



AZ Valley  
of the Sun  
Chapter

# The Roadrunner

January 2016

Volume 17, Issue 8

## Inside this issue:

President's Message 2

Work Related Tax Deduction 3

Saver's Credit 4

IMA Wild West Council February Events 7

January Technical Session 11

CMA Corner 13

Chapter Board 15

Chapter Event Calendar 17

## 2016 Standard Mileage Rates

The Internal Revenue Service today issued the 2016 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2016, the standard mileage rates for the use of a car will be:

- 54 cents per mile for business miles driven, down from 57.5 cents for 2015
- 19 cents per mile driven for medical or moving, down from 23 cents for 2015
- 14 cents per mile driven in service of charitable organizations

The business mileage rate decreased 3.5 cents per mile and the medical, and moving expense rates decrease 4 cents per mile from the 2015 rates. The charitable rate is based on statute. The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs. Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously.

These and other requirements for a taxpayer to use a standard mileage rate to calculate the amount of a deductible business, moving, medical or charitable expense are in [Rev. Proc. 2010-51](#). [Notice 2016-01](#) contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

The January issue of *The Roadrunner* newsletter focuses on Taxes. Financial professionals should stay current on tax changes for our individual needs, our company or our clients. Take advantage of your IMA membership and join us for any of our educational, career and networking events to keep current on tax and accounting issues.

## **IMA AZ Valley of the Sun Chapter President's Message**

Dear IMA AZ Valley of the Sun Chapter Members,

I don't know about you but the first thing I think about each new year are the documents I need to pull together to do my taxes. The list seems to grow longer and longer each year. I'm an auditor by trade but I actually enjoy doing my personal returns. I also do the tax returns for a half dozen family members and friends. I think the primary reason I enjoy doing these returns is that I get to use the H&R Block software which makes it easy and enjoyable for me. It really makes a very complex and unenjoyable tax code bearable. That being said, I think that educating oneself on the changes to the tax code is very important for everyone that prepares returns even if they use tax preparation software. I don't believe in over-reliance on software products. Tax CPE is probably the most important CPE of the year, because it is very technical and personal. Taxes go far beyond the annual income tax returns. Taxes also include payroll such as social security and medicare taxes, property taxes, sales taxes, and estate and gift taxes. There is a tax related to almost every function of daily life. To administer these taxes, there are a similar number of tax authorities. Taxes in the United States are administered by literally hundreds of tax authorities. At the federal level there are three tax administrations. Most domestic federal taxes are administered by the Internal Revenue Service, which is part of the Department of the Treasury. Alcohol, tobacco, and firearms taxes are administered by the Alcohol and Tobacco Tax and Trade Bureau (TTB). Taxes on imports (customs duties) are administered by U.S. Customs and Border Patrol. TTB is also part of the Department of the Treasury and CBP belongs to the Department of Homeland Security. Organization of state and local tax administrations varies widely. Every state maintains a tax administration. A few states administer some local taxes in whole or part. Most localities also maintain a tax administration or share one with neighboring localities. I think this adequately explains why tax CPE is so important. Have a great tax season!

Sincerely,

Travis J. Magneson, CPA CMA CFM

IMA AZ Valley of the Sun Chapter

2015-2016 President

## Business Deduction for Work-Related Education

If you are an employee and can itemize your deductions, you may be able to claim a deduction for the expenses you pay for your work-related education. Your deduction will be the amount by which your qualifying work-related education expenses plus other job and certain miscellaneous expenses is greater than 2% of your adjusted gross income. An itemized deduction may reduce the amount of your income subject to tax.

If you are self-employed, you deduct your expenses for qualifying work-related education directly from your self-employment income. This may reduce the amount of your income subject to both income tax and self-employment tax.

Your work-related education expenses may also qualify you for other tax benefits, such as the tuition and fees deduction and the lifetime learning credit. You may qualify for these other benefits even if you do not meet the requirements listed above.

To claim a business deduction for work-related education, you must:

- Be working.
- Itemize your deductions on Schedule A (Form 1040 or 1040NR) if you are an employee.
- File Schedule C (Form 1040), Schedule C-EZ (Form 1040), or Schedule F (Form 1040) if you are self-employed.

Have expenses for education that meet the requirements discussed under Qualifying Work-Related Education, below.

