



A Publication of the Jacksonville Chapter

<http://www.jacksonville.imanet.org/>

February 2008

## BREAKFAST MEETING

The Jacksonville Chapter wants to have breakfast with you!!

**Holiday Inn  
at Baymeadows and I-95**

**7:30 a. m.**

**Wednesday, February 27**

**James Morency, will speak on negotiating tips for controllers when buying company insurance.**

**No need to reserve ahead of time, just come.**

**See the calendar inside the newsletter for all of the upcoming events!**

**Chapter e-mail address**

Contact us at  
[JaxIMA@gmail.com](mailto:JaxIMA@gmail.com)

## CMA Review Course, Part III

The Jacksonville Chapter of the IMA is holding a review course this month for part III of the Certified Management Accountant designation. The CMA is the only certification in accounting that is honored worldwide, and it proves that you are knowledgeable in management accounting. Parts 1-3 can be taken in any order. It will probably start next week, so **contact Jerry Jeakle at 356-7967 or [Jeakle@bellsouth.net](mailto:Jeakle@bellsouth.net)**, and we can learn the material in a structured, group format with a great instructor.

**Next IMA Quarterly Dinner Meeting**

**Thursday, March 13**  
**Cocktails at 5:30, Dinner at 6:30**

**Next IMA Board Meeting**

**Wednesday, March 12**  
**7:30 a.m. – at Intego, 5343 Bowden Road  
(at Richard Street)**

## From the Desk of President Jerry Roach...

Fellow IMA members,

The many accomplishments by our area members continue to make our organization strong. We have had members taking steps toward certification, other members learning and gaining CPE at regular meetings, and other members finding a better employee or a better career. Student involvement has increased overall, including some members of the National Association of Black Accountants attending our last breakfast meeting. We are moving closer to being able to give out more scholarships and we are making additional plans to meet the needs of those entering our field of management accounting.

Our most recent success as an organization came when we hosted the state IMA organization, known as the Florida Council. We held the meeting of our state leaders in St. Augustine, and everyone enjoyed the insightful information shared by the speakers in large groups and each other in social settings.

The next event is the IMA Breakfast meeting, to be held on February 27<sup>th</sup>, and we also want to keep the national IMA conference in mind. It will be held in Tampa from June 14-18, and the best lineup of speakers you will find in our profession will be there. Come for all or part of the meeting, and you will be glad you came.

The year is winding up, and our last local meeting for the year will be on May 21<sup>st</sup>. Everyone who is a member of our organization should come to a meeting this year, and bring a friend. This is an important part of your membership in many ways, and want to serve you in ways that will be helpful. If you have suggestions, or are interested in assisting with any area, I would love to hear from you by e-mail ([JaxIMA@GMail.com](mailto:JaxIMA@GMail.com)), or speak with you in person at our next event. Your interests are why we are here.

Sincerely,

Jerry Roach

### IMA JACKSONVILLE CHAPTER SERVICE YEAR 2007-2008 OFFICERS AND TEAM LEADERS

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Please send general feedback to the chapter at [JaxIMA@gmail.com](mailto:JaxIMA@gmail.com)

## Meetings and Events Schedule

DATE	TYPE OF MEETING	LOCATION – TIME
<b>February</b>		
6	Board Meeting – all are welcome	Intego (Richard St. and Bowden), 7:30 a.m.
27	Breakfast Meeting	Holiday inn at I-95 and Baymeadows, 7:30 a.m.
<b>March</b>		
12	Board Meeting – all are welcome	Intego (Richard St. and Bowden), 7:30 a.m.
13	Quarterly Dinner Meeting	Deercreek Country Club, 5:30 p.m.
26	Breakfast Meeting	Holiday inn at I-95 and Baymeadows, 7:30 a.m.
<b>April</b>		
9	Board Meeting – all are welcome	Intego (Richard St. and Bowden), 7:30 a.m.
23	Breakfast Meeting	Holiday inn at I-95 and Baymeadows, 7:30 a.m.
<b>May</b>		
14	Board Meeting – all are welcome	Intego (Richard St. and Bowden), 7:30 a.m.
21	Breakfast Meeting	Holiday inn at I-95 and Baymeadows, 7:30 a.m.
<b>June</b>		
11	Board Meeting – all are welcome	Intego (Richard St. and Bowden), 7:30 a.m.
16-22	IMA National Conference, Tampa <b>A Once-in-a-Decade Opportunity</b>	Tampa Convention Center

