, qualifies for the credit. Manufacturers should not continue to provide certifications for property that fails to meet the new standards.

The new law also eliminates the cap on the 30 percent tax credit for alternative energy equipment, such as solar water heaters, geothermal heat pumps and small wind turbines, installed in a home. The cap generally has been eliminated for these improvements beginning in the 2009 tax year. The IRS today issued Notice 2009-41, which explains the effects of this change.

Funding Options for Renewable Energy Power Plants

Business taxpayers who place in service facilities that produce electricity from wind and some other renewable resources can choose one of three options to fund the project: a tax credit based on the amount invested, a tax credit based on the energy produced or a grant.

The flexibility to choose among these options was enacted as part of ARRA.

Taxpayers may opt to claim the energy investment tax credit, which generally provides a 30 percent tax credit for investments in energy projects, instead of the production tax credit, which can provide a credit of up to 2.1 cents per kilowatt-hour for electricity produced from renewable sources.

Taxpayers making qualified investments that are placed in service after 2008 and before 2014 (or 2013

Continued on page 15

Cloud Computing and the Paperless Office for Accountants

Cloud computing has slowly been gaining acceptance on the traditional desktop computing model over the past few years. Web based applications are nothing new but the idea of moving towards 100% of your applications to the web is likely a frightening concept for many of us. Cloud computing is an evolution of the application service provider model. In the cloud model, theoretically all applications and even the operating system can be offloaded to services provided over the Internet. Google Apps is well known as a cloud based business and productivity application and Windows Live Mesh is an example of one foray into a web-based desktop operating and file system. This computing model has many implications for how accounting firms will adopt this technology and how it will impact workflow. One possible benefit is the synergy that can be achieved between cloud computing and paperless office environments.

Many paperless office implementations provide for remote access to electronic content using remote desktop, Citrix, file synchronization and document checkout or various internet portals. This solution works well for many firms but still has the disadvantage of being tied to particular desktops or laptops, depending on licensing requirements of the software being used. One change coming down the line that is being driven by the proliferation of cloud computing will be an increase in the number and types of Mobile Internet Devices. Many manufacturers have plans to announce these devices in the next 6-18 months and just as we saw an explosion in netbooks over the past year, we will likely begin to see more and more manufacturers jump on board with their own devices. These devices will act as windows into the cloud and will provide more convenient points of access to electronic content without being tethered to desktops or tied to lengthy laptop boot up times. With advances in ultrathin display technology and the smaller processing and hardware requirements of cloud computing these devices may literally become the new "paper".



There are several pitfalls that still must be overcome before this transition can really progress. First, this entire model is based on constant internet connectivity. Although this is a current reality with the widespread availability of cellular broadband and a vast array of Wi-Fi access points available, the price points for these services are still a little steep for many business users. Secondly and maybe the biggest deterrent will be concerns over privacy and security of confidential data. Most hosting providers have far superior security at their facilities than individual

accounting firms can obtain, but the real concern is over the user controls in place within the firm. Weaknesses in the firm's user controls could possibly circumvent the physical and logical access controls in place at the hosting facility. Even though data used in cloud computing is typically encrypted for transmission, it would seem that under many regulations and standards, this might be deemed a disclosure of client data. Finally, there are some applications that for any number of reasons may not be a good fit for the cloud computing model. It is quite likely that firms will need to have a mix of cloud and remote desktop to access all

the applications they will need.

The transition to cloud computing is steadily moving forward but a complete transition is a long way off. Firms can begin understanding the transition by looking at the web-based applications they currently use. From there firms should start to develop a strategy on how they will address the issues above and create synergy with their existing workflows.

By Alex Vuchnich, alex.vuchnich@sageworksinc.com



Vice President Biden: Recovery Payments Will "Make a Big Difference"

Vice President Joe Biden and Social Security Commissioner Michael J. Astrue announced the Federal Government beginning in early May and continuing throughout the month will send \$250 one-time economic recovery payments to people who receive Social Security and Supplemental Security Income (SSI) benefits.



One Time Payment "These are checks that will make a big difference in the lives of older Americans and people with disabilities - many of whom have been hit especially hard by the economic crisis that has swept across the country," Vice President Biden said.

