



A Publication of the Jacksonville Chapter

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

March 2007

### IMA Service Projects

#### EVERYONE SHOULD COME

The IMA Cares about the community, and wants to make a difference. At the same time, a tip jar at the service projects below will give others a chance to contribute to our scholarship fund.

#### Jacksonville Jazz Festival

April 14<sup>th</sup> from 9 a.m. to 4 p.m.

Contact Jerry Jeakle at  
[jeakle@bellsouth.net](mailto:jeakle@bellsouth.net)

#### Sail Jax Festival (Tall Ships)

May 5<sup>th</sup> from 9 a.m. to 7 p.m.

Contact Jerry Jeakle at  
[jeakle@bellsouth.net](mailto:jeakle@bellsouth.net)

#### THE PLAYERS Championship

Various 6-hour shifts

In partnership with ΑΣΠ, the  
accounting fraternity at UNF

Contact Sossina Iyasu  
[SoSsl885@aol.com](mailto:SoSsl885@aol.com)

#### New Chapter e-mail Address

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

### New Meeting Name!

## IMA Breakfast Meeting

### New Meeting Place!

The Controllers Advisory Council  
meetings are going great, but they have  
evolved to include all kinds of accounting  
professionals.

The new name for our meeting will be the  
**IMA Breakfast Meeting**, and we are now  
meeting at the Best Western on Salisbury  
Road (**SOUTH** of JTB).

## Next IMA Breakfast Meeting

– April 25 –

Best Western at Southpoint

7:30 a.m. – 9 a.m.

## President's Message

### A Message from President Jerry Roach...

Thank you all for a productive and informative year so far. The IMA Jacksonville Chapter continues to stand strong and represent management accountants in an articulate and intelligent manner. While so many of our members do not take full advantage of their membership, we do have a strong base of members, some great additions to our committees and board of directors each year, and we make an effort to get input from everyone through phone calls and e-mails. Come unite with the most motivated and enjoyable people in management accounting!

There are many great things to do in April and May. In addition to our regular meetings, we have several community projects. These projects not only help promote fun events in Jacksonville, they give Jacksonville a positive face to the residents, and visitors from near and far. Of the most direct importance to our priorities is the opportunity to gain money for our scholarship fund. We will have tip jars out during our civic events, and the money raised from this will go to better the lives and accounting careers of students. Fostering young management accountants is my number one priority with this organization. The upcoming events that we are assisting are the Jacksonville Jazz Festival (April 14), the Sail Jax Festival / Tall Ships (May 5), and THE PLAYERS (May 10-13), the world-famous golf tournament in Ponte Vedra previously known as The Players Championship.

This summer, we take a break from meetings and CPE, but there are still opportunities for involvement. We will continue our monthly board meetings, planning great events for the fall. We will also take some time and get together for a baseball game. We will go see the Suns as a group, and hope to have as much fun as last year.

Take a look at the information in the newsletter on our service projects. Consider becoming involved. All people are welcome, and our members are part of our family.

Hope you're having a great Spring.

Jerry

### IMA JACKSONVILLE CHAPTER SERVICE YEAR 2006-2007 OFFICERS AND TEAM LEADERS

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

## Upcoming Meeting Schedule

DATE	TYPE OF MEETING	LOCATION – TIME
<b>April</b>		
14	Jacksonville Jazz Festival	Metropolitan Park 9 A.M. – 4 P.M.
25	Monthly Controllers Advisory Council	Best Western at Southpoint 7:30-9 A.M.
<b>May</b>		
5	Sail Jacksonville Festival (Tall Ships)	Jacksonville Landing 9 A.M. – 7 P.M.
9	Board Meeting – all members welcome	Panera Bread San Marco 8 a.m.
10-13	THE PLAYERS Championship	TPC Sawgrass, Ponte Vedra Choose a day and time!
23	Monthly Controllers Advisory Council	Best Western at Southpoint 7:30-9 A.M.
<b>June - August</b>		
2 <sup>nd</sup> Wednesday	Board Meeting – all members welcome	Panera Bread San Marco 8 a.m.
TBA	Jacksonville Suns game	Baseball Grounds of Jacksonville

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

## Productive Boards

According to Ram Charan's new book, *Boards that Deliver*, there are ten questions of which a board of directors should focus when guiding an organization. While the book is greatly focused on boards of large corporations, the questions highlighted here can apply to almost any size of business:

1. Do we have the right CEO/president?
2. How well is the CEO's compensation linked to actual performance?
3. Do we have a precise understanding of the money-making recipe in the chosen strategy?
4. Is the management team looking at external trends and diagnosing the opportunities and threats presented?
5. What are the sources of organic growth?
6. How rigorous is the process for developing the leadership gene pool?
7. Do we have the right approach to diagnosing financial health?
8. Are we examining measures that capture the root causes of performance?
9. Do we get bad news from management in time and unvarnished?
10. How productive are executive sessions?

