

BottomLine

Just a quick chat from your accounting firm

FREDRICKZINK & Associates

A professional corporation. | CPAS

Summer 2011

SUMMER COOL

It's summer...warm breezes (almost too much breeze in May), bright sun, blue skies, green grasses, lawn chairs and PBR. Wait...that's a country western song. Just looking for a good intro to say that we are NOT going to talk about accounting, finance, investing, numbers or money at all in this issue. We are going to talk about INNOVATION. After all, innovation is a little like summer...you plant an idea, water it, and watch it grow. So...there's the tie-in. We knew it was in there somewhere. (Secretly, we just wanted to say "PBR" in a CPA-newsletter).

LET'S GET THIS PARTY STARTED

There's a few things we've stumbled on that we think are really cool. If you already subscribe to these types of things, you'll understand why we think they're innovative. If you don't, you'll want to check out the websites we offer as information (see page 4).

TED (NOT YOUR UNCLE) IDEAS. WORTH SPREADING.

Riveting talks by remarkable people, free to the world. That's what they say on their website. And it's true.

Here's what we think is cool about TED.

We all have spent thousands of dollars over the years to attend conferences, motivational workshops, hire business coaches, or attend webinars. We typically get a lot out of these programs. But the life, the umph, the bursts of energy are often short lived in the wake of the "everyday." With TED, you can attend one of these programs — FREE — everyday. You can literally start your morning or cap off your evening with a talk, a speech, an idea, an ah-ha moment, a WOW, really? TED helps us start our day by putting the big things on the top of the to-do list. Watch a TED talk — pick one of thousands...it's free and you don't have to travel further than your iPad or computer.

INVENT. IMPROVE. COPY. OR PERISH.

We found this group — Trend Central — that studies the emerging trends around the planet. It's amazing really how much idea-generating power is out there. It can be flabbergasting, mind-boggling, ingenious, or stupid. But it's always interesting.

Here's what we think is cool about Trend Central:

While we're not in the "trend" business, we are consumers. And when Trend Central shows us the amazing BtoC products and services sprouting up by the thousands, we get very excited...just as ordinary people. Entrepreneurs and ideas are invigorating. Here's a couple of cool things they told us about.

Moodagent automatically analyzes and profiles a user's music collection,

"Comprehensive 1099 Taxpayer Protection and Replacement of Exchange Subsidy Overpayments Act of 2011"

I know....right?

With the passage of the above, extremely long titled, fancy named act, congress has repealed the expanded 1099 business information reporting requirements. (We did a story on this in a prior newsletter, warning that businesses would have to issue 1099s for products as well as services. That will teach us to report on "acts of congress" without waiting a year.)

WHAT THIS MEANS TO YOU IS THIS...

With the repeal, 1099 reporting requirements for businesses remain unchanged. This means that businesses must continue to issue Form 1099s for payments of \$600 or more to service providers. The long standing exception for payments to corporations remains intact. Payments for attorney's fees and medical or health care services must still be reported.

Call us if you have any questions on what payments must be reported on Form 1099.

2011		Miscellaneous	
1	Royalties	4 Federal income tax withheld	
2	Other income	5 Medical and health care payments	
3	Fishing boat proceeds	6 Substitute payments in lieu of dividends or interest	
7	Non-employee compensation	7	8 Crop insurance proceeds

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People Who Need People

Hiring What Your Business Needs Might Not Mean Hiring At All

You may not see it or believe it, but the experts tell us that the economy is on the rebound. This presents several opportunities and challenges for small business owners.

Many small businesses simply can't afford to hire the full-time executives they need in order to thrive. Sound familiar? There is a growing trend for companies to contract part-time or free-lance executives. At FZA, we've been doing more of this type of work for our clients. It's beneficial for the client, and we really enjoy being more integrated into their management teams and daily operations.

The advantages to this type of arrangement include:

- **SEASONED EXPERT** - get the advice and experience of a seasoned expert for a fraction of the cost of a full-time executive.