## Qualifying Work-Related Education

You can deduct the costs of qualifying work-related education as business expenses. This is education that meets at least one of the following two tests:

- The education is required by your employer or the law to keep your present salary, status or job. The required education must serve a bona fide business purpose of your employer.
- The education maintains or improves skills needed in your present work.

However, even if the education meets one or both of the above tests, it is not qualifying work-related education if it:

- Is needed to meet the minimum educational requirements of your present trade or business or
- Is part of a program of study that will qualify you for a new trade or business.

You can deduct the costs of qualifying work-related education as a business expense even if the education could lead to a degree.

## Save Twice with the Saver's Credit

If you are a low-to-moderate income worker, you can take steps now to save two ways for the same amount. With the saver's credit you can save for your retirement and save on your taxes with a special tax credit. Here are six tips you should know about this credit:

1. **Save for retirement.** The formal name of the saver's credit is the retirement savings contributions credit. You may be able to claim this tax credit in addition to any other tax savings that also apply. The saver's credit helps offset part of the first \$2,000 you voluntarily save for your retirement. This includes amounts you contribute to IRAs, 401(k) plans and similar workplace plans.
2. **Save on taxes.** The saver's credit can increase your refund or reduce the tax you owe. The maximum credit is \$1,000, or \$2,000 for married couples. The credit you receive is often much less, due in part because of the deductions and other credits you may claim.
3. **Income limits.** Income limits vary based on your filing status. You may be able to claim the saver's credit if you're
  - o Married couple filing jointly with income up to \$60,000 in 2014 or \$61,000 in 2015.
  - o Head of Household with income up to \$45,000 in 2014 or \$45,750 in 2015.
  - o Married person filing separately or single with income up to \$30,000 in 2014 or \$30,500 in 2015.
4. **When to contribute.** If you're eligible you still have time to contribute and get the saver's credit on your 2014 tax return. You have until April 15, 2015, to set up a new IRA or add money to an existing IRA for 2014. You must make an elective deferral (contribution) by the end of the year to a 401(k) plan or similar workplace program. If you can't set aside money for this year you may want to schedule your 2015 contributions soon so your employer can begin withholding them in January.
5. **Special rules apply.** Other special rules that apply to the credit include:
  - o You must be at least 18 years of age.
  - o You can't have been a full-time student in 2014.
  - o Another person can't claim you as a dependent on their tax return.

**Visit IRS.gov.** You figure your credit amount based on your filing status, adjusted gross income, tax liability and the amount of your qualified contribution. Other rules also apply. For more information visit IRS.gov.

If you found this Tax Tip helpful, please share it through your social media platforms. A great way to get tax information is to use [IRS Social Media](#). Subscribe to [IRS Tax Tips](#) or any of our [e-news subscriptions](#).

## Community Service Projects

### Waste Management Open - February 6th

Volunteers needed for the Waste Management Phoenix Open!

On Saturday, February 6, 2016, IMAAZ will be helping the Special Olympics by staffing one of their concession stands at the Waste Management Phoenix Open! Our shift we run from 7:30 AM to 2:00 PM, and we will need at least 25 volunteers. Special Olympics get a donation for each Volunteer. Make yourself count by volunteering! This is our sixth year participating in this event, and it has always been a fun and very busy time at the open!



All volunteers receive a free day pass for the Open. To sign up, contact IMA Community Service Director Chris Fritsch at [cpinnacle@cox.net](mailto:cpinnacle@cox.net). Thank you for your support of our community!



### Thank You - Christmas Angels

Members supported our latest community service project by selecting a Christmas Angel recipient at the November 10th meeting and bringing presents to the December 8th meeting.

WORLDLY KIDS, INC., ("WK") a newly formed Arizona non-profit organization, was launched to serve the needs of a unique student population who is homeless and/or underserved. For most homeless children of today, homelessness is not a brief experience in their life, but a period of time that is fraught with educational and emotional setbacks that may last for years to come. In contrast, children living in normal homes and taught in traditional schools are given daily opportunities that help to create a positive growth environment, assuring health, happiness and wellness. For the success of these underserved children who struggle on a daily basis, for their basic needs, WK's goal is to address those obstacles that impede their learning, so they may receive the education needed to become healthy, happy and independent, adults. These children deserve more positive opportunities in their life.