In February, President Obama signed the American Recovery and Reinvestment Act of 2009, which provides for the one-time economic recovery payments.

All beneficiaries can expect a payment by the end of May 2009. No action is required on the recipient's part. Social Security asks that individuals and representatives not contact Social Security about an economic recovery payment unless not received by June 4, 2009.



"We have been working diligently to issue the \$250 one-time economic recovery payments as soon as possible," Commissioner Astrue said. "The legislation requires extensive

coordination with other federal agencies and I'm pleased we are on track to issue these recovery payments earlier than the statute requires. Soon, more than \$13 billion will be in the hands of more than 50 million Americans."

To learn more, read our press release at

www.socialsecurity.gov/pressoffice/pr/recovery-payments-pr.htm.

Or go directly to Social Security's web page about the recovery payments, where you can view a video, read a pamphlet, and find more information. The web address is www.socialsecurity.gov/payment.



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Contact Ruth Bustamante for prices and sizes.

303-452-8227

ruth@coloradoaccountant.org

Send the copy and artwork to Lynette Myers.

newslettereditor@coloradoaccountant.org

Our Condolenses

Past PASC President Yvonne Dunkel passed away Monday, March 9, 2009 of a stroke. Yvonne was the President of PASC from 2001-2002.

If you wish to communicate with the family, the address is:

3282 W. Stanford Avenue
Englewood, CO 80110



The family of Yvonne Dunkel thank you for your concern. Donations can be made in her name to a scholarship fund for PASC. You can do this by going online to

www.coloradoaccountant.org/scholarships.htm

Bill Flanders died Thursday, March 5, 2009. He was in his ninety's. He was a member of PASC for 23 years.



61st Annual Accounting Forum and Convention

Agenda

June 24th – 26th, 2009



UP TO 14 HOURS CPE!!!!!!-IN NSA CONVENTION FORMAT

Tuesday, June 23rd

For those of you who will be arriving early, please RSVP for our cash bar and Hors D'oeuvres reception at:

The Gunnisack-Restaurant & Bar

142 North Main

Gunnison, CO 81230

\$14 per person (to be paid separately on registration form or online to PASC)

Wednesday, June 24th (All Seminars are worth two CPE Credits each)

7:00-8:00 Registration and Continental Breakfast

8:00-10:00 Membership Meeting

10:15-12:00 Payroll/Employee Verification

12:00-1:00 Fajita Lunch

1:00-3:00 Choose either Estate or Farm Accountin

3:00-5:00 Choose either S-Corp Accounting or Time Management

5:30-7:30 Board Meeting & Dinner (All members welcome to attend)

Thursday, June 25th (All Seminars are worth two CPE Credits each)

8:00-10:00 Choose either Technology or Quick Books Accounting

10:00-12:00 To Be Announced

12:00-6:30 Enjoy Lunch, Relaxation or Adventure for the afternoon!

6:30-10:00 PASC Banquet (No Alcohol Allowed on Premises) & Chinese Auction

Please bring a wrapped gift with a price value on the bottom for the Auction, and we will explain the rules before the event.

Friday, June 26th (All Seminars are worth two CPE Credits each)

8:00-10:00 Choose either S-Corp Accounting or Time Management

10:00-12:00 Choose either Estate or Farm Accounting

Speakers (Biographies are available on the convention website)

S-Corporation Accounting - Matt Lewis

Estate & Trust Accounting - Andy Morehead

Farm Accounting and Technology - Jarvis Windom

Time Management - Rebecca Blackwell

Quickbooks - Helen Jackson

Payroll - Paola Klinger

Register Today! Use the Registration Form on page 9 or go to <http://www.coloradoaccountant.org/convention.asp> to register online.

