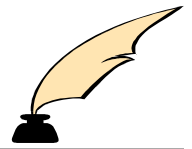


Accountants' Notes



Volume 11, Issue 4

April 2009

Beware of Corporate Compliance Form Hoax Circulating in Ohio

The form is an official-looking mailer that warns business owners that Ohio state law requires annual corporate meetings, and that they (the business owner) may not be in compliance. The mailer suggests that the business owner fill out an enclosed application and send \$150 to create a paper trail that would be handy if creditors, suppliers, the IRS or anyone else came calling.

According to Ohio state officials, the corporate compliance form is not legitimate. Not all companies are required to have annual meetings and even if they were, filling out a form wouldn't create compliance. Ohio Secretary of State Jennifer Brunner posted a notice on her website saying her office isn't affiliated with the letter. The letter cites Corporation Code Section 624, but secretary of state's spokesman Kevin Kidder said that is not Ohio law.

The address on the letter leads to a UPS Store in Columbus.

One of our clients advised Winfree, Ruff that they had received an official looking letter addressed to their corporation from Ohio Corporate Compliance titled Annual Minutes Disclosure Statement.

To read the full article by Sheryl Harris of the Cleveland Plain-Dealer, go to www.corporatecomplianceinsights.com and search for corporate compliance hoax.

Also included in the article are details about another warning issued by the Better Business Bureau to be wary of anyone offering free advice about how to receive government stimulus money. Such a promise of stimulus money, usually in return for a fee or financial information, is always a scam.

Final Reminders for 2008 Tax Returns

As the deadline for 2008 individual income tax returns nears, please remember the following:

Your 2008 IRA contribution is due by April 15, 2009, even if you filed for an extension. SEP and Keogh plans can be made later, by the extended due date of the return but, the plan must have been set up before 2009 to take a deduction for 2008.

Consider a SEP-IRA if you missed the deadline to set up a Keogh. SEP's can be opened by the extended due date for 1040's and individuals.



Individual Tax Return Extensions

If you would like us to file an extension for your 2009 personal income tax returns, please advise us by April 8th.

If you are going to owe additional taxes for 2008, keep in mind that you will need to send a check along with the extension for the estimated taxes due.

2009 First Quarter Payroll Reports

March 31, 2009 marked the end of the first quarter. Please provide us with your payroll information and all of the payroll forms that you receive from the taxing authorities by April 11th to insure the timely filing of your reports.



Winfree, Ruff & Associates, Ltd.

www.winfree.net

Lancaster Office
Phone: 740-681-1676
Fax: 740-681-1672

Pickerington Office
Phone: 614-837-8291
Fax: 614-837-5144

Baltimore Office
Phone: 740-862-2258
Fax: 740-862-2208

2009 SPRING CLEANING TIPS & IDEAS



To Refinance or Not?

The old and arbitrary rule of thumb said that a refi only makes sense if you can lower your interest rate by at least two percentage points; for example, from 9% to 7%. But what really matters is how long it will take you to break even and whether you plan to stay in your home that long. In other words, make sure you understand – and are comfortable with – the amount of time it will take for your overall savings to compensate for the cost of the refinancing.

Consider this: if you had a \$200,000 30-year mortgage with an 8% interest rate, your monthly payment would be \$1,468. If you refinance at 6%, your new monthly payment would be \$1,199, a savings of \$269 per month. Assuming that your new closing costs amounted to \$2,000, it would take eight months to break even ($269 \times 8 = \$2,152$). If you planned to stay in your home for at least eight more months, then a refi would be appropriate under these conditions. If you planned to sell the house before then, you might not want to bother refinancing.

Is it a good time to convert your Traditional IRA to a Roth IRA?

Your income may be low now, therefore it may be a good time to take advantage of the lower tax bracket. Therefore, it MAY be a good time to consider converting your IRA(s) to Roth IRA(s).

When you convert to a Roth IRA, you have to pay the ordinary income tax on the converted amount. By converting this year, your IRA's have most likely dropped significantly and you will then have less to pay ordinary income tax on. Sure it's not exciting to see your account drop 30-40%, but if you could sock that away in a Roth IRA, think of all the tax free money down the road!

Please keep in mind that currently if you individually or jointly make over \$100,000 or modified adjusted gross income, you cannot take advantage of this opportunity. Your first window of opportunity will not be until the year 2010, which then, depending on the value of the accounts, might be another time of considering converting to a Roth IRA.

Back up your computers

Sounds obvious, but most companies fail to keep 100% of their important data backed up 100% of the time. Once a problem has occurred, retrieval can be exorbitantly expensive.*

Computer safety



- **Power protection.** Power surges and failures can cause data loss and damage to sensitive components, which can reduce their lifespan. Make sure you use surge protectors – and keep in mind that surge protection wears off over time. Replace all surge protectors every two to three years.*
- **Firewall and security.** The Internet is teeming with hackers who want to access your computer for unsavory reasons. The list of problems they can cause is daunting: stealing client files and records, deleting important data. Make sure your computers are updated with the latest security patches and that firewalls are installed and maintained properly.*
- **Spam, viruses and spyware.** 80% of all computer service calls the world over are due to problems directly linked to these three issues. Invest in good virus protection, Spam filters and antispyware programs.*