Learn more about this nonprofit organization and volunteer opportunities at [www.worldlykids.org](http://www.worldlykids.org)



## **Expand your network and sharpen your leadership skills! Volunteer in the IMA Wild West Council**

Volunteering in IMA gives you opportunities for Learning and Refining New Skills for Personal and Professional Growth, Developing/Strengthening Professional Relationships, and Supporting the Management Accounting and Finance Profession.

IMA's Wild West Council is seeking volunteer leaders to contribute to its mission of promoting IMA's strategic objectives and supporting the success of chapters in Arizona, southern California, southern Nevada, and Utah. Regional councils are chartered by IMA's Global Board of Directors to serve as a bridge between the Global Board and staff and professional member chapters, student chapters, and members in their designated geographic area.

Council responsibilities include:

- Monitoring the health and success of assigned chapters
- Organizing new chapters
- Leading revitalization efforts for chapters that are experiencing difficulties
- Assisting in identifying and establishing student chapters
- Supporting members not served by a local chapter and at-large members
- Augmenting chapter resources in providing education and networking events, strategizing and making corporate development calls, and promoting CMA® (Certified Management Accountant) certification

The Council meets four times per year at different locations within the Council area. Our meetings include CPE, business meeting, and networking events. All Council volunteers are encouraged to actively participate in Council activities, but attendance is not mandatory. Web connections are generally available for business meetings.

For more information on available positions, contact Wild West Council VP of Chapter Relations, Pem Smith at [pem.smith64@gmail.com](mailto:pem.smith64@gmail.com) or visit the Wild West Council website <https://sites.google.com/site/wildwestcouncil/volunteer>.

**Applications are open from 1/7/16 through 3/4/16 for the IMA Fiscal Year starting July 1st.**

For more information on the application process, contact Pat Stefanczyk, IMA vice president of governance and volunteer relations, at [pstefanczyk@imanet.org](mailto:pstefanczyk@imanet.org) or call (800) 638-4427, ext. 1592.



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## IMA WILD WEST COUNCIL

# Winter Meeting- Phoenix

February 19-20, 2016

### Schedule of Events

Friday, February 19, 2016:

11:30 to 12:30

CMA Rally at ASU

Tempe Campus

1:15 pm to 5:15 pm

CPE Sessions

Sheraton Downtown Phoenix

Evening:

Networking/Social Event with

IMA Global

Saturday, February 20, 2016:

IMA WWC Meeting

9:00 am to 12 noon

Afternoon social event:

Lunch and visit to

The Phoenix Art Museum

Like us on Facebook and follow us  
on Twitter: @IMAWWC

Friday, February 19 events

11:30 am to 12:30 pm

**CMA Rally at ASU Main Campus**

*(Pizza, Prizes, Networking and CMA certification information)*

1:15 pm to 5:15 pm

**CPE—4 hours**

Sheraton Downtown Phoenix

***Ethical Leadership: A Values Based Approach (2 hours)***

Presented by Bud Kulesza, CMA, CFM, former IMA Chair

***The Importance of Management Accounting (1 hour)***

Presented by William F. Knese, CMA, CFM, CPA,

former IMA Chair

(1 hour CPE)

***Developing Leadership Skills through IMA (1 hour)***

Presenter TBA

***Evening:***

***Networking event with IMA Global***

**For more information on all events:**

<https://sites.google.com/site/wildwestcouncil/>



## Job Interviews Coming Up?

### 5 Interview Questions You Should Ask Potential Employers

A job interview is a two-way street. Not only do you, as the interviewee, have to be prepared to answer interview questions, you should also plan on asking your own questions during job interviews.

If you do, you'll have plenty of company. Eighty-four percent of professionals responding to a [recent Accountemps survey](#) said they ask hiring managers questions during job interviews. Here are five productive interview questions to serve up the next time you find yourself in the role of interviewee:

- 1. What's a typical day like for someone in this position?** The answer to this question will be helpful in at least two ways: You'll get crucial information about what your day-to-day duties would be if hired, and you'll gain insight on how well your prospective manager understands exactly [what the job entails](#).
- 2. Who was in the role before me, and why did they leave?** The interviewee should not expect the full scoop on the previous employee's history, of course, but learning more about why the position is open will provide a better idea of whether you'll have the [tools and support](#) you'll need to succeed if you eventually accept the job.
- 3. What qualities do you think would make someone successful in this position?** The answer to this question will not only help you get a handle on whether the job would be a good fit for you but also give you a chance to emphasize your [skills and traits](#) that match up well with what the company needs.
- 4. What do you see as the greatest opportunities for the company in the next several years?** This question shows that you're interested in more than just the short term, and the response will shed light on the company's leadership style and plans for the future.
- 5. What do you like most about working here?** In general, it's not appropriate for you, the interviewee, to put the hiring manager in the hot seat. But this question brings a human element to job interviews while still keeping the focus on the workplace and how individual employees can gain career satisfaction from contributing to the firm's mission.