61st Annual Accounting Forum and Convention - Registration Form

****** Must Be Postmarked By June 10, 2009 ******

Please enroll me for the following:



	Member	Non	
Convention			
<i>June 24-26, 2009</i>	\$255*	\$280*	= _____
Early Registration & Networking at the Gunnisack - 142 North Main 970.641.5445			
<i>June 23, 2009</i>	\$14	\$14	= _____
*Late Registration			
<i>(After June 10)</i>	\$25	\$25	= _____
Extra Meals			
<i>Lunch Wed</i>	\$20 x # _____	\$20 x # _____	= _____
<i>Board Member Supper Wed</i>	\$30 x # _____	\$30 x # _____	= _____
<i>Non Board Member/Spouse</i>	\$30 x # _____	\$30 x # _____	= _____
<i>Banquet Thurs</i>	\$45 x # _____	\$45 x # _____	= _____

Grand Total: \$ _____

Wednesday evening, June 24, 2009 (for anyone not attending board meeting and dinner) and Thursday afternoon, June 25, 2009 (everyone), are yours to enjoy the vibrant Gunnison Valley.

Please copy registration for each applicant and submit separately so we have accurate names. Total can be paid with one payment.

Name: _____

Company Name: _____

Address: _____

City _____ State _____ Zip _____

Phone (_____) _____ Fax (_____) _____

Email _____ Member/Certificate Number: _____

Payment Information below, or go to www.coloradoaccountant.org to register online.

Check # (make payable to PASC or Public Accountants Society of Colorado) _____

Charge: VISA MasterCard Discover

Card No. _____/_____/_____/_____

Expiration Date _____ Card Code _____ (3 digits on the back of your card)

Name on Card _____

Authorized Signature _____

Please Mail All Registrations To:

PASC, P.O. Box 1078, Eastlake, CO 80614-1078 or fax them to 303-457-0770.

FOR FURTHER INFORMATION , call the PASC Headquarters Office at (303) 452-8227 or (800) 578-4451

61st Annual Accounting Forum & Convention

June 24 - 26, 2009

This Year's Theme

PASC's Annual Convention and Accounting Forum

Water Wheel Inn

37478 Highway 50

Gunnison, CO. 81230

Local Attractions

The Gunnison area offers many options for your family. Learn more about [things to do](#), [dining](#), [shopping](#) and [active pursuits](#) in Gunnison by clicking on the appropriate links.

The rich treasures of "Gunnison Country" have captivated people for generations. The "Gunnison Country" stretches from one spectacular landscape to another: plunging canyon walls, emerald lakes, imposing peaks and wildflower meadows. Explore the boundless possibilities that await you: fishing, boating, mountain biking, jeeping, horseback riding, golfing, ballooning, hiking, hunting, skiing, snowmobiling, ice fishing, and dog sledding.

Add to this beauty the colorful history of "Gunnison Country": Indians and pioneers, miners and ranchers. The heritage of these "mountain folk" lives on in our legends, ghost towns, and warm and hearty communities. You will also find the best of today here: acclaimed golf courses, conference facilities, dining and cultural highlights. We invite you to stay and explore "Gunnison Country," a land rich in natural, recreational and cultural treasures.

Hotel

The PASC Rate for a room at the Water Wheel Inn with two queen beds is \$72 a night. The cut off date for guest rooms will be June 20, 2009. (After this date, the room price will be \$109 a night.) Call 970-641-1650 (800-642-1650) and be sure to mention that you are coming with the Public Accountants Society group to get the special rate - and to get an available room!

The Water Wheel Inn is an exciting place to play for several reasons. To learn more about this hotel's [history](#), or [its unique owner](#), click on these links.

Water Wheel Inn Amenities include: Deluxe hot breakfast bar serves from 6:30 a.m. to 10:00 a.m. An assortment of breads, hot and cold cereal, fresh fruit, yogurt and rotating Belgian waffles, hot biscuits and gravy, Play games, cards or read in our inviting lobby, Concierge service available, Onsite massage, Free wireless internet service, Guest computer and printer available in business center, Complimentary coffee, tea and hot chocolate available all day, All rooms offer private baths, phone with voicemail, hair dryer and cable TV with HBO, Most rooms have mini-refrigerator, microwave, and coffee maker, Kitchenettes, Extended stay and business travel, 2nd floor rooms offer balconies with views of golf course or courtyard, Parking either drive-up or in close proximity to rooms Additional parking for boats, horse trailers, busses, etc., Pet friendly in designated rooms. 2 large indoor hot tubs and exercise room, Laundry facility, Picnic area with charcoal grills, tables and fire pit, Ice cream concession available in lobby, Trout pond and fish food available, Free bike storage, cleaning and repair rack, Friendly staff with great knowledge of the all outdoors and Gunnison.

