

DISCLOSURE

A QUARTERLY NEWSLETTER OF PICCERELLI, GILSTEIN & CO., LLP

Volume 15 Issue 2 ♦ 401-831-0200 ♦ Fax: 401-331-8562 ♦ www.pgco.com ♦ www.pgwire.com ♦ Summer 2011



Meet Adam Logan, Director Technology Solutions Group



P&G's Technology Solutions Group (TSG) strives to provide only the highest quality customer service by assisting companies with the design, implementation and support of their networks. We are pleased to introduce you to the newest member of the TSG team, Adam Logan. Adam, a graduate of the AITT Technical Institute in Norwood, Massachusetts, will serve as TSG's Director of Technology Solutions. A

native of Bridgewater and Berkley, Massachusetts, Adam has extensive experience with the installation, configuration and maintenance of system and network hardware. He is a Microsoft Certified Professional with an impressive client service and support background. In addition to solid experience in troubleshooting security systems, Adam excels in managing the technology needs and project timelines for a variety of organizations.

Previously an aspiring semi-professional soccer player, Adam spent several years on the international soccer scene before choosing to enlist in the United State Marine Corp. Adam served four years as a Low-Altitude Air Defense Gunner and was deployed to Iraq where he was a member of a base security battalion. Prior to his honorable discharge, he had achieved the rank of Corporal. Now, Adam prefers to be an outdoorsman and resides with his wife Kate in Barrington.

Contact Adam at adaml@pgco.com or by calling 401-831-0200.

RHODE ISLAND 2012 BUDGET HIGHLIGHTS



After spirited discussions on the topics of the expansion of sales tax, combined reporting, as well as other major issues, Governor Lincoln Chaffee signed the fiscal year 2012 budget on June 30, 2011. The budget was balanced by cuts in some programs and from state department consolidations.

Luckily, the budget did not include any tax increases. Unfortunately, many fees were increased. Included in this issue is a summary of the budget highlights. If you have any questions on how the budget impacts you and/or your business, do not hesitate to contact your P&G professional.

The Value of Buy-Sell Agreements

By Kevin Papa, Partner

Buy-Sell agreements are used to provide an orderly plan for the transfer of ownership upon the occurrence of certain events. The death of a business owner is one such event, but others include when a stockholder or partner decides to retire, encounters a disability or simply wants "out." A current, and well thought out, buy-sell agreement can be a lifesaver for both the buyer and the seller.

Prudent business owners invested in multi-owner businesses will have a well-drafted buy-sell agreement in place and will review the agreement periodically to apply necessary changes. The buy-sell agreement may also be included as a section within a stockholder or partner agreement. There are several key elements that should always be present in buy-sell agreements:

Triggering Event Events that trigger the buy-sell agreement or provision should be well defined. These include death, disability, retirement, abandonment, legal convictions and other discreditable acts.

Transferability Transferability of ownership in a closely held business is usually of concern. Working with the relatives of a deceased business owner could be an undesirable situation. A provision preventing transfer to an "outsider" is common as well as a "right of first refusal" provision.

Valuation Method There are several ways to address the value of an equity interest and each has its pros and cons. Stating a purchase price is inexpensive but the value may increase or decrease annually and the price can quickly become outdated. A valuation formula is another choice that is less likely to become outdated but may fail to reflect changes in economic conditions or other business risks, rendering a value that may be too high or too low. The third method, appointing an independent appraiser to provide an opinion of value, may be viewed as costly. However, it does provide for an unbiased professional opinion and may minimize disagreements about value.

Qualifications of the Appraiser The qualification of the appraiser is an important consideration. First, the method for selecting one or more appraisers should be considered and documented. In some cases the buyer and seller may agree to retain their own appraiser with a third "neutral" appraiser appointed to bridge the gap between any expert differences. This can be a time consuming process causing the buyout to drag on. Some agreements will define the actual credential that an appraiser must hold to perform the work. This may assure the selection of a qualified expert but could also limit the number of available experts if the credential is not widely

See Buy Sell, page 4

Comings & Goings

by Irene Fasano

SUMMER IN SOUTHERN NEW ENGLAND
...so much to enjoy! While school is far from the minds of most, for the P&G professionals, advanced education remains a priority!

