



LAUBER'S LEDGER

Fourth Quarter 2011

November, 2011

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Medicare Open Enrollment

By Nathan Weindruch

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It is that time of the year again, only it is here much earlier than last year! The dates have changed in 2011 for Medicare open enrollment and we have already begun. Prior to this year, open enrollment took place from November 15th through December 31st. This year the dates have been moved to October 15th through December 7th. The dates have been changed to give Medicare beneficiaries more time to decide if they will be making any changes to their coverage for 2012.

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There are two main changes that you can make during the open enrollment period. Being aware of the time period to make changes is important, as normally this is the only time of the year that most beneficiaries can make these alterations. Take the time to look at your current situation and look around to see if there are more efficient or lower cost opportunities for yourself.

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The first change that can be made is to join or switch your Prescription Drug Plan (PDPs or Medicare part D). There are many important facts to consider when making a decision on your coverage including monthly premiums, co-pay costs, and you must also make sure that your prescriptions are covered on the plan's formulary. Be sure to take the time to research in order to make an educated choice. Even if you are not taking many prescriptions currently, it is important to enroll in a PDP plan in order to avoid having to pay a late enrollment penalty.

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The second change that can be made is to enroll or leave a Medicare Advantage Plan (MAs or Medicare part C). Medicare Advantage Plans are offered by private insurance companies that are Medicare approved. If you join a Medicare Advantage plan, you still have Medicare. They generally combine your parts A (Hospital Insurance) and B (Medical Insurance) with the option to add part D as well. These plans must cover everything that Original Medicare covers and some plans offer value added services such as dental, vision, or hearing coverage. You must still pay your part B premium and usually a monthly plan premium. Each Medicare Advantage plan will have different co-pays, costs, and rules when you use its services, so make sure to fully research a plan before joining or switching plans.

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Remember, the dates have changed this year. Make sure to give yourself ample time to make a good decision concerning your health care. If you have questions, a great resource to use is www.medicare.gov.

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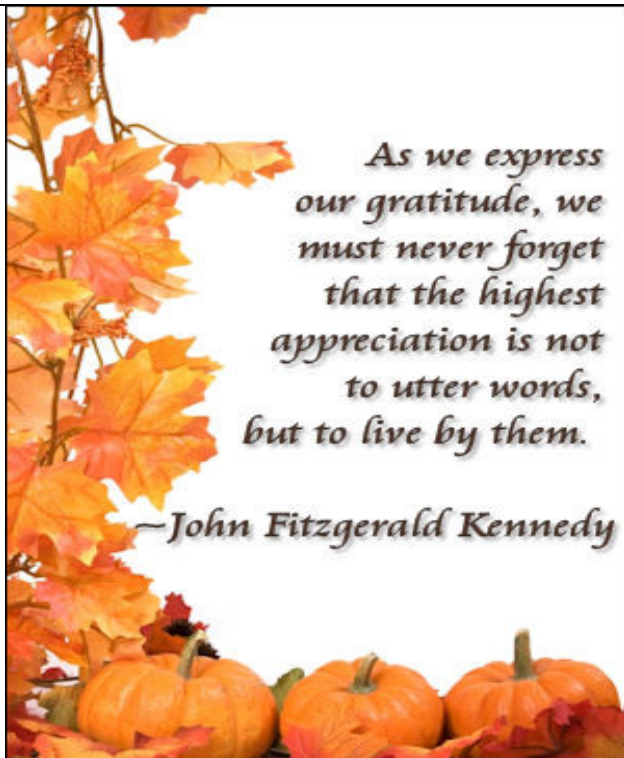
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Notice of changes:

2011 FUTA Rate

As "credit reduction" States for 2010, the Indiana FUTA rate was 1.1% and Michigan's was 1.4%. The rates are expected to increase to 1.4% and 1.7% respectively. However, since the Department of Labor won't designate the "credit reduction" States for 2011 until November 2011, you don't know what the 2011 FUTA rate will be. So you should accrue and make your deposits based on the .8% or the .6% rate (the government said it went down to for the last two quarters). As soon as the 940 form is updated we will all know more. Don't be surprised if there is more to pay.