Room Rate: \$72 per night plus tax .

YOU MUST REGISTER BY JUNE 20 FOR THIS PRICE & PLEASE STATE THAT YOU ARE ATTENDING THE PASC CONVENTION.

Please Note:

The Gunnison Valley has been home to Western State College for more than 100 years. Western offers study in a wide range of fields such as business, computer science, communications, the social and behavioral sciences, professional recreation, the arts, the sciences, and teacher education. Western's excellence has also been felt in other areas. Western hosts the only nationally certified college Mountain Rescue Team, and a Wilderness Pur-

suits program. Wilderness Pursuits offers students ample opportunities to explore themselves, mountains, rivers, and forests which surround the College. The College's vibrant theatre and fine arts departments provide a cultural center for the entire Gunnison Valley. In athletics, Western traditionally has one of the country's finest small college athletic programs. Western's teams are consistently ranked among the top ten in the NCAA Division II. Western's skiers, traditionally among the nation's best, compete in NCAA Division I. So whether you are planning a college-hunting trip with your high school senior, visiting a Western student or in search of college athletics or activities, the Water Wheel Inn can be your home base.

Directions

To get to the Water Wheel Inn, take Highway 50 into Gunnison. The Water Wheel Inn is 2 Miles West of Gunnison, Colorado on the south side of U.S. Highway 50. It is adjacent to the Trough Restaurant.

To view a map showing the location of the hotel, [click here](#).

To view a map of the Gunnison area with driving tips, showing area attractions, [click here](#).

You will need to drive from the Water Wheel Inn (accommodations) to the meetings and seminars. The Convention will be held at the Aspinall-Wilson Center at Western State College. Its address is 600 N. Adams Street, Gunnison, CO 81231. It is about a 7 minute drive from the Water Wheel Inn. Take Highway 50 back into town, to the east end of town. (If you turn west (left) at the McDonalds, you run right into it.)

To view a map of the Western State Campus to find the Aspinall-Wilson Center, [click here](#). (The Aspinall-Wilson Center is #20, in the bottom, right hand corner of this map.)

Gunnison Information

Driving Directions from meeting center to Hotel. Map - http://www.mapquest.com/mq/3-ScIVhkF24*aO

A great place to start for information is to check out the Gunnison Chamber of Commerce Website: <http://www.gunnison-co.com/index.php?pid=home>.

Places to Visit

Attractions

- Black Canyon of the Gunnison National Park
- Curecanti National Recreation Area
- Recreation Areas
- Scenic Sites
- Historic Sites
- Museums & Observatory
- Gunnison
- Crested Butte / Mt. Crested Butte
- Pitkin
- Lake Fork & Elk Creek Marinas
- Pioneer & Historical Society



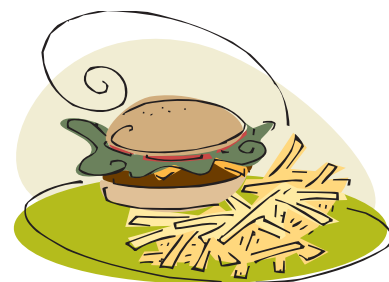
Summer Activities

- Hiking
- Biking

Places to Eat

American

- 5 B's BBQ
- Almont Resort
- Brick Cellar, Bar & Sushi Bistro
- Ol' Miner Steakhouse
- Palisades Restaurant
- Pappy's Restaurant
- Slogar Restaurant
- Sugah's Cafe
- Three Rivers Smokehouse
- Tomichi Creek Trading Post



Bar

- Brick Cellar, Bar & Sushi Bistro
- Palisades Restaurant
- The Last Chance

Summer Activities

- Horseback Riding
- 4-Wheeling
- Camping
- Fishing
- Hunting
- Rafting & Kayaking
- Boating
- Golfing



Places to Shop

Antiques/Collectibles

- Rose Petal

Apparel

- Boom A Rang
- Circus Train
- Tango
- Tee'z Me
- The Sportsman
- Outdoors and Fly Shop
- Toggery, The
- Treads and Threads
- Wal-Mart
- Western World



Art Galleries

- Gunnison Arts Center
- Gunnison Gallery
- Turquoise Junction

Book Stores

- Bookworm, Corp.
- Boom A Rang
- Western State College Bookstore

Sporting Goods

- Borealis/Rocky Mountains Gear
- Gene Taylor's Sporting Goods
- The Sportsman
- Outdoors and Fly Shop



Brew Pub

- Gunnison Brewery, Inc.