Being ready for questions directed your way during job interviews means being able to respond with informative answers, but it also means being able to recognize when the time is right to pose your own questions. Hiring managers understand this, and they'll be attuned to how well you seize opportunities to ask what you need to know. The interview questions you ask may well turn out to be as important as the ones you answer.

*Accountemps, a [Robert Half](#) company, is the world's first and largest specialized staffing firm for temporary accounting, finance and bookkeeping professionals. Accountemps has more than 340 locations worldwide. More resources, including online job search services and the [Accountemps blog](#), can be found at [accountemps.com](#).*



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## Women's Accounting Leadership Series

Mark your calendars for **Friday, April 29, 2016** for an innovative, inspiring, and informative event, presented by IMA, Pace University, and Arizona State University.

**WHAT:** The Women's Accounting Leadership Series is designed to provide relevant professional development and support for the advancement of women in accounting and finance functions in corporate America. Participants will include accomplished female leaders in the profession, as well as aspiring and mid-career accounting professionals, so that different perspectives on challenges and potential solutions are shared in an interactive dialogue.

**WHEN:** Friday, April 29

**WHERE:** Arizona State University  
WP Carey School of Business, McCord Hall  
Tempe, Arizona

**WHO:**



**Sandra B. Richtermeyer,**  
Ph.D., CMA, CPA  
Professor of Accountancy and  
Associate Dean  
Williams College of Business  
Xavier University  
Former IMA Chair  
IMA Global Board of Directors



**Leslie F. Seidman**  
Executive Director  
Center for Excellence in  
Financial Reporting  
Lubin School of Business  
Pace University  
Former Chair of FASB

**Price:** Free

Earn NASBA-approved  
CPE credits

**Includes:** Breakfast,  
networking break, and  
informal lunch

**REGISTRATION:**

Details to follow in a  
subsequent e-mail.

## IMA Wild West Council 2015-2016 Board

|                          |   |
|--------------------------|---|
| President                | Diane Hewlett                                   |
| President-Elect          | OPEN  |
| Past President           | Kathleen Moren                                  |
| Global Director          | Nancy McCleary                                  |
| Treasurer                | Deb Michalowski                                 |
| Secretary                | OPEN  |
| V.P. Administration      | Mitch Lenoil                                    |
| V.P. Admin Emeritus      | Rex Soutar                                      |
| V.P. Chapter Relations   | Pem Smith                                       |
| Director-Webmaster       | Frank Garcia                                    |
| Director-Newsletter      | Nancy McCleary                                  |
| Director-LinkedIn/LinkUP | Pam Zanzucchi                                   |
| Directors – Meetings:    | Kelly Benner<br>Camille Cook<br>Patrick Wilson  |
| Directors – Education    | Celeste Porter<br>Derek Heijmans                |
| Chapter Mentors          | Lyle Braithwaite<br>Rob Ferrell<br>Frank Garcia |

Get Social with the IMA Wild West Council



[www.facebook.com/  
imawildwestcouncil](http://www.facebook.com/imawildwestcouncil)

[@IMAWWC](https://twitter.com/IMAWWC)

## IMA Wild West Council 2015-2016 Meeting Calendar

February 19-20, 2016 Phoenix

April 22-23, 2016 Salt Lake City

Join us for the IMA Wild West Council events in Phoenix!

Friday, February 19, 2016

11:30 AM - 12:30 PM - CMA Rally (tentative) - Free!

