SF bulletin

By Stephen Barlas, John Brausch, Christine Murray

IMA NEWS

Joe Vincent Named IMA Chair-Elect

By Christine Murray

Joseph A. Vincent, CMA, has been named IMA® Chair-Elect, which means he will become IMA Chair in 2014-2015. The IMA Global Board of Directors announced Joe's nomination on February 12, 2013, 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 Joe will become the new Chair-Elect July 1, 2013. As Chair-Elect, he will be a member of the Governance Committee and will chair IMA's Planning and Development Committee.

Joe is a seasoned financial executive with more than 30 years of multilocation, medical device manufacturing and distribution experience with both public and private companies. Most recently, he was executive vice president, general manager, and CFO of Dixtal Medical, Inc., a wholly owned U.S. subsidiary of Dixtal Biomédica Industria e Comércio Ltda., São Paulo, Brazil, a $100 million manufacturer and distributor of multiparameter patient monitoring equipment. Working with his former CEO, Joe established a Delaware corporation, built a management team, built-out and furnished leased space, established a quality system (ISO 13485/CE), implemented Brazilian ERP software, and moved an acquired product line from California. He created a dynamic culture with a hands-on group passionate about their mission.

He began his career in 1974 as a cost accountant for Picker International, Inc., a developer, manufacturer, and distributor of nuclear, ultrasound medical diagnostic systems, and clinical laboratory equipment for use in hospitals. During his tenure, Picker was owned by CIT Financial, then RCA, and finally by U.K.-based GEC (later Marconi), which provided a great learning experience. Division revenues grew from $18 million to $80 million in five years, and Joe grew into an assistant controller role.

In 1983 Joe became controller of Novametrix Medical Systems, Inc., a young, publicly traded company that developed, manufactured, and marketed leading-edge, critical-care, patient monitoring systems worldwide. In 1990 he became vice president, finance and CFO and then was executive vice president and CFO from 1997 until 2002 when the company was sold. He was involved in all facets of finance, accounting, and administration, including business strategies, product reviews, contract negotiations, banking and investment banking relationships, SEC filings, and two system conversions. He also worked closely with his CEO to orchestrate a financial turnaround from near bankruptcy.

Like many accountants and financial leaders, Joe worked long hours throughout his career and has always tried to lead by example, so next he challenged himself to sit for the CMA® (Certified Management Accountant) exam. He wanted to

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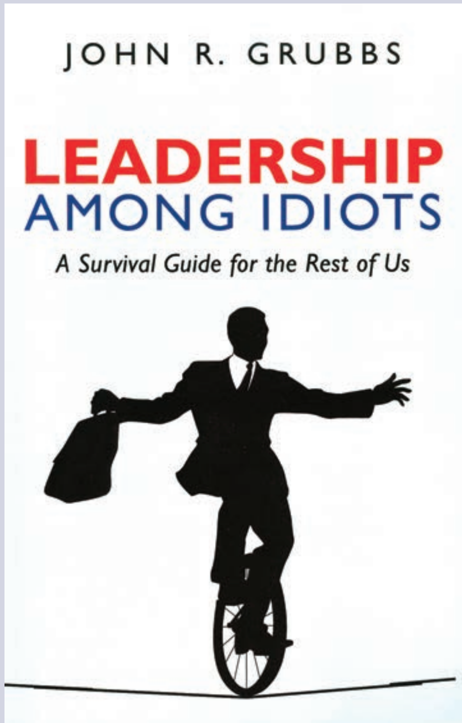
BOOKS

Surviving a Clueless Leader

John R. Grubbs dedicates his book, *Leadership Among Idiots*, "To all the idiots that have crossed my path over the years and to the ones I've yet to encounter." As the title and that acknowledgement suggest, this isn't a typical book on leadership and its underlying theories. Fortunately, Grubbs maintains that tone throughout, making for a quick read that keeps you smiling.