Cafe/Bakery

- Rocky Mountain Chocolate Factory

Chinese

- Double Dragon
- House of China

Coffee Shops

- Camp 4 Coffee
- Mochas drive thru coffeehouse
- Rocky Mountain Chocolate Factory
- The Bean Coffeehouse & Eatery



Fast Food

- McDonald's of Gunnison
- Taco Bell of Gunnison

Ice Cream

- Mochas drive thru coffeehouse
- Rocky Mountain Chocolate Factory

Italian

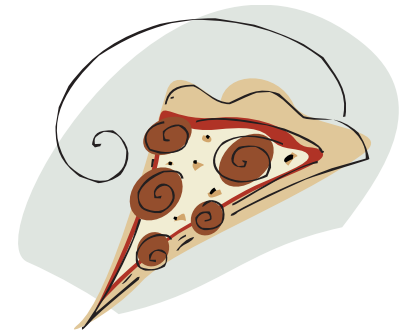
- Garlic Mikes
- Mario's Pizza

Mexican/Southwestern

- Donita's Cantina
- Flying Burrios
- The Gunnisack
- Cowboy Bistro

Pizza

- Mario's Pizza
- Pie-Zan's Pizzeria, Inc.
- Pizza Hut of the Rockies



Bring your family along and stay for a fabulous vacation in a beautiful area in Colorado!

Applying the Value Add Approach

Many firms understand the importance of using a value-add approach to improving client service and for developing new business. One often overlooked area is in providing financial analysis to small business clients. Most small businesses lack the resources to support a financial analysis expert. They will rely on their CPA, accountant or financial advisor to inform them of any problems, when it comes to managing the finances of their business. Although quite often we are engaged to provide specific services such as tax, write-up, assurance or payroll services, in most cases our clients assume that we are also keeping an eye on the rest of their finances. This often leads to an expectation gap in client service. Most advisors would like to spend more time filling that gap by providing business advisory services to their clients, but existing workloads may get in the way. The key to being able to leverage business advisory services is being able to link the financial performance of the client's company to its operations. Normally this means not only gaining an understanding of the clients business and controls but also periodically monitoring and preparing financial statement analysis to provide the linkage between the two. This is often where the expectation gap begins to grow. We may have gained an understanding of our clients operations but then we never find the time to monitor and analyze the performance.

Business analytics and financial analysis software provides a solution to reduce the time needed to monitor and analyze the client's performance. This type of software uses a combination of expert system technology (a type of artificial intelligence that emulates a body of knowledge), industry data and analysis, and financial dashboards to perform a financial analysis of the client's historical financial statements. The advisor can then take that information along with their knowledge of the client's operations and provide meaningful and valuable information to their clients. This is actionable information that can be used to prevent or detect problems in the clients operations as well as improve upon existing processes and procedures. Business analytics software also provides a useful segue into providing next step advisory services and consulting engagements. In analyzing the financial statements, business analytics software may detect that the receivables aging and collection rates are skyrocketing. This is an opportunity for the advisor to

step in and provide a solution, possibly engaging the client to reengineer the receivables function and related controls. Also these same business analytics tools can then be used to perform what-if analysis to evaluate the impact on the financial statements of alternative recommendations that the advisor may propose. Many advisors find these engagements to be more lucrative and satisfying than traditional accounting services.

The typical value-add approach (see fig. 1) will begin at the completion of the various compliance services that we currently provide to our clients. At the completion of an audit or once the tax return has been prepared the next step will be to analyze the clients annual financial statements. This provides the benchmark for monitoring future performance. This first step is where many firms hit their initial roadblock in the value-add approach. There may be some initial hesitation or resistance because it may not be clear at this point how the time spent on developing the financial analysis will correspond to future fees and revenue streams. One technique that can be applied here is using sample analysis that can be provided to a wide range of clients to test the waters and gauge client interest. Once we are confident that we have identified the appropriate client base to provide our value add approach to we can then expend the time and effort of creating custom financial analysis.

