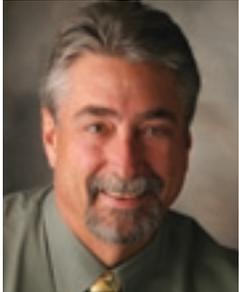


BottomLine

Just a quick chat from your accounting firm

FREDRICKZINK & Associates
A professional corporation. | CPAs

July 2009



Dear Clients and Friends,

April 15th always marks the close of "tax season" for CPA-types. Seems as though there's a lot of hype about that date, but then April 16th — the very next day — we realize that there is still a great deal of work to be done! Not that we're complaining, mind you. We enjoy our work and our clients and are grateful for your continued business.



In general, we've been hearing similar stories from our clients. Despite the national economy and the slow down locally, there is work to be done, business to be had, and growth, albeit slower, to enjoy. Sometimes these circumstances provide the platform to stop and take a good look at HOW we're doing business.

If you're getting nervous about your organization's long-term viability, it's time to start gathering data and figuring out what it means. The notion of doing this can be scary, but actually doing it is really reassuring. There are three possible outcomes:

- You're doing pretty well, and don't need to worry;
- You're a little shaky, but now you know what to keep your eye on and what changes you could make;
- It's time to take action, and now you know it.

In any case, the sooner you find out you need to take action, the more options you'll have.

If you're doing a bit of this kind of thinking, and would like some help taking a step back and looking at your accounting practices, bookkeeping structure, etc., let us know. We'll do what we can to help.

Chuck Fredrick, CPA

Sidny Zink, CPA

On Capitol Hill

As Vice Chair for the Colorado Society of CPAs, our own Sid Zink visited with lawmakers as part of the 2009 AICPA Spring Meeting of Council in Washington, DC. Council members met with congress members, armed with eight recommendations to toughen investor protections and encourage transparency in our financial system.

The council also heard from an impressive group of speakers regarding President Obama's proposed programs and policies, current regulations, and the nation's economy. In addition to hearing from David Gergen, Editor-at-large, US News and World Report, Sid and the other members of the AICPA council heard from Pat Buchanan, columnist and MSNBC political analyst, among others.

Making Work Pay

As you already know, employers are now required to utilize the updated withholding tables (available at www.irs.gov) reflecting the making work pay credit that was included in the 2009 economic stimulus package. The credit expires in 2010, is equal to 6.2 percent of earned income, and maxes out at \$400 per person.

What you may not know is that some taxpayers are not eligible for the credit including: high-income households, dependents, and nonresident aliens. Unfortunately, the withholding tables can't determine who is eligible for the credit and who is not. Taxpayers who are ineligible for the credit may end up with a higher than expected tax bill at the end of the year. Employers should encourage all of their employees to use the IRS withholding calculator (also available at www.irs.gov) to determine if their current withholding amount is correct. If necessary, a new W-4 form should be completed.

COBRA

In 1986 Congress passed the Consolidated Omnibus Budget Reconciliation Act (COBRA) to provide for the temporary continuation of group health coverage for employees and their families in the event that their benefits were terminated. Individuals are only eligible for COBRA under certain circumstances such as termination of employment, reduced hours of employment, divorce, or if a dependant is no longer eligible for coverage under the plan. In general, COBRA beneficiaries are eligible for group coverage for a maximum of 18 months, and are usually required to pay for the coverage. The American Recovery and Reinvestment Act of 2009, signed into law on February 17, 2009, provides for a Federal subsidy for COBRA premiums. The subsidy is 65% of the employee premium, for the first period of coverage beginning after February 17, 2009 (usually March 1, 2009). The premium reduction period applies until the earliest of: (1) the date the employee becomes eligible for other group health insurance or Medicare coverage, (2) nine months after the first day that the premium reduction applies to the employee, (3) the employee is no longer eligible for COBRA continuation coverage.

Eligibility

To be eligible for the premium reduction, the employee must have been involuntarily terminated between 9/1/08 and 12/31/09, and elect COBRA Coverage. Employers are required to accept a 35 percent premium payment from eligible individuals as payment in full for their monthly health insurance premium.

	Large Employers <i>(20+ Employees)</i>	Small Employers <i>(Under 20 Employees)</i>
<i>Premium Subsidy</i>	Recovered as a credit against the employers quarterly payroll tax liabilities.	Health carriers are the only entity eligible to recover the premium subsidy. Contact your carrier to find out how they want to be notified of the state continuation beneficiaries, and who has elected to participate in the program.
<i>Special Election Period</i>	Employers subject to Federal COBRA must notify all eligible employees of their right to continue coverage, even if they previously declined COBRA coverage.	No special election period.
<i>Self-Funded Plans</i>	Are subject to COBRA	Are NOT subject to Colorado State Continuation/Conversion
<i>Gross Misconduct</i>	Individuals terminated for gross misconduct are not required to offer COBRA continuation of coverage	Individuals terminated for gross misconduct may be eligible for Colorado Continuation if all other requirements are met.
<i>Length of coverage</i>	COBRA is available regardless of how long the employee was covered under your group plan. Typically, the employee is covered if they were on the group plan the day before the qualifying event.	Colorado continuation coverage is only available if the employee has been covered under the plan for six consecutive months. If the employee was covered for less than six months but more than three months they are eligible for conversion.
<i>Notification</i>	The employer must notify the plan administrator within 30 days of termination, and the plan administrator must notify the employee within 14 days. If the employer and plan administrator are the same, the employer has 44 days to notify the employee.	The employer must send written notice of the employees right to continue coverage within 10 days of termination.
<i>Election Period</i>	The employee has 60 days from the date of notice (or loss of coverage) to elect coverage. The individual has 45 days from the date of election to make payment.	If given proper notice by the employer, the employee has 30 days to elect coverage and pay any premiums due. The election must be in writing. If the employer did not give proper notice, the employee has 60 days to continue coverage by making proper payment to the employer.