- **REDUCED OVERHEAD COSTS** – you save on overhead costs such as health insurance and retirement benefits.
- **FLEXIBILITY** – you decide how much help you need and when you need it.
- **CONTROL** – you retain control and make the decisions based off of expert recommendations.

If you, have the need for an ongoing, permanent relationship, a free-lance arrangement may get the help you need, when you need it.

FredrickZink & Associates often serves our clients in a consulting capacity. Call us today to find out more about how we might help with your business needs.

SUMMERTIME IS HERE...

Just a reminder that beginning in 2011 the offices of FredrickZink & Associates will be closed on Fridays during the summer months. From June 1, 2011 through July 31, 2011, regular office hours will be Monday – Thursday from 8 am to 5 pm. Beginning in August you will find the entire staff back in the office on Fridays.





Keep Track of Your Business Insurance...

...or it could be disastrous!

There have been a lot of natural disasters in the first four months of 2011 — the earthquake and resulting tsunami in Japan, winter storms the Northern and Eastern U.S., deadly tornadoes in the South, and major flooding of the Mississippi river. As a business owner, you should be thinking of your disaster recovery plan every time you hear of another incident. One of the components of such a plan is business insurance.

Typically, we only think about business insurance once a year – at renewal time. We’ve provided (below) a list of questions you should ask yourself the next time you are evaluating your business insurance:

- DETERMINE IF YOU NEED “CYBER LIABILITY”** – “cyber liability” is a form of data protection coverage. General liability coverage typically does not cover the cost of notifying every potentially affected customer after a data security breach. If you are in a highly regulated industry you are more prone to losses due to government fines or fees.
- RISK EXPOSURE TO ELECTRONIC INTERRUPTIONS** – is your revenue reliant on electronics?
- LEASED PROPERTY** – does your policy satisfy the requirements for all of your leased properties?
- OFFICE IMPROVEMENTS** – have you made any improvements to your buildings since your last renewal?
- GENERAL COVERAGE EXCLUSIONS** – read the general coverage exclusions carefully. You may be surprised by what you find is not covered under your existing policy.
- REPLACEMENT COSTS FOR ALL MACHINERY AND EQUIPMENT** – look at the cost to replace your business assets, not just the historical cost of current equipment.
- OBTAIN QUOTES FROM AT LEAST THREE CARRIERS.** Think about different deductible/limit amounts.

C.P.A.s Company Personnel Announcements

Congratulations to the following FZA people on achieving service-year milestones. Time sure flies when you are having fun. (Yes...CPAs have fun.)



Chuck Fredrick
35 years



Sidny Zink
20 years



Coelene O’Kane
10 years



Michelle Sainio
5 years



Sherin Clarke
5 years

Let's Talk Health Care

Well, not in the way you're thinking. That would be a lot longer article, no? We just mean that beginning in 2011, you will have to report the value of the health care benefits for each employee to the government. Under the Affordable Health Care Act, employers are now required to report the value of health care benefits. This amount will appear on the new 2011 form W-2 to be issued in 2012. This is a reporting item only and will not affect taxable income. If you have questions about this new requirement, please contact our office, 970-247-0506.

SUMMER COOL *Continued from cover story*

and then creates playlists of their favorite tracks to suit their mood, distinguishing songs by sensuality, tenderness, joy, aggressiveness and tempo.

Google Wallet is an Android app that turns a users' phone into a payment device. Using NFC technology, users can pay by tapping their phone on Mastercard paypass terminals. As well as being able to make payments, users can also receive offers and store loyalty points via the app.

QR CODES FOR U

We think QR codes are cool. The technology is really amazing. So try it — use your smart-phone...get a QR Code reader app, and scan these QR codes and you'll get to the websites we've talked about. Oh...and you'll get to ours if you scan the code under our logo below.



TED.com



www.trendwatching.com/briefing/

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**"Sun is shining. Weather is sweet.
Make you wanna move your dancing feet."**
— Bob Marley