The next step will be to establish a program of regular performance monitoring reviews. This can be done monthly or quarterly and ideally will correspond with the clients other monitoring procedures such as budget reviews. The purpose of this is to provide a structured recurring monitoring service. Once this has been established you are now in a position to create a formalized engagement. A formal engagement letter with your proposed fees can be issued or the service can be included as part of the engagement letter for existing services. Right now, you might be thinking to yourself, "but my client doesn't even have a budget, much less regular budget reviews to schedule performance reviews around". Voila! You have just uncovered the next business advisory service you can provide for your client.

The preceding statement is a great example of how the value-add approach grows from being a performance monitoring service to an advisory service. In the

course of analyzing client's financial statements and discussing the results with clients, new advisory service opportunities can be uncovered. This discovery process is what drives additional client value and ultimately more firm revenue. To fully leverage this discovery process, the persons charged with presenting financial analysis to clients should spend adequate time reviewing the results of the analysis before ever sitting down and meeting with the client. Any problem areas and recommended solutions should be identified prior to meeting with the client so that the recommendations can be delivered in connection with the performance review rather than as a follow up. Once again this does represent an initial up front time investment but this is time spent that your client will gladly pay you for.

The value-add approach bridges the expectation gap and with the use of business analytics and financial analysis software can be done in a matter of minutes rather than hours. By letting software do the mechanical process of financial analysis the advisor can focus their attention on linking that analysis to the clients operations and providing meaningful recommendations. Once you have accomplished that you have created a business advisory service that your client will truly value and appreciate, strengthening your position as their advisor.

By Alex Vuchnich, alex.vuchnich@sageworksinc.com

Figure 1 – The Value-Add Approach



ATTENTION: FREE 1 CPE Hour

Are you hungry? Come join us for a Breakfast Meeting at Panera Bread Company (7739 Wadsworth Blvd in Arvada) from 7:00 – 9:00 a.m, May 11. Buy some breakfast at the counter and join us in the community room for some networking, planning and CPE. Debbie Rodgers of IRS will present a one hour discussion regarding the Income Tax Implications for 2009 of the American Recovery and Reinvestment Act (ARRA). Mark your calendars today and contact Jack to reserve your spot!

Contact Jack Dirksen at jack@coloradoaccountant.org or 303-452-8227 if you plan to attend, or if you have questions or topic ideas.



Doing the Numbers

Financial Status, Did you know there's a website dedicated to actuarial projections and publications regarding Social Security? The site includes a wealth of statistical information about Social Security that groups and organizations - or anyone interested in doing the numbers - will find useful.

Just visit www.socialsecurity.gov/OACT/pubs.html for a list of publications, reports, proposals and summaries - such as the 2008 Social Security and Medicare Trustee Reports, the 2008 Annual Report of the SSI Program, solvency memoranda and proposals, statistical tables and more.

From Social Security Update

Signup for their newsletter here: http://service.govdelivery.com/service/subscribe.html?code=USSSA_76



Energy-Saving Steps , continued from page 4

for wind facilities) can make an irrevocable election to claim the energy investment tax credit instead of the renewable electricity production tax credit. IRS will issue guidance explaining how to make the election.

Taxpayers also can claim a grant once the property is placed in service instead of claiming either the energy investment tax credit or the renewable energy production tax credit. For qualified renewable energy facilities, the grant is 30 percent of the investment in the facility as long as construction begins in 2009 or 2010 and the property is placed in service before 2014 (2013 for wind facilities). The Treasury Department will issue guidance explaining how the grant works and how to apply.

Taxpayers electing to receive the grant, created by the ARRA, will not be eligible for either of the tax credits. Proceeds from the grants are not includible in the taxpayer's gross income, but the grant amount is subject to recapture if the property is disposed of or otherwise ceases to qualify.

For more information on the renewable electricity production tax credit under Section 45 see Notice 2008-60 and Notice 2008-48, and for more information on the energy investment tax credit under Section

48 see Notice 2008-68.

From the Internal Revenue Service. This can be viewed at: <http://www.irs.gov/newsroom/article/0..id=206869.00.html>.