Lauber's Laughs



The businessman dragged himself home and barely made it to his chair before he dropped, exhausted.

His sympathetic wife was right there with a tall cool drink and a comforting word.

"My, you look tired," she said. "You must have had a hard day today. What happened to make you so exhausted?"

"It was terrible," her husband said, "The computer broke down and all of us had to do our own thinking."

Ask The Editor:

If you have questions or would like to see an article written on a specific topic, please send us your request. We are going to include articles when possible.

Send them to : info@laubercpa.com

Our offices will have the following hours for the holidays:

Thurs 25th and Friday 26th of November, Friday 23th of December. We wish all of you and your families a blessed Holiday season.

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Subject: Listing of Vendor Invoices Due For a Specific Time Period

By: Melissa Allen

Issue: Knowing what bills are due for the week or a specific time period. In our last issue, we wrote about how to set up the individual defaults so the terms for the vendor would be correct.

What It Will Do: List what invoices are due without much research so the cash requirements are known at a glance.

How to accomplish: The following are step by step directions on how to list what is due for a specific date. However, if the terms are not correct for the vendor, the due date will be incorrect for that vendor.

To print out a report showing what is due:

Go to **Reports & Forms**.

Click on **Accounts Payable**.

Click on **Cash Requirements**.

The Cash Requirements report is displayed. To change the date in which the listing is pulling for, click on **Options**. Enter the date you would like to list of when invoices are due in the "As of:" drop down. Click **OK**.

There are also filters that can be used to filter the report to whatever you would like listed.

To list the invoices due in the action items display window:

Go to **Tasks**.

Click on **Action Items**.

Click on **Options** on the menu bar.

Click on the **Transactions** tab.

Scroll down to find "Vendor Invoices Due" in the Event Type. Enter the number of days you would like to list the invoice before it's due. Make sure the Create Event and Display in Action Items column are both checked. Click **OK**.

If you like for the Action Items window to open when you open Peachtree, click on the **Start Up** tab and check "Display Action Items each time a new company is opened".

The Action Items window can also be used for numerous other alerts.

How it will work: Peachtree will display in the action items window, under the Events tab, the specified days for invoices due are listed if using action items. If the cash requirements report is used, you can either display or print like any other report.

The final output: The invoices due will be listed to reflect the date specified according to the terms entered for the vendor.



What's new in QuickBooks 2012

By David Ryan

Have you been considering upgrading your version of QuickBooks, or switching to QuickBooks for managing your companies financial data? The newest release of QuickBooks has some very interesting and useful new features. Below are some of these new features and how they can benefit you and your business.

Calendar View- QuickBooks now takes the due dates of payables invoices, billing, and past transactions and conveniently puts them in a month at a glance calendar. You can filter the calendar to only show specific types of transactions, such as only payables due to be paid. In past versions of QuickBooks this information was maintained in task lists. This new calendar view is a great tool in order to stay on top of due dates, or as a reminder on what customers are past due and need to be called.

Document Attachment- In QuickBooks 2011, you could sign up for the document attachment service. Starting with the 2012 version of QuickBooks, this feature comes standard. It's now free to attach documents to your lists inside QuickBooks. Some examples of this feature include attaching a scanned copy of a W-9 to a vendor file, attaching employee hiring documents to the employee file or attaching a memo or email to a client file. This new service could have many varied uses in keeping you organized, as well as having all the information you need right at your fingertips.

Industry Specific Report (User Created)- QuickBooks 2012 gives you access to reports that have been created by other QuickBooks users. You can search by industry, user rating & popularity. Choose the template or format of the report that you like, and QuickBooks will populate that report with your business data. This feature is very interesting because it allows a greater freedom of finding the financial report that works best for your company, while saving you the time of actually creating a custom report.

