SOLUTIONS

February ◆ 2012

Professionally Speaking

Shareholder **Alan B. Gubernick, CPA,** has joined the Upper Dublin Township Select Committee on Economic Redevelopment at the invitation of the Township's Board of Commissioners. Among other issues, Alan will advise the Township on the Fort Washington Office Park.

Alan will present a seminar on *Cost Accounting* at the American Society of Consulting Arborists (ASCA) 2012 Consulting Academy on February 21st in Philadelphia, PA.

CONGRATULATIONS…

…to **Fran Sperling Feldbaum, CPA** on her promotion from Manager to Principal.

…to **Linda A. Nitterauer, CPA,** on her invitation to join the Intuit Community All Star group, an elite group of Intuit Certified QuickBooks ProAdvisors® recognized for the high quality of their support to the Intuit online community. Linda also recently volunteered with PICPA to present *Take It to The Bank*, a financial literacy program, to a local Girl Scout troop.

Please join us in welcoming our new Human Resources Manager, **Paul G. McDonald**, and new staff accountants **David C. Litchfield** and **Bob Bacon.**

Presented by

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and its subsidiaries

St. Clair CPAs, P.C.

CPA Financial Group, LLC

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Dear Clients and Friends

Celebrating Our 25th Year!

Business Journal CPAs Top 25 2011

CELEBRATING 25 YEARS

St. Clair CPA Solutions proudly celebrates 25 years of service in 2012. Over the course of a quarter century, we have grown to become one of the Philadelphia region's leading accounting and financial consulting firms by staying true to our mission: to provide the best service possible, with integrity, professionalism, and support for our profession and our community.

A History of Tradition, Innovation, and Service

In 1997, when regulatory changes in the accounting and financial service industries permitted certified public accountants the opportunity to provide a broader spectrum of financial services, the shareholders of **St. Clair CPAs, PC,** recognized a new opportunity to provide "the best service possible." With a vision to integrate a full platform of diversified financial services—offering clients the convenience and expertise of accounting, investment, and advisory services all through one organization of specialized companies—they founded **CPA Financial Group, LLC**, to fulfill clients' wealth management needs.

United in 2007 under the new name of St. Clair CPA Solutions, the tax professionals at the independent certified public accounting firm of St. Clair CPAs, PC, and the financial professionals at CPA Financial Group, LLC, are together committed to providing Accounting for Life and Advising for Lifecycles. Their team approach to client service includes direct communication to provide more informed oversight. Our strategic alliance with EBA Consulting, LLC, furthers our ability to deliver comprehensive financial services for individuals, businesses, and estates.

We are grateful to the many clients whom we have had the privilege to serve over the past 25 years. We take pride in consistently achieving the highest rankings in accounting industry peer reviews, in consistently being named among the Philadelphia Business Journal's "Top 25" firms, and in being a member of BKR International. But our greatest pride comes in our long relationships with our clients and in delivering extraordinary personal service, every day. Thank you for making 25 years possible. We appreciate your trust.

President Calls for a Minimum Tax on Wealthy and Multinationals in State of the Union Address on January 25, 2012

President Obama, in his State of the Union address to Congress on January 24, proposed a minimum tax for millionaires and for multinational companies on their overseas profits. In addition to calling for a minimum effective tax rate of 30 percent, Obama also proposed to eliminate tax deductions for housing, health care, retirement and child care for high-income earners, according to a White House document, "Blueprint for An America Built to Last."

At the same time, Obama reaffirmed his commitment not to raise taxes on those earning less than $250,000. He also called on Congress to extend the payroll tax cut through the end of 2012.

The president announced measures to discourage out-sourcing and to reward businesses that create jobs in the U.S. "No American company should be able to avoid paying its fair share of taxes by moving jobs and profits overseas. From now on, every multinational company should have to pay a basic minimum tax," Obama asserted.

In addition, the president proposed to end the deduction for moving production overseas and to create a new tax credit to cover moving expenses for companies that close production abroad and bring jobs back to the United States. To create incentives for manufacturing in the U.S., the president proposed to lower tax rates for manufacturers and double the tax deduction for high-tech manufacturers.