We extend our congratulations to Tax Supervisor, **Mark Tacelli**, and Senior Accountant, **Kim Benevides**. Kim recently earned a Master of Science in Taxation degree from Bentley University and Mark has successfully completed the CPA exam. Tax Principal **Laura DaFonseca** is also focusing on higher education. Beginning in the Fall, Laura will return to her alma mater, University of Massachusetts—Dartmouth, to teach a course on “Fraud and Forensic Accounting.” Laura and Partner **Frank DeLuca**, both Certified Fraud Examiners, are frequent speakers on the Fraud topic. In June, Frank and Laura presented “Warning Signs of Fraud” to the R.I. Bar Association legal community. If your organization is interested in learning more about fraud investigation and prevention, please contact Frank at frankd@pgco.com or Laura at laurad@pgco.com.

The addition of new colleagues to the P&G family is always something to celebrate. **Joe Testa**, a URI graduate who began his career with P&G as an intern, has joined the Firm as a Staff Accountant. **Ray Kurus** has joined us as a Technology Specialist. Get the “scoop” on Ray in our Fall issue. We also welcome our new receptionist, **Erin Sullivan**. Erin (no relation to Partner Rich Sullivan) was formerly with Verizon and has extensive customer service experience. Erin joined the team after longtime receptionist **Corinne Montecalvo** retired. We will miss Corinne's friendly personality and wish her a very happy retirement. We also recently said goodbye to one of P&G's key administrators, **Joan Dalton**. Joan, with the Firm since 1975, retired after years of exceptional loyalty and dedication. Joan contributed significantly to P&G's success and we will greatly miss her friendship and country, “down-home” style.

We also extend congratulations to **Eden Kyne** on her promotion to Senior Accountant and **Jennifer Baptista**, promoted to Senior Assistant Accountant. We thank these fine professionals for their contributions to the Firm and wish them the best of luck in their new roles.



Promoted to Supervisor

Lauren Moses joined the Firm in 2006 and is a member of the Firm's Accounting and Auditing Department focusing on the accounting, reporting and income tax needs of closely held businesses and not-for-profit organizations. A graduate of Providence College, Lauren began her employment with P&G as a college intern. She lives in Norton, Massachusetts with her husband, Mark.

Thanks to our clients and friends in the legal community who visited P&G's booth during the **2011 RI Bar Association's Annual Meeting** at the RI Convention Center. P&G professionals have a long history of partnering with many talented experts in the legal community and we appreciate your continued trust and loyalty. The Annual Meeting was also an opportunity to share information and ideas with attorneys new to the profession.

We look forward to working with you!



Sharon Kennedy, Frank DeLuca and Oswald Schwartz at the RI Bar Annual Meeting

PGwire

DON'T FORGET TO VISIT OUR BLOG www.pgwire.com

Sharing our insight on finance, businesses – both large and small – and the events that move us offers us a great opportunity to connect with our clients. Subscribe to the blog and receive an email alert when the blog is updated.

Recent postings include:

- ▶ Minimizing the Stress of Divorce
- ▶ Employee or Independent Contractor—Which is it?
- ▶ Does Your Employee Benefit Plan Need a New Auditor?
- ▶ Depreciating Equipment and Sport Utility Vehicles



Quick Computer Tips

By Eden Kyne

Keyboard shortcuts are a combination of keys on the keyboard that, when pressed, can be used to perform a task that normally would require a mouse and menu bars. Keyboard shortcuts can make it easier to perform everyday tasks by saving you time and effort as you interact with Windows and other programs. Since most of us use these programs on a regular basis while performing our everyday business functions, it's nice to know there are some easy shortcuts we can incorporate into our daily routines. Time is money, as they say, and saving a few minutes here and there can really add up.

HERE ARE A COUPLE OF QUICK TIPS TO START SAVING SOME TIME:

► **AutoSum:**

We all use the AutoSum button to quickly add up values in a row or column. Advanced Excel users have become adept at using the keyboard shortcuts to minimize time. Here is a quick keyboard shortcut for using the AutoSum function. Simply press the ALT button and the equal sign. Once you get used to it, you'll never want to reach for your mouse again!

See Computer Tips, page 4

QuickBooks® Workshop

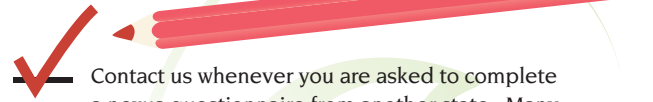


Paraprofessional Cheryl Houston, an Advanced Certified QuickBooks® ProAdvisor, is planning a QuickBooks® Training Workshop on Friday, September 23rd. Cheryl, who recently completed the 2011 version certification has been with P&G since 1986.

For additional information on, or to register for, the Workshop, contact cherylh@pgco.com or call 401-831-0200.