Sales Lead Center- The new sales lead center makes it easy to keep track of your potential customers. In past versions of QuickBooks, you could only record and track Customers. This new feature lets you keep sales leads and current customers in separate lists. When your sales lead becomes a customer, you can move their information into the customer center with one click. Being able to run a customer list versus a sales lead list can help your business with targeted mailings, advertising, and it removes the need for a separate sales lead tracking software.

QuickBooks Pro 2012 edition can be purchased for \$230 if you are a new user, or you can upgrade your current version of QuickBooks to 2012 for \$200.

You can purchase the software at [http:// quickbooks.intuit.com](http://quickbooks.intuit.com)

If you need assistance setting up your company to use QuickBooks, or upgrading to the new 2012 edition, we are QuickBooks certified advisors and can assist you in this endeavor.

Improving Processes through Lean Thinking

By Beth Santana

Lean thinking has been around for many years. Instances can be traced back to 1450s Europe but more recent instances were utilized by Henry Ford and more recently with Toyota, known as the Toyota Production System (TPS). Lean thinking is a way of life, a mindset. Lean means to organize in order to give the customers what they want, when they want it, at the lowest possible cost, with the highest quality.

The shift of focus is from the actual production of the product to the processes used. This focus is not only on the production processes but the administrative processes as well. To get started the value to the customers should be identified. What does the customer want? What does the customer value? What is the customer willing to pay for?

The next step is to map the process. This means the entire process, from entrance to exit get specific. Identify the areas that add value and those that do not. There will be areas that do not add value but are necessary and required.

Questions that should be asked are: Are we doing the right things? Should we focus our processes differently? Is there something that doesn't need to be done? Are we effective? Are we doing things right? Are we meeting our standards? Are we efficient? Are we doing things right the first time? The areas that do not add value and that are not necessary or required are considered waste and should be eliminated. About 20% of waste is obvious and the other 80% can be found in equipment, procedures, people and materials or resources.

Eight basic types of waste can be present:

1. Overproduction or early production – performing an activity before it is needed.
2. Waiting time – time spent waiting to be productive.
3. Transportation, moving materials – movement and storage of materials and inventory.
4. Inventory – not having what you need when you need it.
5. Motion – the time it takes people to obtain supplies or to use a machine.
6. Processing – outsourcing or the purchasing of materials has a lower cost, including the paperwork generated.
7. Defects – anything that does not meet your standards.
8. Ideas/creativity – the people performing the work may have good ideas on how to improve the processes.

Teaching people to think differently, see the waste and plan the work differently is a continuous undertaking. Teaching these skills to everyone is imperative. As with anything there are obstacles from culture change to the fear of change so communication of the plan is helpful. Sometimes making the simple improvements will result in big benefits.

Tid Bits to Know

By Christine A. Lauber

- For 2011 Corporate tax returns require that Merchant and Credit Card Sales are listed separately from all other sales. The IRS will be matching this line up with the 1099 now required by the credit card companies. So if you are acting as a “pass through” for someone else’s company or using one name for several companies, you may have an accounting problem.
- For 2012, all out of state municipal bond interest will be taxable for Indiana purposes. It will still be exempt for federal purposes. You may wish to review your bond portfolio to determine your exposure. Many other states already do this, Indiana is just catching up.
- IRS has reversed its policy on company provided cell phones. It will no longer be treated as taxable compensation to employees and their personal use is non taxable. In addition, employer reimbursements for personal cell phones for business will not be taxable. However the business must have substantial business-related reasons for providing the phone. If it is just a nice thing to do, it is taxable. The recommendation is to have a policy for cell phone use and be clear about the business use purpose.
- IRS has reversed its policy on employer provided clothing as a de minimis fringe benefit. It has discovered that many employers provide logo clothing and accessories to their employees and require them to wear on business. It has also discovered this isn’t a small benefit in many cases. Therefore, providing clothing etc to your employees is a taxable fringe benefit.

Customer Service is a must...

By Lori Milani

Everyone knows what customer service is, unfortunately not everyone gives it the importance that it deserves. If you make sure that your customers are well taken care of you will not only retain customers but also acquire new ones.

