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NEWSLETTER



Charting Your Course

by John Nix, C.P.A.



I think that it will really be interesting to read the history of our current period. We are embarking on so many unprecedented courses of action that

only time can determine whether they are the correct course or a blind foray into the unknown. One thing that we all have to admit is that it is never boring!

I have never been a political animal but as a small business owner and advisor to many business clients it is important to closely follow the current political happenings in the financial world. It is easy to dismiss the discussions and actions as only applying to large corporations and groups. But history has taught us that the rules, regulations and other actions by our government, both national and local, eventually trickle down to small businesses and their owners. The future playing field for business is currently much too fluid for reasonable predictions but you can be sure that it will be different from what we have seen in the past. As leaders and managers of our businesses we must be vigilant in our assessment of those changes and how they will affect our operations.

I recently heard a respected, retired senator speak to the economic

situation we are currently working our way through. While he was confident that over time the economy would improve he had two warnings. First is the imminent threat of inflation. We have unprecedented amounts of cash sitting on the sidelines waiting to enter the market for goods, services and investments. Add to that the huge amounts of incentive money from the federal government and you have the classic formula for inflation. Second is the irresistible nature of Congress to “do something”. Precipitous actions taken in haste that are designed to “fix the problem” often turn out to create new problems that were never foreseen when the legislation was conceived. Invariably the down side is that the well intentioned actions prevent the economy from operating in a manner that allows the flow of capital to reach its highest and best uses. More simply, it creates vast inefficiencies in our economy that all of us must pay for in one way or another.

So, what should we do? We must stay informed and follow the legislative and regulatory actions. We should consult our trusted advisors and seek all the information and guidance that we can both within our current business circles and on the national stage. Those that do can benefit.

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ON THE HOMEFRONT



+ **Becky Holcomb** and husband Jeff became first-time grandparents. Callie Elise Whitlock was born February 14 to parents Brittany and Jerod Whitlock. She was 7 lbs, 15 oz and 20 3/4" long at birth.



+ **Betsy Williams** and husband Ben became grandparents for the second time. Charles 'Charlie' Ernest Williams was born April 22 to parents Richard and Katie Williams and big brother James, age 6. Charlie was 8 lbs, 7 oz, and 21" long.



+ **Dena Brown** and Richard Bosten were married May 9 at Dahlonaga Baptist Church. They are graduates of North Georgia College and State University. Dena graduated with a BBA in accounting and Richard graduated with a BS in criminal justice. The couple will reside in Gainesville.

PROUD MOMENTS

+ **Duane Schlereth** won a silver medal in the Masters 4 at the Lanier Sprints rowing event in Gainesville on April 5. His team's raw time for the 1000 meters was under four minutes.



+ **Duane Schlereth, Beth Grimes** and **Lori Sayer** attended the Association County Commissioners of Georgia Buyers Mart held in Savannah April 25 and 26. The County Buyers Mart is an educational exhibit of products and services useful to county governments. BCC exhibited this year showcased the services our firm offers to county government. County managers and county commissioners from across the State attend the Buyers Mart.

Making a Difference



+ Captain **David Geer**, U.S. Navy (Retired), an audit supervisor with BCC recently participated in the 17th annual Patriotic Day celebration at Myers Elementary School in Gainesville, Ga. The purpose of the event was to teach the students about their country and community. David made presentations to all the 4th and 5th grade classes on some of the capabilities of the U.S. Navy and the talented young men and women that serve their country. David is shown with one of the 4th grade classes taught by Ms. Christina Geer, David's daughter.



+ **Dustin David** participated in the Muscular Dystrophy Association's Gainesville Lock-Up 2009 to help raise money for Jerry's Kids®. Dustin David was arrested and stuffed into the back seat of a squad car to be 'locked up' as a participant in the Muscular Dystrophy Association's Gainesville Lock-Up 2009. This is an annual event to help raise money for Jerry's Kids®.

NOTES FROM UNCLE SAM

by Randy Jessup, C.P.A.



New Tax Preparer Rules for Disclosure and Use of Return Information Section 7216 Regulations –

Starting January 1, 2009, new IRS regulations became effective which generally prohibits the disclosure or use of tax return information without the client's explicit, written consent. The purpose of the new law is to prohibit preparers of tax returns from knowingly or recklessly disclosing or using tax return information. While we certainly do not share tax returns with unauthorized users, we frequently are asked by our clients to provide tax return information to bankers, financial planners and attorneys. These regulations will require us to obtain written consent, including the specific tax year and its specific intended user, from you to be able to transmit this information.