Please Don't Forget To:

By Sharon Kennedy



- Contact us whenever you are asked to complete a nexus questionnaire from another state. Many contain traps for the unwary and we can help you avoid common mistakes.
- File a Declaration of Homestead if you are a Massachusetts resident. Information regarding the \$500,000 Homestead protection can be found online at www.sec.state.ma.us/rod/roddom/homidx.htm
- Consider converting your traditional IRA to a Roth IRA
- Provide us with your tax information as soon as possible if your return is currently on extension
- Visit the RI Division of Taxation website www.ri.gov/cgi-bin/taxation/refund/status.cgi to check on the status of your individual income tax refund.

Roth IRA Conversions Everyone is Eligible!

By Jill Smith

Thanks to the Small Business Jobs Act of 2010 everyone may partake in Roth IRA conversions regardless of adjusted gross income! Prior to January 1, 2010 taxpayers who had adjusted gross income in excess of \$100,000k were not allowed to convert traditional IRAs to Roth IRAs. However, the Act lifted the income limitations resulting in this option being available regardless of income. Conversions may be accomplished through a rollover, trustee-to-trustee transfer, or account redesignation. While the amount converted is includible in income, post conversion qualified distributions are not includible in income and early withdrawals are not subject to an additional 10% tax. If you have been thinking about rolling over your traditional IRA to a Roth IRA, now may be the time to take action! Contact your tax professional to discuss your options.

We Appreciate the Feedback!

"P&G—always available when we need them. It has been extremely rewarding working with the P&G Group!"

-Ron Fiore, Fiore Auto Group

This firm, like other firms, relies on satisfied clients as our primary source of new business. Your referrals are both welcome and most sincerely appreciated!



► **Printing files:**



Did you know that you can print files without having to open them first? There are many times when you need to print a number of files, and rather than having to open their associated program, open the file, print the file, then close it and move on to the next one, Windows Explorer allows you to print each one without even opening them first.

Simply right-click on the filename in Windows Explorer and select Print. To print multiple files, just hold down the CTRL key while selecting the files you want to print. Then right-click on any of the highlighted items and select Print.

That's all there is to it. You might not use this all the time, but for those times when you do need to print a batch of files, this will save a lot of time.

HERE ARE A FEW OTHER QUICK KEYBOARD SHORTCUTS TO SAVE YOU SOME TIME:

Universal shortcuts:

- **Minimize all windows:** +M
- **Open Windows Explorer:** +E

In Excel:

- **Select all:** CTL+A
- **Select a row or column of cells:** CTL+Shift+Arrow
- **See what cells have formulas in them:** CTL+ ~

In Word:

- **Make text all Caps or all Lower Case:**
Select text to change, then Shift+F3

Incorporating keyboard shortcuts into your routine will increase your speed at creating and printing spreadsheets and reports, as well as navigating around your computer. You'll be a keyboard shortcut guru in no time.

Contact Eden at edenk@pgco.com or by calling 401-831-0200.

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held at the time the valuation is needed. Another option is to name the expert appraiser or a firm, or to appoint an individual to select a neutral expert.

Components of Value There are many different "standards" of value, including fair market value, fair value, investment value and liquidation value. Many agreements fail to define the required standard of value, which severely diminishes the appraisal process leaving room for costly debate in the future. The effective date of the valuation should also be defined such as the date of the triggering event or the last day of the previous full business year. Instructions for special considerations can also be stated in the agreement for the appraiser to apply, such as how to determine the value of specialized equipment or how to calculate excess assets such as undistributed cash balances and investments.

Funding & Terms Methods for paying the valuation amount must also be contemplated. Life and disability insurance are commonly used and the agreement can name the policies in place and their purpose. Extended payout terms over several years may often be required for situations where funding is limited. The agreement should outline the interest rate to be applied and the terms of repayment.

Tax Considerations Determining the deductibility of insurance premiums and other funding techniques must also be considered. Tax considerations vary for life and disability insurance benefits and premium payments and each situation should be addressed.

Closing Thoughts

When a buy-sell agreement is drafted, the parties usually do not know if they will be the buyer or the seller. Thus, the parties should think about how they want to be treated in either situation. Thinking about these issues and creating workable solutions is what the buy-sell agreement is all about. Although these issues are difficult to discuss, failing to address them and document them in a written agreement will be a likely cause for excessive future expense and hard feelings. If you have not reviewed your buy-sell agreement recently, now is a good time to look at it or send it to us for a professional critique.

Contact Kevin at kevinp@pgco.com or by calling 401-831-0200.

PI & CERELLI, GILSTEIN
& COMPANY, LLP

Certified Public Accountants and Consultants