Here are six helpful tips to improve customer service in your business:

1. Train your staff to be always helpful, courteous, and knowledgeable.
2. Answer your phones- make sure that someone is picking up the phone promptly.
3. Listen to your customers- let the customer talk and make sure they know you are listening.
4. Take the extra step- customers notice when people make an extra effort and will tell other people of their experiences.
5. Don’t make promises unless you will keep them- reliability is one of the keys to any good relationship.
6. Throw in something extra- whether its additional information on how to use the product, or just a genuine smile, people love to get more than they thought they were getting.

This is just the tip of the iceberg when it comes to customer service. Remember customers need to feel that they’ve been heard and understood, and try to always leave a positive impression in their minds. Put emphasis on what can be done, not on what cannot.

Avoid Donor Fatigue

By Chad McDonald, CPA

Year after year you contact the same people to solicit donations or sponsorships for a special event. But at some point, even the most benevolent souls experience donor fatigue and don't want to be asked again. Here are some tips on how to stay engaged with your donor base while not having your fundraising efforts erode the relationships you've worked so hard to build.

Friend-raise not fundraise

Ask your board members, employees, volunteers and others connected with your organization to provide names and contact information of people in their own networks. This is a great way to involve your tried-and-true supporters in the fundraising process, and will quickly help you:

- Raise awareness
- Spread your fundraising message to a larger audience
- Grow your database of donors and volunteers.

Board members, employees, and volunteers should first talk to their contacts about your organization to explain your goals and get them excited about your mission. With this approach, your strongest donors provide a personal introduction and may be more likely to generate a donation.

Stagger your attention

Do you blanket your entire donor base each time you send a mass mailing? This can lead to fatigue. To avoid this, stagger your solicitations.

- Solicit your most significant donors in person
- Contact the next tier of donors with a personal letter
(Follow up both communications with a phone call)
- Send mass mailings to everyone else

Think of alternatives

Consider forgoing soliciting your major donors for monetary donations every year. Their non-monetary donation may be just as valuable, if not more so. For example, if you hold an event at the same location each year, explore other venues for the next few years.

Then, ask the established sponsor to provide support in another way, such as by donating a gift card or item for a raffle. This way the donor might readily commit to holding your event every other year.

The same holds true for individual donors. While you'd hate to miss out on a donation by simply not asking, consider asking significant donors to contribute in ways besides writing a check.

It may be beneficial to ask a donor who is well established in the community to donate their time by chairing a committee, hosting a fundraiser, or emceeding an event. This strategy ties into the friend-raising concept. Involving your major donors in other ways may result in their introducing your organization to others.

The role of the Community Association Treasurer

By David Ryan

So you have made the plunge and decide to run for the board of your community association. You win congratulations! and at the first board meeting you are appointed to the office of the treasurer. Now what? The treasurer holds a key position within the association.

Below are four of the most important tasks that the treasurer must be aware and responsible.

Financial voice of the board and community- In many smaller, self-managed communities, the treasurer's function is often broadened to include bookkeeping. This includes recording and collection of association dues or special assessments, paying any community association bills, and presenting financial information to the board or community at large. Depending on the size of the association, this could be as undemanding as maintaining the association's check book. A large, self-managed community may have its financial records maintained in computerized accounting software, such as Peachtree or QuickBooks.

Liaison to the association's auditor or accountant- Do the bylaws of the association require a yearly audit? When is the year end? What type of tax return must be filed? When is this tax return due? Is there a reserve program? Is there adequate funding for the reserves? These are all questions that the treasurer must be able to answer. A good idea for a newly elected treasurer would be to schedule an appointment with your outside accounting firm to thoroughly review the finances and important tax deadlines for the association.

Implementation of the annual operating budget- One of the most important responsibilities that the treasurer has is preparing the annual operating budget. The budget is a formal financial plan that helps determine the annual assessment. It can also be used as a tool to measure financial performance and activity of the association. Oftentimes prior year budgets serve as the historical basis for the current year budget. Some associations develop multi-year budgets (two, three or five years are most common). The purpose of these multi-year budgets is to avoid any surprise increases in fees, or special assessments. The board should involve the community in the budgeting process as much as possible.