Special Tax Break Available for New Car Purchases This Year

IR-2009-30, March 30, 2009

WASHINGTON — The Internal Revenue Service announced today that taxpayers who buy a new passenger vehicle this year may be entitled to deduct state and local sales and excise taxes paid on the purchase on their 2009 tax returns next year.

“For those thinking about buying a new car this year, this deduction may give them a little more drive to make their purchase this year,” said IRS Commissioner Doug Shulman. “This deduction enables taxpayers to buy now and get cash back later on their tax returns.”

The deduction is limited to the state and local sales and excise taxes paid on up to \$49,500 of the purchase price of a qualified new car, light truck, motor home or motorcycle.

The amount of the deduction is phased out for taxpayers whose modified adjusted gross income is between \$125,000 and \$135,000 for individual filers and between \$250,000 and \$260,000 for joint filers.

IRS also alerted taxpayers that the vehicle must be purchased after Feb. 16, 2009, and before Jan. 1, 2010, to qualify for the deduction.

The special deduction is available regardless of whether a taxpayer itemizes deductions on their return. The IRS reminded taxpayers the deduction may not be taken on 2008 tax returns.

From The Internal Revenue Service Site. Can be viewed at: <http://www.irs.gov/newsroom/article/0..id=205863.00.html?portlet=7>.



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Full list available online at http://www.coloradoaccountant.org/pdf/Officers_and_Directors.pdf

Get Your Business on the Web with New Service for PASC Members

The Public Accountants Society of Colorado (PASC) Board of Directors has approved an offer from SOS4Net, Inc., for members to have a Web page professionally designed by the company for \$199, a savings of nearly 75 percent. The hosting fee for this Web page has been negotiated at \$5 per month (\$60 per year), to be billed annually by PASC. Set-up fees have been waived. In addition, members can choose their own domain name and have it registered for free for the first year. Subsequent years are billed at \$14.95 per year.

Members who take advantage of this offer can select a template from a list that has been approved by the PASC Board. The individual Web page will be integrated within the existing PASC Web site at www.coloradoaccountant.org. Therefore, templates have been developed based on color schemes that will preserve the integrity of the existing site.

In addition to the greatly reduced rates, members who host a Web page within the PASC site can take advantage of search-engine submissions, which could greatly increase visits to their site. Also, for those who would like to change content frequently, up to two sections of the page may be edited directly from the member record of the PASC Web site.

Visit www.coloradoaccountant.org/bestoffer, where you will find a sample Web page as well as links to templates. Contact information is also provided here so the member can sign up for this incredible opportunity.

For more information, contact Ruth Bustamante in the PASC Executive Office at (303) 452-8227 or (800) 578-4451; ruth@coloradoaccountant.org; fax (303) 477-0770; P.O. Box 1078, Eastlake, CO 80614-1078.

To sign up, fill out the following form and mail, e-mail or fax it to the PASC Executive Office.

Get Your Business on the Web FORM

Name: _____

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I understand that I will pay a one-time \$199 fee for a professionally designed personal Web page to SOS4Net, Inc. I understand I will pay a \$60 hosting fee (\$5 per month) for the first year (and \$60 per year thereafter) to PASC. I understand I will pay \$14.95 per year to renew my domain name. (The domain name of my choice will be registered for free for the first year.)

Total Payment: \$259 to PASC

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After PASC receives this form and payment, your information will be sent to Scott Hendrickson at SOS4Net, Inc, who will contact you to design the Web page with the color scheme you choose and personalize it to showcase your company and services.

**TIME IS RUNNING OUT**

Don't forget to pay your PASC Membership Dues! Your invoice has been emailed so please take a moment to send in your check or pay your dues online at www.coloradoaccountant.org.

Thanks for helping us keep our postage costs down! We greatly appreciate you!

ADVERTISEMENT**PLACE YOUR AD HERE !!!**

Contact Ruth Bustamante for prices and sizes.

303-452-8227

ruth@coloradoaccountant.org

Send the copy and artwork to Lynette Myers.

newslettereditor@coloradoaccountant.org

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PO Box 1078 Eastlake, CO 80614-1078



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Articles for *The Professional Public Accountant* Newsletter are welcome and encouraged.

To submit, please e-mail
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