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By Stephen Barlas, Dallan Christensen, Kathy Williams



Brian McGuire Named IMA Chair-Elect

Brian L. McGuire, CMA, CPA, CBM, CITP, Ph.D., has been named IMA Chair-Elect, which means he will become IMA Chair in 2011-12. The IMA Board of Directors announced Brian's nomination on January 9, 2010, and members had 30 days after that to nominate other candidates. At the end of the 30-day period a unanimous ballot was cast, so Brian will become the new Chair-Elect July 1, 2010. As Chair-Elect, he will be a member of the Governance Committee and will chair IMA's Planning and Development Committee.

At present, Brian is the associate dean and MBA director at the University of Southern Indiana (USI), where he also serves as a consultant through USI's Center for Applied Research. He has professional experience in both public and corporate accounting as well as academia. A Certified Management Accountant (CMA®), Certified Public Accountant (CPA), Certified Business Manager (CBM), and a Certified Information Technology Professional (CITP), Brian began his career with Smith, Dukes & Buckalew, CPAs, and later was an administrator of an Alabama medical center and the director of corporate operations of a hospital holding company. In addition, he served as a consultant in numerous areas, including healthcare, information technology, financial services, and community development. Most recently he



served as an expert witness for an Indiana Superior Court.

Brian joined IMA in 1982 as an associate member during his senior year in college, becoming a member of the Mobile Chapter. He served as its president in 1987-88 when the Chapter won the Remington Rand Trophy. When he moved to Indiana in 1995, he joined the Evansville Chapter of which he is still a member.

His current leadership roles at IMA include serving as chair of IMA's Performance Oversight and Audit Committee and participating as a member of the ICMA Exam Review Committee. Previously he served as chair of the External/Member Relations Committee (2008-2009), chair of the Committee on Information Technology (2005-2006), chair of the Committee on Academic Relations (2003-2005), chair of the Committee on Ethics (2000-2001), and chair of the Committee on Regional Operations (1998-2000). In line with his commitment to the CMA certification program, he served as a Regent of the ICMA Board of Regents.

Brian also served as program chair of IMA's 83rd Annual Conference & Exposition (San Diego, 2002) and program chair of the 8th Annual IMA Student Leadership Conference (Louisville, 2007). In addition, he was the president of two Regional Councils (Lincoln Trail in 1998-1999 and GulfSouth in 1992-1993), and both councils were winners of the "Award of Excellence" during his presidential terms.

An award-winning IMA author, Brian (along with coauthor IMA member Liv Watson) received the Lybrand Silver Medal in the 2006-07 IMA Lybrand manuscript competition for the article "Evaluating Possible Second-Wave Benefits of XBRL." Earlier he received a

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Certificate of Merit in 2001-02 (along with Liv Watson and Carolyn Strand) for the article “XBRL: How It Can Improve Today’s Business Environment,” and one in 2000-01 for “What All Businesses Should Know about Internet Security.”

In addition to leadership within IMA, Brian has also served on the boards of many nonprofit organizations, including the Buffalo Trace Council (Boy Scouts of America) and the Girl Scouts of Raintree Council, Inc. (Girl Scouts of the United States of America). He is currently president of the Evansville Philharmonic Orchestra, a multimillion-dollar orchestra and the largest arts institution in the Indiana-Illinois-Kentucky tri-state area. He also serves on the global Board of Directors of Beta Alpha Psi and is its director of administration and development.

Brian received his Ph.D. degree from the University of Central Florida and his MBA and B.S. degrees from the University of South Alabama. He is married and has two children.



Health Insurance Reform Bill

By Stephen Barlas

Four main provisions in the health insurance reform bill passed by Congress could have cost implications for companies. One definitely has an accounting impact. Overall, companies that offer standard health insurance policies to current employees and have limited obligations to retirees will be generally unaffected by the Patient Protection and Affordable Care Act (H.R. 3590). Moreover, while the legislation is notable for its failure to address medical-cost control, it contains one provision sought by corporations that allows self-insured businesses to increase the premium incentives they offer to employees who accept policies with “wellness” provisions. But the bill does some unwelcome things, including forcing companies to take an

Notice of Annual Meeting

To members of the Institute of Management Accountants: Notice is hereby given to all members of IMA that the Annual Meeting of the Institute will be held Sunday, June 6, 2010, at the Baltimore Marriott Waterfront Hotel in Baltimore, Md., to review the report of the Nominating Committee and to transact such other business as may properly come before the meeting.

immediate write-down—but only in this financial year—for additional, unanticipated taxes they will have to pay in the future. Those extra taxes will be assessed because a federal subsidy that companies have been receiving as compensation for drug coverage they provide to retirees will no longer be tax deductible as it has been since 2005. That tax-free subsidy has been worth about \$665 per retiree, and approximately 3,500 companies have benefited from it.

