

**Special Interest Articles:**

- Fed Reserve Bank of Cleveland: Highlights, Part 1
- Slate of Officers
- IRS Reviewing Fraud System that Froze Refunds
- Automatically Start Applications
- Accountant Jokes to beat the Winter Blues (Continued)
- CAT Tax Reactions Differ by Industry
- Changes in Accounting Could Affect Pensions

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Volume 59, Issue 6

March 2006

## Comedy Night Wednesday, March 22, 2006

Our next gathering is Wednesday, March 22, 2006, 6 PM, at Holiday Inn Independence, Rockside Road. IMA Cleveland is co-sponsoring the show. No business, nor CPE, will be conducted.

Professional actor Mary Faktor will present her popular show, "The Six Ages of Woman." Don't let the title fool you... "The Six Ages of Woman" is also immensely popular with male audience members. The unusual

humor of love, marriage, kids and work appeals to men and women alike. Underlying the comedy is a message of positive growth that benefits all who see the show.

Cost is \$35 pp, prepaid, for buffet dinner and comedy show.

Please RSVP & prepay by Friday, March 17, 2006, to Jenny Earley, at 216.696.7700, ext 23 or [jennyearley@yahoo.com](mailto:jennyearley@yahoo.com).

Dinner will be billed if not cancelled before then.

**Official National Registry**

**Statement:** ASWA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State Boards of Accountancy have the final authority on the acceptance of individual courses of CPA credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors: 150 Fourth Avenue, Nashville, TN, 37219-2417. Web site: <http://www.nasba.org/>.

## Banks Promote Remote Deposit of Checks

Rule changes brought about by the fed government's Check 21 legislation are enabling NE Ohio financial institutions to roll out new technology that lets corporate clients deposit checks without heading to the bank.

The system is known as remote capture, and the process is as simple as sliding a check into a device that transmits front and back images of the check to the bank.

Some people affectionately refer to it as

"The Toaster." There is general agreement that the machine does not look like a toaster, but because the product is roughly the size of the kitchen appliance, the nickname has stuck.

The Check 21 Act, which became effective in October 2004, allowed substitute checks, which includes the image of a check, to have the same legal weight as the original paper check.

The ability to whisk checks away without delay means faster

processing and further erodes the float, or length of time, a consumer has before funds are taken out of an account. However, bank officials said the advent of debit cards makes consumer comfortable with the idea of immediate withdrawals from their checking accounts.

Currently, the remote capture service is cost prohibitive for individuals to utilize.

Source: *Crain's Cleveland Business*, January 23-29, 2006, pages 3 & 11. Shawn Turner, reporter.

## Speaker Bio: Mary Faktor, Professional Actor



Mary Faktor is a motivational speaker, professional actor, author, and business owner. She is proprietor of THE ANGEL'S NEST BED AND BREAKFAST/ RETREAT in Peninsula, Ohio and is a member of the National Speaker's Association, American Federation of Television and Radio Artists, Screen Actors Guild, National Association of Self Esteem, and Youth Motivation Task Force.

Mary is personally trained and certified as a Self Esteem and Life Balance

Workshop Facilitator by Jack Canfield (Chicken Soup for the Soul) and has been trained in Relationship Communication by Dr. John Gray (Men are from Mars, Women are from Venus.) Mary is certified in Emotional Release Therapy (ERT) by Dr. Walter Weston (Healing Yourself, Healing Others,) and is a Level 2 REIKI practitioner.

In 1995, Mary was honored as one of the Top 20 Women Business Owners of Northeast Ohio with her business, Faktor's Talent

Network, Inc. Mary has co-hosted the "Today in Cleveland" television show, and can be seen in the opening segment of the award winning film AMERICAN SPLENDOR (Winner Cannes, Sundance Film Festivals, named Top 10 movies of 2003 and nominated for various Golden Globes and Oscars.

Mary Faktor is mother to two grown children, and grandmother of three. Mary's Web site is [www.FaktorsTalentNetwork.com](http://www.FaktorsTalentNetwork.com) and she would enjoy hearing from you!