## **Bid on the IMA National Conference**

The Florida Council of the IMA wants to give you a shortcut to the 88<sup>th</sup> annual IMA National Conference in Phoenix, Arizona this summer.

The IMA National Conference is an exciting time for accountants, with the opportunity to learn the latest in new trends and techniques, and to get it first-hand from the most innovative people in the business. You win when you come to the National Conference, and this year the place is Phoenix.

While meeting your own needs, this is also an opportunity to help accounting students in Florida. The National IMA has given the Florida Council one certificate for the national conference, and the Florida Council of the IMA is auctioning it off to generate money for scholarships statewide. This certificate is currently bidding at \$725, and is a full \$950 registration. That means that the winner will contribute at least \$725 toward the accounting aspirations of youth in our state!

To participate in the auction for the registration certificate, you must not have already registered, and you must still provide your own hotel room in Phoenix. The conference is from June 16-20 – and is the best thing you can do at that time of the year. The bidding ends at 9 p.m. on March 17<sup>th</sup>, giving people the chance to still qualify for the early bird rate for the conference through April 6<sup>th</sup>. Go ahead and reserve your hotel room, though, as rooms at the J.W. Marriott Desert Ridge will run out, and then people will have to resort to an alternate hotel. This trip will be fun, informative, and different than a usual vacation. Take advantage of the opportunity!

To view details on the conference, visit <http://www.imaconference.org/>

To take part in the bidding, an enlightening experience for you and for accounting students in Florida, e-mail Mike Tarter at [miketarter@adelphia.net](mailto:miketarter@adelphia.net).

## **Curiosity**

Curiosity leads to greater knowledge, checks and balances and process improvements, and a key difference between management accountants and auditors is an open, broad curiosity. As IMA Chairman Bill Brower points out, “a good way to stay in tune with the accounting landscape is through education.” One of the newest ways of achieving this is through the IMA’s monthly webinar series. So far, 500 people listen to these free seminars, and this is as current a snapshot of accounting as the television is for news. Next time the reminder comes to you, schedule to take part in the IMA webinar.

**Volunteer!**

## **We have three opportunities to volunteer coming up in the next two months:**

### **Jazz Festival April 14:**

We are manning a beverage tent from 9am - 4pm on Saturday April 14 and need at least 4 or 5 people for all day or twice that number for early and later shifts. Contact Jerry Jeakle [jeakle@bellsouth.net](mailto:jeakle@bellsouth.net) if you would like to participate. Volunteers will be able to attend the Jazz Festival for free on Saturday.

### **Sail Jax Festival (Tall Ships) May 5:**

We are manning a beverage tent from 9am to 7pm on Saturday May 5 and need at least 8 people all day or twice that number for early and later shifts. We will be allowed to keep the tips that our booth generates. There is no charge for the event so volunteers can roam about when not working. Contact Jerry Jeakle [jeakle@bellsouth.net](mailto:jeakle@bellsouth.net) if you would like to participate.

### **The Players Championship May 7 to May 13:**

Alpha Sigma Pi, the accounting fraternity at UNF, is manning a beverage booth at the TPC all week. Each shift is 6 hours and various shifts are available. There is no entrance fee for volunteers. Contact Sossina Iyasu [SoSsI885@aol.com](mailto:SoSsI885@aol.com) if you would like to participate. If you do, please let her know that you are an IMA member.

## **Best Practices in Accounts Payable**

1. Policies without controls won't work
  - Ensure that only authorized employees are approving invoices
  - Record every invoice that comes in and always know its status
  - Tie every invoice to a PO or risk having to restate earnings
2. Policies combined with technology = rules + enforcement
  - Software can provide an audit trail of approvals
  - Much faster reporting process
  - Better manage working capital
3. Find ways to reduce costs
  - Technology can lead to automated processing of periodic or contract-based purchase processes
  - Technology can prevent fraud or misallocation of funds by pointing out discrepancies
4. Find ways to improve processes
  - Automation is good, but do not automate a broken process
5. Implement key performance indicators to attain continual improvement
  - Measure against any previous system used and against industry benchmarks
  - Measure Key Performance Indicators, such as the time between receipt and payment of an invoice
6. Ensure the system has flexibility beyond SOX
  - Comply with the Patriot Act, HIPAA, Gramm-Leach-Bliley Act, Federal Information Systems Management Act, and industry standards, such as Payment Card Industry Data Security Standard (PCI DSS), Control Objectives for Information Technology (CobiT), and Committee of Sponsoring Organizations of the Treadway Commission (COSO).
  - Create processes that accomplish multiple requirements in as few steps as possible
7. Make accounts payable more strategic
  - Automation provides greater efficiency
  - Use personnel time to analyze data and generate dynamic reports
8. Integration is key
  - Financial, invoice-processing accounting, and ERP systems should be compatible

## **Payroll Through Turmoil**

Winn-Dixie Stores, Inc., one of Jacksonville's most successful businesses over the years, has had some difficult times in the last few years. While things are firmly on the mend now, the process all along has led to challenges in the field of payroll.