Join us for an informational event about the Certified Management Accountant Certification, Accounting Careers in Industry, and Networking

1:00 PM - 5:00 PM - 4 hours of CPE

1:00 PM - 3:00 PM. Former IMA Chair, Bud Kulesza - Ethical Leadership: A Values Based Approach (2 hours)

3:00 PM - 5:00 PM Additional topic to be announced

Location: Sheraton Downtown Phoenix Hotel

6:30 PM - 8:00 PM (tentative) - IMA Global Board Networking Reception - Wild West Council members welcome

Saturday, February 20, 2016

9:00 AM - 12:00 PM - Wild West Council Meeting -

All IMA members welcome!

Location: CBIZ Office

3101 N. Central Ave., Suite 300

Phoenix, AZ 85012

12:00 - 4:30 Lunch and Social/Networking Event

Phoenix Art Museum - we will take the Light Rail to the museum and back to the hotel

6:00 Group Dinner TBD

Visit the IMA Wild West Council for event details, registration and payment <https://sites.google.com/site/wildwestcouncil/events-1>

## January 2016 Technical Session

### Annual Tax Update

### Afternoon & Evening Sessions

**Date:** Tuesday, January 19, 2016

**Time:** Afternoon Session : 3:00pm - 5:00pm / Networking 5:00 - 6:00pm /  
Dinner: 6:00pm - 7:00pm / Evening Session: 7:00pm - 8:00pm

**Afternoon Session:** Federal Tax Updates

**Speaker:** Jeff Geiss & Team, Deloitte

**Description:** Join us as we spend the afternoon learning about the changes to the Federal tax law. As in years past, Deloitte will guide us through the latest that we need to know regarding Federal tax laws & changes

**Amount of CPE:** 2 hours

**Evening Session:** State Tax Updates

**Speaker:** Jeff Geiss & Team, Deloitte

**Description:** Join us as we spend the afternoon learning about the changes to the state tax law. As in years past, Deloitte will guide us through the latest that we need to know regarding state and local tax laws & changes

**Amount of CPE:** 1 hour

**Menu:** TBA

**Cost Both Sessions:** Members \$50, Non Members \$60, Students \$12

**RSVP Due:** Thursday January 14, 2016

Register online at [www.imavalleyofthesun.org](http://www.imavalleyofthesun.org) and use our credit card payment option.



## Phoenix Heart Walk

Saturday, March 19, 2016 | Cityscape Downtown Phoenix

Join thousands of walkers from the Greater Phoenix area as they step out to have fun, get inspired, & support a meaningful cause! The Heart Walk is a 3 mile route and the Stroke Walk is a 1 mile route. **Participants are allowed to bring strollers, rollerblades, etc., but please be mindful of the large crowds, especially at the Start Line. Dogs are welcome and, by City of Phoenix law, must be on leash and cleaned up after.** We look forward to seeing you downtown!

### Event Information

Date: Saturday, March 19, 2016  
Location: Cityscape Downtown Phoenix 145 E Washington St. Phoenix, AZ 85004  
Time: 8:00am to 12:00pm  
The Route: 3-mile Heart Walk and a 1-mile Stroke Walk

Join the **Number Crunchers Team** for the 2016 Phoenix Heart Walk! Together we can take a step toward improving our heart health while having fun! Members of the **Accounting & Financial Women's Alliance** and the **Institute of Management Accountants**, along with friends and family will participate in both the 3 mile and 1 mile walks. No matter your fitness level, there is an opportunity to participate in the walk and the festivities. Please visit <http://phoenixheartwalk.kintera.org/numbercrunchers> to join or support the Number Crunchers Team!

Questions: Contact Team Captain Laura Mangan at 480-276-5926 or [lauralynne@earthlink.net](mailto:lauralynne@earthlink.net).



*IMA's Certification for  
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The  
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## Certified Management Accountant Certification

### About CMA Certification

The CMA is the globally recognized, advanced-level credential appropriate for accountants and financial professionals in business. Achieving the CMA demonstrates your professional expertise in financial planning, analysis, control, decision support, and professional ethics – skills that are in demand by organizations around the world.

Whether you want to enhance the value you bring to your current position, or expand your career potential, the CMA will help you set the standard for professional excellence.

ICMA® (Institute of Certified Management Accountants) is the certification affiliate of IMA. ICMA is responsible for developing, administering, and grading the CMA exam; establishing the policies and procedures for the CMA program; and for ensuring the program's overall integrity. The ICMA Board of Regents is responsible for setting the policies, and the ICMA staff is responsible for operations.

### Exam Structure

The CMA exam is organized into two parts, which can be taken in any order. Each exam part is four hours in length and includes 100 multiple-choice questions and two 30-minute essays.