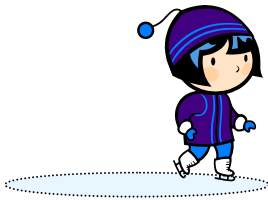
## President's Message

Our member Lois Hite is moving to VA on March 14, for a job that she just accepted. The Chapter membership now totals 29. To date, we've gained a net total of 2 members, above last fiscal year-end's (June 30) total of 27. Thank you, and good luck, Lois! Stay in touch!

One of our unofficial affiliates, Mary McGovern, invites us to a free, two-hour seminar at the Westlake Public Library,

Tuesday evening, March 21, 2006, 7 to 9 PM, titled "Developing your Image Quotient (IQ)." Join Kristin Kaleal, president of Fusion Image Group, for tips on overcoming wardrobe malfunctions. Additional info and advance registration is at <http://signup.westlakelibrary.org>. Let Mary know at [mmcgovern@esearchjobs.com](mailto:mmcgovern@esearchjobs.com) if you are attending and she'll be sure to look out for you!

Coincidentally, for the last several months, I've been paying better attention and updating my closet. This was partly inspired by a silhouette that changed last year and partly by the reality show, "What Not to Wear," which airs on Friday evenings on TLC. My family and friends had also hinted the need to update my 5- to 20- year old wardrobe. Give yourself the time that you deserve and invest! It does NOT cost \$5K.



## Slate of Chapter Officers for 2006 - 2007

Volunteers for the 2006-2007 Officers and Committee Chairs are:

- President: Jenny Earley
- Vice President: Kathy Novak
- Secretary: **OPEN**
- Treasurer: **OPEN**

- Membership: Donna Sakony
  - Program/CPE: **OPEN**
  - Scholarship: Melissa Marvin
  - Newsletter: Carrie Benedict
  - Web site: Sunny Shellito
- We need to advise

National info regarding our next President and Treasurer by April 28; our remaining Officers and Committee Chairs by May 19. No business will be conducted at March's Comedy Show; however, we should publish the Slate 30+ days prior to election. Thank you!



## The Federal Reserve Bank of Cleveland: Highlights, Part 1 of 3

Cleveland was not the first choice for the 4<sup>th</sup> District Federal Reserve HQ. Cincinnati and Pittsburgh were early favorites.

In 1922, the Fed's first president, Elvadore Fancher, placed a copper time capsule box in the building's cornerstone. The contents included names of bank employees who served in the armed forces during WWI and a book entitled *Better Banking*.

The Federal Reserve System has had only four female presidents since the system's founding in 1913; the Cleveland Fed claims two of them. They

are current president Sandra Pianalto and Karen Horn, who was the first female president of a Fed bank. Horn served from May 1, 1982 to April 8, 1987.

Every day, the Cleveland Fed processes approx 2.6M checks (over 100K per hour, 24/7); receives roughly \$58M from commercial banks and thrifts; and sends out about \$65M to fill currency orders.

One of the Fed's primary duties is destroying worn-out money. Each year, the bank destroys over \$2.8B in worn, torn and dirty currency.

The original Cleveland Fed was located in leased offices in the Williamson Bldg at Euclid Ave in Public Square. Ground was broken for the current building on March 13, 1921, and was completed in 1923, at a cost of \$8.25M.

The Fed was opened to the public on August 23, 1923. NE Ohioans who had watched the building's construction came out in droves to see it, and an estimated 40K visitors passed through the building on the first day.

Source: Cleveland's *Northern Ohio Live*, November 2005, page 40.



## IRS Reviewing Fraud System that Froze Refunds

WASHINGTON - IRS Commissioner Mark Everson ordered a review Tuesday of a tax fraud detection program criticized for freezing thousands of refunds without notifying taxpayers.

Everson said the tax agency will "in the very near future" announce new procedures to notify taxpayers that a refund has been frozen. The agency will also revise its fraud screening procedures so that fewer innocent taxpayers see their refunds unnecessarily frozen.

National Taxpayer Advocate Nina Olson criticized the program in her annual list of the worst problems facing taxpayers. Her office, which helps sort out disputes with the IRS, has seen a mounting number of people seeking help with frozen refunds.

In a study of refunds handled in her office, Olson found no evidence of fraud in two out of three cases where refunds were withheld. The study raised concerns among some lawmakers who asked the tax collectors to review and restructure the

program.

