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NEWSLETTER

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HAPPY THANKSGIVING

We will be closed Thursday and Friday, November 25th and 26th to observe the Thanksgiving holiday.

FEDERAL ESTATE TAX

In case you forgot, there is no federal estate tax in 2010. So by dying in 2010, the late owner of the New York Yankees, Mr. George Steinbrenner, saved his heirs \$500 million in US estate taxes. Had he lived and died in 2011, when the federal estate tax goes from 45 percent to 55 percent, his heirs would pay Uncle Sam over \$600 million. To keep things in perspective, only 2 percent of the US population, or about 64,000 estates, have enough to be subject to the tax.

Next year, 2011, the estate tax exclusion returns to \$1,000,000 per individual. Those worth in excess of that amount, should undoubtedly consult their attorneys.

THE TRUSTED THIEF

Too often small business owners turn over their entire financial affairs to a single trusted employee without providing proper oversight. Almost on a weekly basis we read about an employee embezzling thousands of dollars from their employer. When asked why this happened, the employer laments: Because I trusted her or him. To avoid such a scenario, the employer should, at a minimum, implement the following:

1. Control cash receipts with proper electronic devices, (cash register) and pre-numbered invoices.
2. Make all bank deposits personally.
3. Bank statements should be mailed directly to the owner.
4. Control blank checks personally.
5. Vendors should mail their invoices to a P.O. Box accessible only by the owner.
6. All vendor invoices should be approved by the owner.
7. Require two signatures on all checks.
8. Bond employees involved in the financial aspects of your company.
9. Hire an accounting firm to test your system annually.
10. Do not entrust your personal and business finances with any employee.

Although observing the items listed above cannot guarantee that employees will not steal from their employers, it certainly will make it more difficult.

WHAT WILL THE 2010 ELECTIONS BRING?

IF YOU LIKE OUR SERVICE, TELL OTHERS. IF YOU DON'T, TELL US.

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