Shareholder loan documentation –

Loans between shareholders and their closely held corporations must be properly documented to ensure proper tax treatment. At the end of each year the loan amount and interest rate must be clearly stated. Based on our experience with the IRS, loans can be open-ended and interest can be charged for an entire year at the corporation's year-end. However, proper documentation of the agreement is necessary to ensure compliance.



Increase in IRS audit activity –

Based on our own experience and conversations with our peers we are seeing an increase in IRS audits in North Georgia. The focus seems to be frivolous tax schemes which should not affect our clients. However, be advised that the IRS has a "wide cast" with their audit net, particularly for certain demographics, such as high income taxpayers and taxpayers with carryback claims.

If you have questions regarding the above items, please feel free to contact our office.



MILESTONES TO RECOGNIZE

New team members



Zach Propes joined the staff of BCC as a staff accountant in the Commercial Audit Department. He graduated in May

2009 with a BBA in accounting from North Georgia College & State University. Zach was an intern at BCC during the 2008 tax season. He will pursue his master's in business administration in January 2010. He also plans on acquiring his Certified Public Accountant certification upon completion of the Masters program. Zach enjoys being a community coach for the Chestatee Middle School football program. We are very excited about having Zach join our team of professionals.

In May, **Ron Bracewell, Kristi Griffin** and **Kingsley Peoples** attended the 2009 AICPA National Conference on Employee Benefit Plans in Orlando, Florida. They heard directly from the Department of Labor, Internal Revenue Service and the Department of Treasury, as well as top industry experts, who addressed the latest rules, regulations, implementation guidelines and enforcement issues affecting employee benefit plans.

Our Employee Benefit Plan audit service area continues to grow and we are dedicated to providing our clients with quality and expertise. Please contact our office to learn more about auditing your plan.



FROM OUR FAMILY TO YOURS

Email Scam Claims To Be From IRS

by Janice Fielder, System Administrator



Phishing is pronounced “fishing” and that is a fitting description. Phishing is when someone attempts to get your personal information online through e-mail that appears to come from your bank, the IRS or a credit card company.

The most current phishing scheme are emails that appear to be sent from the IRS aimed at taking advantage of stimulus payments and may begin with “After the last annual calculations of your fiscal activity we have determined that you are eligible to receive a Stimulus Payment. Please submit the Stimulus Payment Online Form in order to process it.”

They will ask for personal information such as your social security number and bank account number. Be aware that the IRS does not initiate communication with tax payers through email. If the e-mail appears to come from a financial institution you do business with contact the institution with the telephone number located on the back of your card, do not use any information in the e-mail for contact as they often set up a phone number that is used by scammers.

If you receive email like this your best action is to delete it. Do not reply to the message as that will just get your email address on their list. On any email it is best practice not to open any attachments if you were not expecting them or do not know the sender. The attachments could contain a hidden program that could infect your computer in order to steal or “phish for” information. Another good practice is not to click on any links in an e-mail as these links could take you to a web site that could infect your computer with hidden programs also designed to “phish” or steal your information.

You should always have an anti-virus program on your computer and keep it updated. The best protection is to always be on alert for online scams like phishing.

TAKE A BREAK...

What is the difference between waterboarding and an IRS audit?

- A. No discernable difference.
- B. The government is cutting back on waterboarding.
- C. You can't waterboard people who are already dead
- D. All of the above

How does an accountant stay out of debt?

He learns to act his wage.

Where do homeless accountants live?

In a tax shelter.



“I'm getting so old that all my friends in heaven will think I didn't make it.”

Spiced Marinated Tomatoes

Contributed by Nora Roe; Courtesy of Cooking Light

Lasts up to two days in refrigerator • yields 8 1/2 cup servings



- | | |
|--|--|
| 4 cups halved red, yellow, or orange cherry tomatoes | 1/3 cup white balsamic vinegar |
| 1/3 cup thinly sliced green onions (about 4) | 1 tablespoon light brown sugar |
| 4 garlic cloves, minced | 1 tablespoon extra virgin olive oil |
| 1 jalapeño pepper, thinly sliced | 2 teaspoons minced peeled fresh ginger |
| | 1 teaspoon ground cumin |
| | 1/2 teaspoon salt |
| | 1/2 teaspoon freshly ground black pepper |

Combine first four ingredients in a large bowl. Combine vinegar and remaining ingredients in a small bowl; stir until blended. Pour vinegar mixture over tomato mixture, tossing to coat. Chill one hour.



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