#### Part One: Financial Reporting, Planning, Performance, and Control

- External Financial Reporting Decisions
- Planning, Budgeting, and Forecasting
- Performance Management
- Cost Management
- Internal Controls

#### Part Two: Financial Decision Making

- Financial Statement Analysis
- Corporate Finance
- Decision Analysis
- Risk Management
- Investment Decisions
- Professional Ethics

Candidates must register to take at least one exam part within the first 12 months of entering the program and must complete both exam parts within three years. Visit the IMA global website [www.imanet.org/cma-certification](http://www.imanet.org/cma-certification) for more information on the CMA exam and requirements.

# PASS THE CMA EXAM!

## **GLEIM** CMA<sup>®</sup> REVIEW SYSTEM

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***SUCCESS GUARANTEED!!***



## IMA AZ Valley of the Sun Chapter 2015 - 2016 Board of Directors

|                       |                     |                         |                     |
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| President-Elect       | Trey Ballard        | Email Distribution      | Brian Haberlen      |
| VP Administration     | Trey Ballard        | Asst Email Distribution | Diane Hewlett (P)   |
| Treasurer             | Ron Caron (P)       | Newsletter              | Laura Mangan        |
| Assistant Treasurer   | John Bakker         | Publicity               | Trey Ballard        |
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| Co-Director           | Tom Dopler          | Asst Corp Development   | Mirza Alihodzic     |
| Co-Director           | Pam Zanzucchi (P)   | Sponsorships            | open                |
| Co-Director           | Deb Michalowski (P) | Employment              | Mitchell Davidson   |
| CMA Program           | Julie Wilson        | Employment              | Christian Kaijser   |
| Asst CMA Program      | Mirza Alihodzic     | Employment              | Glenn Hines         |
| Asst CMA Program      | Andrew Rhea         | Employment              | Chris Stich         |
| Education Reporting   | Dawn Sandberg       | Student Relations       | Yaman Nass          |
| Certificate Reporting | Laura Mangan        | SCST Scholarship        | Donna DeMilia       |
| Webcaster             | Kathleen Moren (P)  | SCST ASU                | Nick Stefaniak      |
| Meetings/Attendance   | John Bakker         | SCST DeVry              | Robert Norton       |
| Raffle                | Susan Bobbe         | SCST GCU                | Alex Ortiz Rosa     |
|                       |                     | SCST Internship         | Yaman Nass          |

Please contact Travis Magneson if you are interested in serving on the chapter board, on a committee or volunteering for an event. Email Travis at [tmagneson@cbiz.com](mailto:tmagneson@cbiz.com). Members are welcome to join us at monthly board meetings. Check the events page for the date and location of board meetings.

## IMA AZ Valley of the Sun Chapter Member January Anniversaries

### 1-10 Years

J Douglas Ashworth  
 Kevin Charles Bauerle  
 Daniel Gervickas  
 Annelle Richardson  
 Brandy Leigh Stephens  
 Robert B Machiz  
 Michael Neill  
 Ingrid Guerrero  
 Pui Shan To  
 Stephen Longwill  
 Christian Tyler Coronado  
 Wei Wang  
 Qiner Wang  
 Duy Nguyen  
 Jeffrey Steward  
 Jacob John-Frederick Bailey  
 Xinlan Xu  
 Travis Janzen  
 Kirsten Aird  
 Lenka Konecny  
 Derek James Thurston, CMA, EA  
 Christopher Joseph Morgan  
 Trisha Smith Wilson, CMA  
 Dr Walter Fraczek, CBM, PMP, CPA, ABV, RTRP, CCM  
 Norman Kur, CMA, CFE  
 Deborah Michalowski, CPA

### 11-20 Years

Marie Isabell, CMA, CFM  
 Meenakshi Pruthi-Makkar, CMA, CFM, CPA  
 D Brett Benedict  
 Kathleen Holappa  
 David Halpin, CMA

### 21-30 Years

Thomas Forman, CMA, CPA, CIA  
 Hugo Robles, CMA, CFM  
 Kathryn Savage, CPA  
 Michael McGowan  
 Arthur Graf Jr, PMP

### 31-40 Years

Nancy Maurer, CMA, CPA  
 William Gerow  
 Lillian Caley  
 Joseph Wilmet, CMA, CPA

