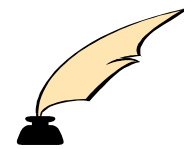


Accountants' Notes



Volume 13, Issue 6

June 2011

IMPORTANT UPCOMING FILING DATES

Individual Estimated IRS Tax 2nd Quarter Payments	June 15
Individual Estimated State/Local/ Tax 2nd Quarter Payments	June 15
May Sales Tax	June 23
Sales Tax - Semi-Annual	July 25
Quarterly Payroll Reports	August 1

Pickerington Annual Client Appreciation Event

Mark your calendar for the Annual Client Appreciation Event on Friday, July 22nd from 4:30 p.m. to 8:00 p.m.

Enjoy a fun-filled evening for the whole family!



HOW TO DETERMINE IF YOUR GIFT IS TAXABLE

1. Most gifts are not subject to the gift tax. There is usually no tax if you make a gift to your spouse or to a charity. If you make a gift to someone else, the gift tax usually does not apply until the value of the gifts you give that person exceeds the annual exclusion for the year. The annual exclusion for 2011 is \$13,000.
2. Gift tax returns do not need to be filed unless you give someone, other than your spouse, money or property worth more than the annual exclusion for that year.
3. Generally the person who receives your gift will not have to pay any federal gift tax because of it. Also, that person will not have to pay income tax on the value of the gift received.
4. Making a gift does not ordinarily affect your federal income tax. You cannot deduct the value of gifts you make (other than gifts that are deductible charitable contributions).
5. The general rule is that any gift is a taxable gift, but there are many exceptions to this rule. The following gifts are not taxable gifts:
 - Gifts that are not more than the annual exclusion for the calendar year.
 - Tuition or medical expenses you pay directly to a medical or educational institution for someone.
 - Gifts to your spouse.
 - Gifts to a political organization for its use
 - Gifts to charities.
6. Gift Splitting—you and your spouse can make a gift up to \$26,000 to a third party without making a taxable gift. The gift can be considered as made one-half by you and one-half by your spouse. If you split a gift you made, you must file a gift tax return to show that you and your spouse agree to use gift splitting. You must file a Form 709, United States Gift (and Generation-Skipping Transfer) Tax Return, even if half of the split gift is less than the annual exclusion.
7. Gift Tax Returns - you must file a gift tax return Form 709, if any of the following apply:
 - You gave gifts to at least one person (other than your spouse) that are more than the annual exclusion.
 - You and your spouse are splitting a gift.
 - You gave someone (other than your spouse) a gift of a future interest that they cannot actually possess, enjoy, or receive income from until some time in the future.
 - You gave your spouse an interest in property that will terminate due to a future event.
8. You do not have to file a gift tax return to report gifts to political organizations and gifts made by paying someone's tuition or medical expenses.



Winfree, Ruff & Associates, Ltd.

www.wracpas.com

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

Have you read the Business Tip of the Month on our website?**Do disaster recovery planning for your business**

Read today's headlines and you'll discover that tsunamis, tornadoes, fires, earthquakes, thefts, and acts of terrorism are not rare events. Businesses throughout the world — some, perhaps, in your town — are even now struggling to recover from natural and man-made disasters. Some will pull through and thrive; others will close their doors forever.

Lacking the resources of large corporations, small businesses are especially vulnerable to disasters. Smaller firms don't have departments dedicated to disaster recovery. They can't rely on partners, insurance companies, or government agencies to bail them out. Some even lack basic recovery plans to steer them in the aftermath of catastrophic events. As a result, many small companies don't survive when a fire breaks out in a warehouse or an earthquake destroys company assets.

To avoid becoming a disaster statistic, your firm should develop a comprehensive recovery plan that addresses the following factors:

Document protection. All critical files should be copied and stored offsite on a routine basis, either by scanning documents to digital media or transferring data to online servers. Vital backups might include general ledgers, client lists, insurance policies, contracts, and title documents. Even simple procedures, such as storing hardcopy files in fireproof safes, can help in a disaster.

Insurance coverage. If your business is located in a flood plain, make sure you have the necessary coverage. Review your company's policies regularly and keep an accurate inventory of business equipment, goods held for sale, and other assets that could be destroyed in a disaster. Ensure that all important policies can be retrieved in an emergency.

Communication protocols. Employees should know how to maintain contact with one another during a disaster. Clients, insurance agents, attorneys, accountants and other outside parties also should have access to emergency contact information through your company website or other venues. Your disaster plan should list primary and alternate communication systems — cell phones, radios, e-mail — and should identify employees responsible for monitoring such systems.

Recovery procedures. Employees and managers should be trained in relevant recovery processes. They should know where to meet if evacuation becomes necessary, who is responsible for coordinating critical functions, and how to recover business data (if applicable to their position).

Developing a business disaster recovery plan shouldn't be an afterthought. Just ask a former business owner who wasn't prepared.

CALL OUR OFFICE TODAY TO SCHEDULE AN APPOINTMENT TO GET STARTED ON THIS VERY IMPORTANT PROCESS FOR YOUR COMPANY!!!

Check out prior **Business Tip of the Month** topics at www.wracpas.com (just to name a few....)

- *Hiring temporary staff can be a smart business move
- *Is your business getting paid on time?
- *Every small business should establish controls

[Other Tips available at wracpas.com](http://www.wracpas.com)

- *Tax Tip of the Week
- *Financial Tip of the Month