Not only will some companies lose a tax deduction, but they may have to pay a new tax. The final bill pushes back the implementation date of a 40% “Cadillac tax” on high-cost health plans, defined as individual plans costing \$10,200 or more and family plans beginning at \$27,500. The Senate bill had it starting in 2013, but it has been pushed back to 2018.

Another provision requiring companies to provide health insurance (if they don’t do so now)—and assessing fines if they don’t make insurance available—will lead to multiyear costs for mostly smaller and mid-sized companies. That penalty will generally be \$2,000 per employee, a number that goes to \$3,000 if the worker qualifies for a federal subsidy for the purchase of health insurance.

Senate Provides Some Pension Funding Relief

The Senate passed a “jobs” bill on March 9 that’s considerably different from the version the House passed in December (The American Workers, State, and Business

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BOOKS



A Cash Crop

As the grandson of a farmer and son of a man who has worked for a seed corn company for 29 years, I'm always intrigued by books that tie business to agriculture. *Grow Your People, Grow Your Profits*, by Karen Jett, a regular contributor to the *Strategic Finance* book review column, uses her experience as a leading business expert and the spouse of a farmer to craft an engaging read on how to nurture the people in your organization.

Jett wastes no time asking thought-provoking questions. Halfway through the first page, she asks, "Are you skeptical that an organization can even have values?" She spends the rest of the first chapter outlining how "organic" organizations begin with highlighting their values, then build the rest of their model around those values. In an age where profit overrules values far too often, Jett emphasizes how we can lead by values in our own reporting structures even if our organizations are "inorganic." By emphasizing values from the very start of the book, Jett is able to transition smoothly to the steps needed to grow your people and profits.

In each chapter, Jett presents an employee topic using an agricultural analogy as the chapter title. She takes the reader through the foundations of farming, from planting to harvest, and highlights a management topic relevant

to the agricultural step. Let's look at two examples that show how Jett uses her analogies to engage the reader.

In "Building Up the Soil (Trust and Respect)," Jett emphasizes how managers must earn the trust and respect of many different people throughout the organization, similar to how a farmer must care for the soil through fertilizer and water in order to produce a bountiful harvest. Managers must work effectively with their direct reports, immediate supervisors, other departments, and outside parties to "build the soil" of their working relationships. Just as fertilizing soil may not produce immediate results, effective networking may not produce what you want at first try. Continuing to nurture your foundation, however, will create long-term success.

Another good example is "Avoiding plant stress (employee motivation)." Jett compares the plight of plant stress to when employees aren't properly motivated. Organizations must understand what their employees value and how they are motivated. This chapter really hit home for me because I see too many instances where the expectation of monetary motivation is simply incorrect. Companies fall into the trap that merely offering more money will motivate



employees. Today's work environment presents many different methods of motivation, and smart managers and organizations don't adopt a "one size fits all" method of motivation.

Every chapter is relatively short and full of helpful tips and information, and

each concludes with several key points to review. Even after reading the book, I find myself returning to the points at the end of chapters to refresh my memory. This is an excellent book to provide to your management team or new supervisors as a reference guide. I would also recommend spending time as a team reading several chapters at a time and discussing each person's thoughts on the ideas presented.

Today's knowledge economy demands all of us to maximize the talent of our people. There's no shortage of books available claiming to provide expertise on employee development, but I encourage you to make *Grow Your People, Grow Your Business* a part of your business library. By relating management to agriculture, Karen Jett demonstrates how you can develop your employees just as a farmer develops a field into a thriving source of food.—Dallon Christensen, CMA, CFM, CPA.CITP, dallonc@firststepconcepts.com

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Relief Act of 2010, H.R. 4213). It includes a very detailed provision giving pension funding relief to companies hit hard by the economic downturn in 2008-2009. While the House version *includes no pension relief*, business groups were successful in convincing the Senate to include *some* relief in its bill—though that relief, according to American Benefits Council (ABC) spokesperson Jason Hammersla, “is not precisely what we were hoping for.” The fly in the ointment is that the relief in the Senate bill is conditional on companies adhering to what’s called the cash flow rule, which, in simple terms, requires additional employer contributions. Of course, the Senate bill with the cash flow rule is still better than the House bill with no pension relief at all.

The fact that the Senate and House passed different versions means that the House Ways & Means Committee is now working on a new version of H.R. 4213 that would more closely parallel the Senate version and, according to Hammersla, *might* include pension funding relief. To help understand why relief is needed, Watson Wyatt Worldwide calculated that the funding status of corporate pensions will drop from 96.4% for 2008 to 83.8% for 2010 and 76.8% for 2011. Thus, employer contributions for 2010 could be nearly 2.5 times the 2008 levels and, for 2011, nearly four times the 2008 levels. This would create significant challenges for those employers that sponsor defined-benefit pension plans. **SF**