**A place for: learning – sharing – networking – fun – new experiences – mentoring – continuing education – leadership development – promoting the field – certification – community service**

### IMA National Conference - Tampa

The IMA is coming to visit our neighbor down the road! The 89<sup>th</sup> Annual IMA National Conference will be in Tampa, Florida, from June 16-22, at the Tampa Convention Center. The value of gaining the latest management accounting insights and knowledge will be stimulating and career-improving. You can attend for all or part of the conference, and further distinguish yourself as a committed professional in management accountancy. Visit the website [www.imaconference.org](http://www.imaconference.org) for more information on this important opportunity for you. Save \$200 if you sign up before **April 4<sup>th</sup>**.

## American Manufacturing: A Recap

The United States has a serious trade deficit, totaling \$711 billion in 2007. While American manufacturing has lost momentum in recent decades, there are many positives, and there are specific areas for improvement. Management accountants can improve this critical component of American GDP.

Manufacturing exports in our country totaled \$1.6 trillion in 2007, and we did it while leading the world in productivity, as defined by the goods and services produced in one hour of work. America produces 25% of all goods worldwide, and has since 1982, despite the development of manufacturing in China, India and the Asian Tiger countries. Our national economy has grown by 3.5% since 2001, but manufacturing output is growing by 4%.

There are several reasons for optimism in the future of industrial production. Rising standards of living in countries abroad could lead to a demand for the often higher quality of American goods. The recently lower value of the dollar also helps us when we export. While household products are completely dominated by Asian manufacturers, the United States excels in food production, medical products, big-ticket items and cutting-edge technology devices. And the average American manufacturing worker makes \$65,000 per year, so even if their wages drop some, it will still be above the national average wage.

But there are some concerns on the horizon. Foreign firms producing their goods for the American market is always bad, unless we are just steering our capital to our strengths. But many people do not see the net drain on our economy when foreign goods produce some of their goods here. Foreign-owned factories are beneficial in the short-term when an American factory closes and large numbers of workers are left stranded without a job. Also, if the foreign-owned factory produces for many countries in the world, it reduces the negative impact. But generally when high U.S. productivity is combined with factories staffed without entrenched union involvement, it can be a major blow to the American-based competitors down the street. Also, sometimes tariffs are levied against foreign companies sending too many of their products to the U.S. The loophole, as is believed to happen with Toyota, for instance, is that they send as many cars to the United States as they are allowed, and then they manufacture the rest of them in the United States. Currently, one in twelve American factory workers are employed to benefit a company from another country.

American manufacturers have almost exclusively focused on reducing costs, and this is important. Frankly, that is often an accomplishment of management accountants. But this focus on costs has caused manufacturers to overlook the goal of growing top-line revenues. Plus, there are other priorities that manufacturers must consider more closely:

- Implementing continuous improvement outside of production (HR and pensions, warranty claim fulfillment, customer fraud, logistics, inventory and financial management strategies)
- Increasing training of workers
- Increasing investments in capital assets
- Outsourcing functions in ways that cut costs (industry knowledge and better resources)
- Learning more about customers and prospective customers, leading to better product innovation, customer retention and product lifestyle management (including time to market)
- Migration toward a less expensive and more sustainable energy source, such as nuclear energy. (manufacturers as a group can influence the creation of nuclear energy on a state and national level). Building nuclear reactors is very expensive, but over time it is far and away the most inexpensive energy source.

According to a 2007 Capgemini survey, only 40% of the top 300 American manufacturers consider themselves to be world-class in product innovation, operational excellence and customer retention.