Brian Koons, the new head of payroll for Winn-Dixie, has led several initiatives and managed probably the most complex payroll operation in Florida with Winn-Dixie. He joined us at the IMA Jacksonville Quarterly Dinner Meeting, and spoke on payroll in bankruptcy and important payroll issues in general.

Winn-Dixie filed for Chapter 11 bankruptcy on February 21, 2005, allowing them to void the leases on 150 closed stores and 2 warehouses. Later, 250 additional stores were closed. "Debtor in Possession" must be written on all payments, including payroll and paid invoices.

Key employees received Key Employee Retention Plan (KERP) bonuses in three installments to keep them with the company. The last of these installments was February 8, 2007, and no key employees have left since. Hopefully, this means they are optimistic about the future of the company. Management employees who are terminated during bankruptcy and receive a severance are not subject to Social Security or Medicare deductions from that severance. The Warn Act requires Winn-Dixie employees to be paid either 60 days prior to the closure of a store or 60 days after the closure of a store is announced, whichever is later.

When stores were sold in North Carolina, it was required that 90% of the displaced associates be offered employment. Further, the new salary must be no less than 80% of the previous rate of pay. This would allow Winn-Dixie to avoid having to pay a severance to the employees. Part-time and new employees were not included in this calculation.

Mr. Koons also discussed tax issues on retirement contributions, such as Management Savings Plans and Supplemental Retirement Plans. SRPs are not subject to FICA, and a private letter ruling was obtained to reduce the amount of MSP.

\$160 million was invested in store remodeling, with 60 more remodels scheduled for 2008. The company's motto is, "Getting Better All the Time" and Winn-Dixie successfully emerged from bankruptcy on November 21, 2006.

## **Details on Retirement Planning**

Bill Aldrich of First Coast Financial Group shared a great deal of knowledge on retirement planning at our March IMA Breakfast Meeting. Many of the rules, strategies and foundational concepts of retirement plans were shared from the perspective of a management accountant.

One IRS principle is that there cannot be discrimination between management-level employees and lower-wage tiers of employees in a company. In a small business, however, different forms of retirement plans can have a much different effect upon employees. For instance, if the older employees are the senior leadership, then using insurance and annuities as the funding vehicle would be best. With an assumption of low interest, then the funding requirement is higher than other retirement plans. This means that if the company leadership is retiring soon, more of the underlying capital can be put into the retirement fund, and it can be redeemed sooner.

Another basic rule is that with qualified retirement plans, the deposit is tax-deductible, the accumulation of interest is tax-deferred, and the resulting income is taxable. With non-qualified plans, the deposit is taxable, but the income is tax-free. Unfortunately, this means less initial capital is available to generate interest over time.

Bill spoke of Golden Parachutes and Golden Handcuffs (a retirement plan available to those who stay with the company for a set period of years).

Bill considers life insurance to be a great asset at any age. It is probably the most favorably taxed asset, the holders can access money before 59 ½ without penalty, and it is one of the few assets that is protected from lawsuits against the holder.

Other topics in which Bill enlightened us were IRAs, estate taxes and 2<sup>nd</sup> Die Policies. We appreciate Bill's time and hope that our members will join us for the next IMA Breakfast Meeting on Wednesday, April 25<sup>th</sup>.

## Process Mapping for Month-End

Need an accurate picture of your organization's processes so you can decide what to keep doing and what to improve? The March issue of Strategic Finance offers a detailed solution - process mapping - and here are some keys ideas for process mapping:

Financial analyst prepares a month-end report, submits to Controller  
Controller reviews the package with an emphasis on:

- Diagnostics
- Key balance sheet accounts roll forward
- Composition schedules agree with financial statements
- Intercompany schedules agree with the balance sheet
- Sending errors or discrepancies back to the financial analyst for correction

Controller then reviews the final version with the General Manager or Division President

General Manager or Division President signs off on the package and sends to the Corporate Office or Parent Company

Some keys to effective process mapping are:

- Being able to describe the major processes in the organization  
Examples: finance department, sales branch or call center.  
A process is a series of value-added tasks to turn inputs into a product or service output.
- Describe how these major processes operate
- Visually charting processes and masking unnecessary details
- Avoid mapping "should be" or "perceived" processes.
- Avoid risks of losing knowledge capital and reduce retraining costs

Some key enablers to optimal performance are:

- Workflow design
- Technology
- Human Resources
- Policies and rules
- Facilities design
- Motivation and measurement

## Employment – Openings

Please submit employee availability or notice of open positions here. The position will be advertised for 90 days and can be renewed once. Please help us make this a dynamic and active opportunity for our members!