

# IN THE BLACK

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## BRUCE A. RUKKILA, CPA, PC CERTIFIED PUBLIC ACCOUNTANTS

### What we offer you:

#### Auditing

- T Governmental
- T Nonprofit
- T Private

#### Tax Planning & Preparation

- T Individual
- T Business
- T Estate & Trust
- T Pension & Profit Sharing
- T Property & Excise Taxes
- T Nonprofit

#### Accounting Services

- T Payroll
- T General Ledger
- T Compilations
- T Reviews

#### QuickBooks® and Creative Bookkeeping Solution

#### Consulting

- T Set up
- T Training
- T Support

#### Additional Service Areas

- T Business Valuations
- T Financial Reorganizations
- T Human Resource & Benefit Consulting
- T Business Plan Development
- T Personal Financial Statements
- T Financial Projections &

## Welcome back to “*IN THE BLACK*”

The goal of our newsletter is to share information and tips that are relevant to you and your business.

If you have questions, comments or suggestions for us, visit our web site

at [www.brucerukkila.com](http://www.brucerukkila.com), send us an email or give us a call.

Bruce Rukkila, President, CPA, CVA

## Reduce turnover and retain employees

Additional benefits can reduce turnover and encourage employees to stay with their current employer. Consider offering several of the following incentives to show your employees you appreciate them.

- < Scholarships
- < Day care
- < Telecommuting
- < Paid parking
- < Discount tickets to local events
- < Dependent care flexible spending accounts
- < Flextime
- < Adoption assistance
- < Childcare referral service
- < Professional development opportunities - seminars, conferences, etc.
- < Additional health care and healthy living
  - On-site vaccinations
  - CPR and first aid training
  - Smoking cessation programs
  - Gym subsidies
  - On-site fitness centers
  - Weight loss programs

Traditional benefits like health insurance help hire employees, but family-friendly and personal benefits may keep an employee on board. Turnover is costly and an employee who feels appreciated is less likely to leave to work for a different company. See In The Black Summer 2003 for a description of cafeteria plans and contact [patti@brucerukkila.com](mailto:patti@brucerukkila.com) for more information.

## **GASB 34**

### **The New Governmental Financial Reporting Model**

Government Accounting Standards Board (GASB) Statement No. 34 makes dramatic changes to the way state and local governments report their finances to the public.

General purpose governments must present:

- < Management's discussion and analysis (MD&A).
- < Government-wide financial statements.
- < Fund financial statements.
- < Notes to the financial statements.
- < Required supplementary information, including budgetary comparison schedules, infrastructure condition data, and other data required by previous GASB pronouncements, if applicable.

#### **What is the MD&A?**

It is a narrative report prepared in an easy-to-read format by the government's financial manager. It should:

- , Introduce the basic financial statements.
- , Provide an analytical overview of the government's financial activities for the year based on the financial manager's knowledge of the transactions, events, and conditions reflected in the financial report and the fiscal policies that control the government's operations. The use of charts, tables, and graphs are encouraged.

#### **What do governments need to do?**

Governments need to identify issues that could impede implementation of the requirements. Implementation should have a minimal effect on your accounting software. The entity will continue to maintain fund accounting and do adjustments at year end to convert to the requirements.

For more information regarding GASB 34 go to our web page [www.brucerukkila.com/audits-gasb34.html](http://www.brucerukkila.com/audits-gasb34.html)

### **Starting a New Business? You can now apply online!**

You can apply on line at [https://sa2.www4.irs.gov/sa\\_vign/newFormSS4.do](https://sa2.www4.irs.gov/sa_vign/newFormSS4.do) to receive your employer identification number. You will receive a provincial identification number online, to be followed up by mail notification. For more information stop by our office and pick up one of our new business packets.

If you need Michigan State business information, check out the IRS Michigan links page at <http://www.irs.gov/businesses/small/article/0,,id=99552,00.html>. (Hint, if you are having trouble with the link, check that you have commas for "0,,id=99552,00".)

### **Five Fundamentals for Managing Personal Credit**

The Treasury Department and the Federal Reserve Board list the following fundamentals as vital to achieving home ownership, higher education, and small business development:

- Build savings to avoid high-cost debt and improve payment options.
- Pay bills on time.
- Pay more than the minimum payment due.
- Comparison shop for credit and obtain only the credit you need.
- Understand your credit history and how it affects you.

### **Tips for Managing Flexible Work Schedules**

1. Make sure team members know how their work performance is measured and evaluated.
2. Learn about your employees. Find out why they want more flexible hours - are they taking courses or wanting more family time?
3. Be aware of personal time clocks - make use of your night owls and early birds by allowing them to work when they are most productive and as a result, expand the hours your office is open.
4. Keep your overall business in mind. If flextime is not feasible for your office - offer some flexibility during the day to let your employees handle the personal errands that need to be done during business hours. One option is to offer staggered lunch hours so that your business is always covered.

**Did you know?  
Estate planning notes!**

Most states create a will for you if you do not have one. Do you want the state to decide where your assets will go?

Do you have minor children and no will? The state will choose who will raise your children - wouldn't you rather pick someone that you trust to love and raise your kids?

Do you want to choose who gets what? Maybe you need a trust and can eliminate probate. What about estate taxes? They are due to return after 2010, will your estate still be protected from tax?

Other considerations deal with end of life issues: durable powers of attorney for health care, living wills, and health care directives let physicians and hospitals know what your wishes are for medical intervention.

Set up your advisors: call Bruce A. Rukkila, CPA, PC at 482-6601. No one knows more about your wishes than you do. Start planning for your family's future soon!

**E-filing for 2004 Required for  
Michigan 2003 Returns**

Beginning in 2004 all tax preparers that have filed over 200 returns with the state of Michigan will be required to e-file all eligible income tax returns for the 2003 tax year. (In addition to personal tax returns you can also e-file the Michigan Single Business Tax and Motor Fuel returns).

Bruce A. Rukkila, CPA, PC has been offering e-filing for three years and has found it to be a valuable service to offer our clients. All our individual clients will need to e-file for 2003, but will have the option of receiving refunds either through the mail or as a direct deposit into their bank account. Similarly you can pay your taxes due with either a check or automatic deduction from your bank account. As in the past Bruce A. Rukkila, CPA, PC does not charge to e-file tax returns that we have prepared.

**See our Summer Issue for 2003 Tax Planning and an overview of the Tax Relief Reconciliation Act of 2003.**  
[www.brucrukila.com/newsletter](http://www.brucrukila.com/newsletter)

**Electronic Federal Tax Payment System (EFTPS)**

Did you know that the U.S. Treasury accepts payments on federal taxes electronically - over the internet or by phone? It also allows you to report your tax information. Choose your payment method - instruct EFTPS to move your payment from your bank account to the Treasury's, or your Financial Institution may offer to initiate the payment and move the funds from your account to the Treasury. Check with your bank for any charges and fees under this second method. Either way it's fast, it's convenient, and it's paperless.

EFTPS can be used for tax payments for income, payroll, estimated and excise taxes. You can enroll on line at [EFTPS.gov](http://EFTPS.gov) or call 1-800-555-4477 or 1-800-945-8400. Call us if you need assistance.

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**IN THE BLACK**

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Return Service Requested