

PALIUS + O'KELLEY LLP

CERTIFIED PUBLIC ACCOUNTANTS

BUSINESS FITNESS NEWS



BUSINESS FITNESS TRAINING
EXCEPTIONAL SERVICE - VALUED WORK

In this issue we want to go over some "house keeping" items with you and also discuss a very important new tax law that requires you to give us permission to send you tax advice, newsletters, etc. With this, we have included a copy of our privacy policy to assure you that we do not disclose your personal information. We would also like to invite you to one of our breakfast meetings where we will discuss internal controls.

Kristy Dandridge -Editor

You may have noticed a lapse in the Palius + O'Kelley newsletters; this is due to a modification to Treas. Reg. section 301.7216 that recently went into effect. Because of this modification, we need to have your written consent to send you various firm newsletters, invitations, etc. ***We would like to request that you sign the opt-in enclosed so that we can continue to send you updates on new tax laws, business tips, event invitations, etc. If you own a business please sign both sides.***

Because we are familiar with your individual return, we have you in mind when new and cutting edge tax laws take effect. The newsletters are used as a way of communicating tax planning tips, tax law updates, etc. By using your tax return information, we can be sure that you are given the opportunity to take advantage of these tax laws. Per our privacy policy, we will not disclose any personal information about you to anyone, except as permitted by law.

As a reminder, here is a copy of our privacy policy:

In order to meet the requirements of the Gramm-Leach-Riley Act of 1999, we wish to inform you of the privacy policy of Palius + O'Kelley LLP:

We collect personal information about you and all our clients from the information you submit to us orally or on application forms, and through information we obtain over the course of your business relationship with us, our affiliates and others. In addition, we may from time to time receive information about you from a

consumer-reporting agency. Personal information is information that we collect from you that is not otherwise available from public sources. The categories of personal information we collect include:

- Information you submit to us, such as your name, address, social security number, names of family members, assets, and income.
 - Information about your transactions with us, our affiliates or others, such as your account balances, investments, current and prior tax information, and credit card.
- Information we may receive from a consumer reporting agency pertaining to your creditworthiness and credit history, including loan or mortgage payments made.

We will not disclose any personal information about our clients or former clients to anyone, except as permitted by law.

Upon your written request we will disclose information about you. In rare circumstances, we may be required by law to disclose information about you, such as in response to a subpoena or other court order. Within our company, we provide access to your personal information only to those employees who need to know the information to provide you with our services. We maintain physical, electronic, and procedural safeguards to guard your personal information. We do not share your personal information with companies that perform marketing services.

Internal Control

How are you managing your business finances? Many business owners are discovering that their assets are not as well protected as they thought. This is especially true in small business environments where a single employee manages all the finances. Often there are no "checks and balances" to verify that transactions are accurate.

When proper, consistent procedures are not in place, employees can learn to manipulate the accounting system to their benefit. Whether they take money from the company or their mistakes are undiscovered, the end result can greatly impact your company's management discussions, financial reports and tax filings.

Unfortunately, once your financial records have been altered, discovering problems is extremely difficult. Most standard accounting practices are not designed to uncover internal problems such as embezzlement.

Therefore, the best way to safeguard your company's assets is to recognize and improve weaknesses in your internal procedures. The following business practices can help you minimize potential internal control problems:

- Related duties should be assigned to different people
- Reconcile and scrutinize your bank statements every month
- Always ask for proof before you sign a check or authorize a transaction
- Lock and protect your valuables
- Know your employees and examine behavior changes

These internal controls can help you reveal many discrepancies, as well as recognize the excellent efforts of your staff. Our firm can help you develop and implement any of these important internal controls. Please contact us to discuss your options for an internal control evaluation and to ask about the informative breakfast meetings where we discuss these issues.

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