Developing safeguards to protect association assets- Another key role for the treasurer is acting as the internal auditor to the association. This includes ensuring that proper internal controls are in effect. A treasurer must be prepared to ask lots of questions. Who has access to association bank accounts? Are bank reconciliations done monthly? Does the association maintain petty cash? For any major purchase, is there a formal bidding process? Are the appropriate levels of insurance maintained on association or community property? Are financial records being maintained for the appropriate number of years? By developing and maintaining the correct internal controls, the association treasurer has a better chance of avoiding any misappropriation of funds or embezzlement.

The treasurer is responsible for maintaining healthy finances and ensuring future financial viability of the community association.

How KPIs Help Your Business

By: Breanna N. Peare, CPA

Key Performance Indicators (KPIs) measure how well your company achieves optimal results of operations. There are a wide variety of KPIs and only specific ones apply to certain industries, and even businesses inside those industries. How can you tell which KPIs apply to your company?

Drivers

First, you must look at what drives your business. If you are running a school, some KPIs may be the average cost per student, graduation rate, attendance rate, or dropout rate. If you are in a service industry, they may be more focused towards the number of personnel, chargeable hours, revenue, or net income. Determining which KPIs drive your company is very important. If you pick the wrong ones, you will be performing calculations and comparing the results without the impact you are looking for to help your business.

Calculation

Once you decide which KPIs apply to your company, it is time to calculate how you performed in each respective KPI. Some may be simple, such as the number of personnel or amount of revenue. Others may be a little more complicated with various items to consider, such as the average cost per student. There are fixed fees and variable fees to take into account. The cost per student will inevitably increase as the number of students decrease if fixed costs are included in your calculation.

Comparison

After you calculate the KPIs that apply to your business, you can compare your results to industry wide standards if you have access to that information and/or your company's history. You will notice trends and can ask yourself what made one year's results better than another's. When you find the most appropriate measures of your business's KPIs, you must strive to attain them going forward.

Deciding which KPIs apply to your company can be tricky. Calculating them may be even more complicated depending on what you are attempting to measure. If you would like assistance with KPI measurement, your accountant would be more than happy to help you help your business.

If you wish to prosper, let your customer prosper... When people have learned this lesson, everyone will seek his individual welfare in general welfare. Then jealousies between man and man, city and city, province and province, nation and nation, will no longer trouble the world.

-Fr

Project Management vs. Customer Management

By Daniel Tiesch

Being effective in any line of business is a continual process. Taking care of the actual tasks associated with your business as well as satisfying the needs of your customers are areas that need attention at all times. The fault at times is when one focus trumps the other.

In essence the operations of any organization can be broken down into two lenses, project management and customer management. Project management is concerned with scheduling the various tasks and operations in order to get done in an efficient amount of time. By being focused on projects the organization is concerned with the experience of the staff, as well as educational credentials. The knowledge required for these projects is acquired through rigid training modules with limited flexibility. Project management is a very common practice especially when time is money and the most money comes from those organizations that can produce the most, this of course doesn't mean that this is the only way to operate.

Another way to look at operations is through a customer management focus. This approach helps to survey the services needed by your particular customers. By looking at customer needs, the appropriate level of staff experience and task dedication can be applied in order to get the job(s) done. In addition, staffing is looked at from a different angle as well. Instead of focusing on staff experience, managers take into consideration the various personalities that are found in their particular staff. Personality can be a great indicator as to the success of the servicing and ultimately the satisfaction of the customer. While "surveying" your customers' needs, it is important to realize that their needs go deeper than your services. The need of your businesses in your customers' different industries is key. Take time to get to know the industry of your customers and know any oddities that these businesses face. This understanding of your customer and their industry will come with experience and effort.

While the customer management focus seems to take away from the tasks at hand in your day to day operations, knowing your staff, customer, and all their various needs will aid in being more efficient and effective in any line of business. And isn't that what we all want, continuous improvement while helping in both our customers' and our own individual success.