If you have any questions about how these proposed changes may affect your tax planning, please contact us.

Summary provided by CCH News Staff

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Fundamental Fiduciary Duties of Retirement Plan Trustees & Administrators

Reminder: The IRS requires that all 401(k) and 403(b) plans with more than 100 members must submit an audit by July 15, 2012.

Recognizing the importance of preserving retirement savings, retirement plan trustees are obliged to adhere to best practices in plan administration. The following guidelines are provided to assist plan administrators ("fiduciaries") in this respect.

Fiduciaries must discharge their duties solely in the interest of retirement plan participants and beneficiaries. In carrying out their duties, fiduciaries must act:

- for the exclusive purpose of providing benefits to participants and their beneficiaries, and defraying the reasonable expenses of administering the plan;
- with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with these matters, would use in the conduct of an enterprise of a like character and with like aims;
- by diversifying the investments of the plan so as to minimize the risk of large losses unless under the circumstances it is clearly prudent not to do so;
- in accordance with the documents and instruments governing the plan insofar as those documents and instruments are consistent with the provisions of ERISA.

The fiduciary of an underfunded pension plan is not permitted to make prohibited payments while the plan has a liquidity shortfall.

Fiduciaries must also maintain the indicia of ownership of all plan assets within the jurisdiction of the district courts of the United States and must be bonded.

For qualification of pension, profit-sharing, and stock bonus plans, no specific limitations apply with respect to investments that may be made by the trustees of qualified trusts. Generally, trustees may purchase any investments permitted by the trust agreement to the extent allowed by state law. For example, permissible investments include investments in common trust funds, group trusts, mortgage pool and participation certificates, REITs, and employer securities. However, ERISA places limitations on the acquisition and holding of employer securities and employer real estate by plans other than eligible individual account plans.

Fiduciaries who fail to conform to the required standards of conduct under ERISA are held personally liable for any losses suffered by the plan as a consequence. In addition to liability for a fiduciary's own breach of the standards of conduct imposed by the labor provisions of ERISA, a fiduciary is, under some circumstances, liable for a breach of fiduciary duty by another fiduciary with respect to the same plan. In some circumstances, fiduciaries may also be subject to fines and other criminal penalties.

If you have questions regarding the administration of your organization's retirement plan, or need assistance in securing the required IRS plan audit by July 15, 2012, please contact our 401(k)/403(b) audit expert, Michael E. Mostochuk, CPA, at 610.862.1998 or *mmostochuk@stclaircpa.com*.

Summary provided by CCH News Staff

SAVE THE DATE ◆ REGISTER NOW
Nonprofit Seminar at GPCC

St. Clair CPA Solutions is a proud sponsor of the Greater Philadelphia Chamber of Commerce Nonprofit Seminar series. If you missed our first Board Governance program, here's your chance to attend this valuable seminar (back by popular demand!) led by Joel F. Smith and Mark R. Wille of J.F. Smith & Associates, with our own Frances Sperling Feldbaum, CPA, MBA, as a contributing speaker.

Thursday, April 12, 2012 ◆ 8:00 AM – 8:30 AM Registration ◆ 8:30 AM – 10:30 AM Program

Greater Philadelphia Chamber of Commerce ◆ DiBona Room ◆ 200 South Broad Street, Suite 700, Philadelphia, PA 19102

There is no charge for this program, but as seating is limited, advance registration is required.
Please register online at www.greaterphilachamber.com.

An active board is essential in the success of nonprofit operations, and establishing and maintaining good board governance is crucial in helping ensure that your nonprofit is operating soundly and transparently.

Join us for a roundtable discussion led by industry experts as we review a case study of board governance and explore best practices in fiduciary responsibility, donor relationships, management relationships and more.

The unique format of this program will foster audience feedback and interaction and will allow for discussion around other topics of high relevance to nonprofits. Come prepared to share experiences, ask questions and discover how to establish and maintain good board governance for your nonprofit.