The Great Debate

Keyboard or Mouse

Do you prefer to use the keyboard or the mouse when you are performing simple procedures on your computer? Many users are more comfortable using the mouse, while others are adamant that using the keyboard is faster. Whatever your preference, here are some common shortcut keys that may help you become more productive.

KEYBOARD shortcuts

Try using these shortcuts in any Microsoft application:

CTRL + C	Copy
CTRL + V	Paste
CTRL + X	Cut
CTRL + Z	Undo last action
CTRL + S	Save
CTRL + P	Print
CTRL + B	Bold selected text, or turn bold on/off
CTRL + U	Underline selected text, or turn underline on/off
CTRL + I	Italicize selected text, or turn italics on/off
Home	Goes to the beginning of the current line.
End	Goes to the end of the current line.
Esc	Cancel the current task
F1	Opens the help menu.
F7	Runs the spell check.
CTRL + Shift + Esc	Opens the Task Manager.
ALT + S	Sends an email (in Outlook)

Almost every software application has shortcut keys. The majority of them use the basic Windows keys above, in addition to some helpful shortcuts related to the particular software. You can find a list of shortcuts for any application in the help menu.

QuickBooks users may find these shortcuts helpful:

Alt + Down Arrow	Displays a list for a field
Alt + F4	Exits the program
Ctrl + A	Opens the Chart of Accounts
Ctrl + E	Edit the current field
Ctrl + F	Find
Ctrl + I	Create an invoice
Ctrl + D	Delete transaction or item
Ctrl + W	Write Checks
Ctrl + H	Get Transaction History
Ctrl + Y	Display transaction journal
Esc	Cancel entry or close window

Working with dates – type the keys shown in any date field

ALT + Down arrow	Show the Calendar
T	Today's date
M	First day of the month you are working in
H	Last day of the month you are working in
Y	First day of the year
R	Last day of the year
+	Move the date forward one day
-	Move the date back one day

MOUSE shortcuts

If you prefer to use the mouse there are still some shortcut options for you. When working in a Microsoft application, click the right mouse button. This will give you a shortcut menu of the most used commands. You can quickly Cut, Copy, or Paste information, format text, create a bullet or number list, and find synonyms.

C.P.A.s!

Company Personnel Announcements



CPA Exam Success

Both Sherin Clarke, CPA (left) and Dorothy Caton, CPA passed their Certified Public Accounting exams recently. Congratulations!



Congratulations Ron Blood!

Ron and his wife Leslie welcomed August Franklin Blood into their family on May 5, 2009 at 6:35 am. At 6 pounds four ounces and 18 inches long, this little boy joins his older brother Roman in the growing Blood family.



Michelle Slafter Marries Kevin Sainio!

On June 6, 2009, FZA's Michelle Slafter married Kevin Sainio in a wedding that took place in Durango. We congratulate the happy couple.

What is a client portal?

Many of you use or have used a client portal to conduct your business. Do you bank online? The secure site you log into in order to view your checking account balance or credit card activity is a client portal.

The most common type of client portal is a one-way configuration where the client or third party can securely log into a site in order to view static information, such as a tax return. In a two-way client portal, the client also has the ability to upload documents such as a QuickBooks file or a completed tax organizer.

Client portals are significantly more secure than email applications and the information is available anytime, anywhere. The user is assigned a username and password in order to access their information. Then when new information is made available, the client is notified via email.

We are excited about this new technology and look forward to sharing tax returns, financial documents, and QuickBooks files with our clients. Stay tuned for more information.

The BottomLine Online!

Our newsletter is now available online at durangocpas.com. If you prefer to receive the newsletter via email, we'd be happy to do that for you. Simply email Ginny at grogers@durangocpas.com and ask to be put on our email list. We'll save some paper and you'll get the newsletter before it even hits the presses!

Preparing for 2010

Now is the perfect time to get organized for next year's tax filing. While it is still fresh in your mind make a list of the items you needed in order to prepare your 2008 tax returns. Then create a 2009 tax folder and start putting copies of all that information as you receive it throughout the year. If you are diligent, preparing next years taxes will be easy. All you will have to do is send your accountant that folder!

Bookkeeping Class

FredrickZink & Associates is excited to announce that we will be teaching a basic bookkeeping class to those that are interested. We will hold two classes: one this summer and one this fall. If you are interested in attending, please call Ginny Rogers at 247-0506 and let her know which session is best for you.

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954 East Second Avenue | Durango, Colorado 81301

**In times of change, one thing is for sure....
there's lots to talk about! Open up to find out more.**