The Questionable Refund Program uses computer programs and other methods to screen tax returns claiming refunds for indications of fraud. It temporarily freezes returns that might be fraudulent.

The IRS tries to validate the taxpayers' right to a refund and lifts the freeze if no fraud is found. If the refund cannot be validated, it permanently freezes the refund for further investigation.

The IRS said it estimates refund fraud exceeds \$500 million a year.

*AP, January 24, 2006.*

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*"... a tax fraud detection program criticized for freezing thousands of refunds without notifying taxpayers."*



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*“When a computer boots up, the computer can automatically open preferred applications for you!”*

## Technology Tip: Automatically Start Applications

Did you know? When a computer boots up, the computer can automatically open preferred applications for you!

To do this, click on **Start** (bottom corner of your view screen) and then go to **All Programs** where you'll see all your applications listed alphabetically. Place

your cursor over the application's line icon, and using the right mouse button, drag it down to the **Startup** line icon, which is also in the applications listing. (Note, when prompted, you can choose copy.)

Then do the same with the line icon(s) for the other application(s) that you'd like to open automatically

at Startup (boot up).

Now, when you reboot, the program(s) will launch automatically.

This tip is very convenient! My thanks to Journal of Accountancy's January 2006 issue, Tech questions section!

[http://www.aicpa.org/pubs/jofa/jan2006/tech\\_qa.htm](http://www.aicpa.org/pubs/jofa/jan2006/tech_qa.htm)

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*“The IRS is encouraging everyone to file electronically, but persons with gross adjusted incomes above \$50K won't be eligible for free e-filing this year.”*

## Make \$50,000? Pay Up to E-File

The IRS is encouraging everyone to file electronically, but persons with gross adjusted incomes above \$50K won't be eligible for free e-filing this year.

IRS's "free-file" program kicked off last week, marking the fourth year the IRS has worked with software companies to

provide free electronic filing for millions of taxpayers.

In exchange for the tax software industry agreeing to provide this free-file service, the IRS agrees not to develop its own software or e-filing option.

Last year, all 132 million individual filers were eligible regardless of

income or other criteria. Even with the \$50K income cutoff this year, about 70% of taxpayers nationwide will qualify. Last year, 5.14 million taxpayers used the free-file program.

Source: *Cleveland Plain Dealer*, January 24, 2006, pages C1 & C5. Teresa Dixon Murray, reporter.

## CAT Tax Reactions Differ by Industry

Just how pleased NE Ohio companies are about sending their first commercial activity tax (CAT) returns to the state ahead of a Feb. 10 filing deadline depends on their lines of businesses.

Manufacturers appear to be among the happiest, as the phasing out over five years of Ohio's corporate franchise and tangible personal property taxes will be a big benefit

to companies with substantial assets in the state. As a benefit, more monies would become available for reinvestment.

SS&G Financial Services Inc. and Pricewaterhouse should about break even. Deloitte executives also aren't too worried over the CAT.

Experts mention Ohio's grocery stores as a group that also feel a pinch from the CAT. Those working

in the industry say they are particularly vulnerable because the sector is made up of high-sales, low-margin businesses.

It is difficult to say how the CAT might affect grocery store prices. Grocers tend to remodel about every seven years.

Source: *Crain's Cleveland Business*, Jan. 30 – Feb. 5, 2006, pages 3 and 9. By Shawn A. Turner.



## Some Accountant Jokes to beat the Winter Blues (What the IRS Doesn't Want You to Know) – Part 3

**What's the difference between an overzealous tax auditor and a rottweiler?** A rottweiler eventually lets go!

**How can you tell when a tax auditor is trying to trap you into a confession?** When his lips are moving.

**Why do sharks not attack tax advisors?** Professional courtesy.

Where there's a will there's a tax shelter.

Tax loopholes are like parking meters. As soon as you see one, they're gone.

A dollar saved is bound to be taxed.

The ideal solution is for the Government to live within its means not yours.

Some say that nobody should keep too much to themselves. The tax office is of the same opinion.

A 35-year old Chartered Accountant died of a heart attack and challenged St. Peter, "Why now?" "Well," said St Peter, "we looked at the bills you have sent your clients and reckoned you must have been at least 90 to have charged that many billable hours."