American manufacturing produces \$1.73 in economic development for every dollar received, and is a solid part of our economy, even as we have transitioned from primarily a manufacturing economy to a service economy to the knowledge economy that is well underway. With adequate knowledge of revolutionary manufacturing techniques, such as nano

manufacturing, the e-business extension of Just-in-Time manufacturing, and the American public taking a second look at nuclear power, management accountants' understanding of the big picture is more important than ever.

## IMA Discounts!

Do you take advantage of all of the cost savings from being a member of the IMA? Cost savings is important to any management accountant, and here are the companies that want you to save money through their partnership with our association, on the national level. Go to [www.imanet.org](http://www.imanet.org), then to the Member Program and Benefits section for discounts from:

- DHL Express
- UPS
- Penny-Wise Office Supplies
- Marsh insurance
- eHealth insurance finder service
- Hertz
- Bank of America
- Blue Chip Expert Executive Recruitment Services for contract-based work
- The Business Source publications
- Framing Success certificate frames
- Shane, Inc. awards and gifts

## New Tools for Management Accountants

IMA has come forward with the Finance, Governance, Risk and Compliance (FGRC) research practice. It is a summation of research from testimony and input to Congress, the SEC and the U.S. Department of the Treasury.

The first discussion paper from the IMA's FGRC is entitled, "Accounting Control Assessment Standards: The Missing Piece in the Restatement Puzzle." Companies are having to restate their financial position much too often because their internal controls have broken down. According to Audit Analytics, Inc., more than one in ten Accelerated Filers issued restatements in 2006. Financial restatements hurt investor confidence, a firm's cost of capital and U.S. global competitiveness. The first FGRC paper discusses the reasons and remedies for the growing number of financial restatements.

The points that the FGRC is based upon are:

**Governance:** the set of accountabilities and alignment of responsibilities in an organization

**Risk:** includes ERM (Enterprise Risk Management)

**Compliance:** the system of control to satisfy regulatory, industry and organizational requirements

The paper and the FGRC are designed to inform management accountants, and to stimulate discussion and debate on the important issues. It is the beginning of a new tool for members of the IMA.

## **New Regulations for the FMLA**

The U.S. Department of Labor has developed new regulations for the Family and Medical Leave Act, for the purpose of better administration of the law.

Currently, the FMLA applies to all public employees, private employers with 50 or more employees, and private schools regardless of the number of employees. Eligible employees include those who have worked for the company for 12 months (does not have to be consecutive time), and who work within 75 miles of a work site where the employer has 50 or more employees. Eligible workers can receive up to 12 weeks of unpaid leave in any 12 month period, given the following circumstances:

- The birth and care of the newborn child of the employee
- The employee is granted adoption or fostering of a child
- Care for an immediate family member (spouse, child or parent) with a serious health condition
- The employee is unable to work because of a serious health condition
- The employee is a spouse, child, parent or next-of-kin of a member of the military or National Guard or Reserve who is an outpatient, or on the temporary disability retired list due to injury or serious illness. (NDAA Section 585. Amendment added in FY 2008).

The changes in the FMLA are meant to address ambiguity and poor communication between the employee and employer. It better defines “serious health condition,” increases requirements for employers to inform their employees of their FMLA rights, requires employees to notify employers when they are taking FMLA leave, and allows employers to contact doctors to confirm the medical reason for the leave.

The new rules were proposed February 11, 2008, and go into effect April 11, 2008 if they are not withdrawn.

## **Board Members for 2008-2009**

The new IMA year starts on July 1<sup>st</sup>, and this means new officers for our local chapter. We need students involved, as well as accomplished professionals and rising stars. We are seeking energy and cooperation, and it is important that we continue serving as many area members as possible. Please consider joining our productive team of leaders, as we could use your help in any level of participation.

Contact Joe Nairon at 463-0288 or [JacksonvilleJoe@GMail.com](mailto:JacksonvilleJoe@GMail.com), and put your stamp on our 250-member chapter.