### 41-50 Years

Robert Dreizler  
 R Del Delaney  
 Robert Schmit  
 Harold Burke

### 50+ Years

Thomas Bagby  
 Roger Walcott  
 John Berta

## Strategic Finance: Taxes: Extended Involuntary Conversion Relief

In the January 2016 issue of Strategic Finance, James W. Rinier, CPA, EA and Anthony P. Curatola review part of the tax code related to tax relief for farmers in the Governance column "Taxes: Extended Involuntary Conversion Relief". The U.S. tax code contains some relief for farmers who have to sell some of their livestock because of extended drought conditions. Persistent droughts may force farmers to sell livestock early due to high cost of feed. Farmers and ranchers may be eligible to delay the recognition of the gain if they replace the sold livestock within four years.

An involuntary conversion occurs when a taxpayer is forced to dispose of property for circumstances such as theft, seizure, or condemnation as well as drought conditions. Internal Revenue Code (IRC) §1033(e) provides that the sale or exchange of livestock held will be treated as an involuntary conversion if the transaction is in excess of the taxpayer's usual business practices and related to a drought, flood, or other weather-related condition. The taxpayer must then replace the property within a specified replacement period.

While this has the appearance of a tax benefit, it's actually an attempt to provide some relief for the taxpayer via the tax code. The underlying assumption is that the farmer or rancher is reducing inventory because of drought; otherwise, the livestock will perish or become ill from the lack of water and/or feed.

Notice 2015-69 is also found in the Farmer's Tax Guide (IRS Publication 225) that was published October 13, 2015, for use in preparing 2015 returns. The Farmer's Tax Guide is for taxpayers who are in the business of farming where they cultivate, operate, or manage a farm for profit as an owner or a tenant.

The IRS has issued several extensions of the replacement period in the past similar to Notice 2015-69, but it's worth highlighting the notice to taxpayers who have sold livestock due to drought conditions so they don't miss the opportunity to have more time to replace their livestock and to avoid gain on the involuntary conversion. Many of us may not deal with livestock in our businesses and professions, but we should be aware of these types of farming issues since there are many areas where livestock is a significant part of the market.

Visit [www.imanet.org](http://www.imanet.org) for IMA Publications and the new SFMagazine.com for the full article and the latest issue of *Strategic Finance*.



## Upcoming Chapter Events



January 12th

Board Meeting

Macayo's Phoenix

January 19th

Federal & State Tax Updates

Marriott Airport Hotel Phoenix

January 22nd

Breakfast Meeting

Paradise Bakery Scottsdale

Feb 6th

Waste Management Open Volunteering

February 9th

Board Meeting

Macayo's Phoenix

February 16th

Entrepreneurism in SMEs

Past President's Night

Marriott Airport Hotel Phoenix

## Vision Statement

The world's leading association for management accounting and finance professionals.

AZ Valley of the Sun Chapter  
 P.O. Box 2771  
 Scottsdale, AZ 85257-2771  
  
[www.imavalleyofthesun.org](http://www.imavalleyofthesun.org)



The Association of  
 Accountants and  
 Financial Professionals  
 in Business

## Mission Statement

Provide to members personal and professional development opportunities through education, association with business professionals, and certification in management accounting and financial management skills. Ensure that IMA is universally recognized by the financial community as a respected institution influencing the concepts and ethical practices of management accounting and financial management skills.

# January 2016

### Reminders :

- Join the VITA training session on January 10th and help low income members of our community get tax credits.
- Sign up to join IMA volunteers at the Waste Mgt Phoenix Open on Feb 6th.
- Make a New Year's Resolution to maximize your IMA membership by joining us for CPE and networking opportunities this year!

| Sun | Mon | Tue                 | Wed | Thu | Fri             | Sat |
|-----|-----|---------------------|-----|-----|-----------------|-----|
|     |     |                     |     | 1   | 2               |     |
| 3   | 4   | 5                   | 6   | 7   | 8               | 9   |
| 10  | 11  | 12<br>Board Meeting | 13  | 14  | 15              | 16  |
| 17  | 18  | 19<br>Tech Session  | 20  | 21  | 22<br>Breakfast | 23  |
| 24  | 25  | 26                  | 27  | 28  | 29              | 30  |
| 31  |     |                     |     |     |                 |     |