An accountant is having a hard time sleeping and goes to see his doctor. "Doctor, I just can't get to sleep at night."

"Have you tried counting sheep?"

"That's the problem - I make a mistake and then spend three hours trying to find it."

A businessman on his deathbed called his friend and said, "Bill, I want you to promise me that when I die you will have my remains cremated."

"And what," his friend asked, "do you want me to do with your ashes?"

The businessman said, "Just put them in an envelope and mail them to the Internal Revenue Service and write on the envelope, "Now you have everything."

Source:

<http://www.taxgaga.com/pages/c-taxhaha/dir-humor.html>.



## Changes in Accounting Could Affect Pensions

Some experts say new regulations requiring companies to more accurately calculate and show the cost of their retirement promises could speed up the move by employers away from guaranteed pensions and other benefits.

Many have made expensive retirement promises without putting aside all the money needed to meet them. But they don't have to fully disclose the shortfalls in their earnings statements or on their balance sheets. Instead, firms can post very positive numbers based on assumptions

about investment returns, when the actual returns would hurt their results.

That led the FASB to announce late last year that it planned an overhaul. The changes will come in two steps.

By year's end, FASB says it likely will require companies to report the funding status of pension plans and other retirement benefits—showing how much those plans contain compared to what is owed to workers—on their balance sheets.

A second phase of changes would reach much further and take

several years. Those changes would require companies to more accurately measure and report their retirement benefits, and include those costs in calculating their profits.

The changes are likely to stir far more controversy than FASB's requirement that companies account for stock options, partly because of their perceived impact on Main Street, said Janet Pegg, an analyst for Bear Stearns.

Source: Cleveland's *The Plain Dealer*, Tuesday, January 17, 2006, pages C1 and C3. By Adam Geller, AP.

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## ASWA Cleveland Chapter #13

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Newsletter Sunny Shellito

We're on the Web!

See us at:

[www.aswacleveland.org](http://www.aswacleveland.org)

and

[www.aswa.org](http://www.aswa.org)

## Membership Updates

Chapter Secretary Hilary Hilow and her sister are moving to Lakewood. They bought a house and have been preparing it electronically and plumbing-wise. We hope you two enjoy your digs!

In February, we gained three new members! Meagan Buffington is a student in Accounting at

Walsh University and lives in Solon. She expects to graduate June 2009, and can be reached at (H) 440-248-2310 or [meaganbuffington@walsh.edu](mailto:meaganbuffington@walsh.edu).

Renee Bursley is also a student; she heard of us through our scholarship info at Akron University. She works in the Budget

Department at USPS, in Cleveland. She lives in New London and can be reached at (W) 216-443-4103 or [cnytryflk@accnorwalk.com](mailto:cnytryflk@accnorwalk.com).

Debra Evans is also a student; she attends Kent State University. Debra is doing an internship at National City Bank. She can be reached at [dmevans2@kent.edu](mailto:dmevans2@kent.edu).

## Important Dates to Remember:

**ASWA Akron/Canton:  
No meeting scheduled.**

**Wednesday, February 15, 2006:** Dinner with IMA Akron/Canton, at Tangier Restaurant. Speakers Samuel Lincoln, CBIZ/Mayer, Hoffman & McCann, "Roth IRA, 401(k)," at 5:15 PM and

Hal Mitcheltree, Federal Reserve Bank, "Purpose and Function of the Federal Reserve," at 7:10.

**Monday, March 20, 2006:** Dinner with IMA Cleveland East, Holiday Inn Beachwood. Larry Albert, Lean Accounting Practices, Parker Hannifin.

**Wednesday, March 22, 2006:** Dinner & Comedy Show with ASWA and IMA Cleveland.

**Thursday, March 23, 2006:** Dinner with IMA Cleveland (West), Independence's Holiday Inn. Norm Meonske from Kent State University. \$25; RSVP to Honey Wess, 216-834-0700, ext. 224.

## About ASWA...

The mission of ASWA is to enable women in all accounting and related fields to achieve their full personal, professional and economic potential and to contribute to the

future development of their profession. Members include partners in national, regional and local CPA firms, financial officers, controllers, academicians, financial

analysts and data processing consultants, recent college graduates and women returning to the work force.

Visit [www.aswa.org](http://www.aswa.org) for more information.

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