Having read that, however, you'll quickly note that the book is chock full of truisms for the world in which we all live. The book is interspersed with "life examples." One of these life examples is so familiar to me that I feel like Grubbs and I know the same person. Maybe, maybe not, but as the book teaches you the practice of leadership and reinforces the concepts, you're bound to see examples of people you think you know. One life example told the story of a manager who was under the mistaken impression that he was a leader. The ill-informed manager said he only communicated with his employees when something went wrong. The book makes a good point: "Struggling leaders will take the good for granted and focus on the failure. The result is a workforce that avoids communication and a team that begins a spiral of negativity which ultimately results in poor performance and bad morale."

The book is also sprinkled with "survival tips" and "survival clues." The survival tips concentrate on the benefits of good leadership for the leader, followers, and the organization. The survival clues help you identify poor leaders and understand the costs of poor leadership to staff and the organization as well as the inevitable issues that arise when poor leaders are allowed to run amok. One of my favorite chapters is "Retain the Generations," which includes survival tips to attract and retain a quality workforce. The tips, condensed here, include (1) trash the traditional schedule; (2) use technology; (3) train, train, train; (4) forget control; and (5) communicate. Each of these points is followed by a paragraph explaining why, and the chapter concludes with a primer on leading Generation Y in the workplace.



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Leadership Among Idiots ends with an allegory to drive home the leadership concepts identified throughout. The allegory tells the story of a farmer and the farmer's relationship with his land, the work he does, the investments he makes, and the nurturing it takes for his crops to grow strong. The book states that there are three basic ideas to make the most of the allegory: (1) every step in the farmer's life is analogous to leadership; (2) examine what is missing in the analogy that makes sense in your life; and (3) make a commitment to better the lives around you. It's an interesting end to an interesting book—one I urge you to read.

—John Brausch, president of J Brausch and Co. and former IMA Chair, jbrausch@imanet.org

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differentiate himself, set an example for those he worked with, and prove to himself his proficiency in the exam's body of knowledge. He earned his CMA certification in 1996.

Between his Novametrix and Dixtal roles, Joe worked as CFO for two family-owned businesses. The first, one of the top 100 landscape companies in the United States, designs, builds, and maintains high-end properties and swimming pools. The second is a leading designer of natural spectrum consumer lighting products, where, as senior VP and CFO, he was responsible for financial and operating performance, including warehousing and logistics.

Joe joined IMA and the New Haven Chapter in 1974, serving as Chapter president in 1985-86. He then took on numerous IMA leadership roles at the regional and global levels. He was president of the Northeast Regional Council in 1992-93 and an IMA National Vice President in 1994-95. Next he served on the Finance Committee and then spent seven years on the Board of Regents of the ICMA® (Institute of Certified Management Accountants), overseeing the CMA credential and exam. He was chair of the Board of Regents from 2008 through 2011. During his term, he co-chaired the Strategy Formulation Committee that conducted research prior to implementing the conversion to the two-part exam.

During the last two years, Joe served on the IMA Global Board of Directors as a Regional Vice President, member of the Governance Committee (2011-13), member of the Nominating Committee (2011-13), and member of the Volunteer Leadership Committee (2011-12). He also is Board liaison to IMA's Committee on Ethics and an active member of the Stuart Cameron McLeod Society (SCMS).

Joe is a former recipient of the Financial Executive of the Year Award in the Northeast, sponsored by IMA and AOC (now Ajilon). An Eagle Scout and former assistant scoutmaster, he loves cars, most sporting events, and an occasional round of golf.

Joe received his B.S. degree in business administration from Western New England University in 1974 and an MBA degree from Sacred Heart University in 1984. He and his wife Charlene are lifelong residents of Stratford, Conn. They have two grown children living in Massachusetts and Connecticut.

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 23, 2013, at the Hilton New Orleans Riverside in New Orleans, La., to review the report of the Nominating Committee and to transact such other business as may properly come before the meeting.

GOVERNMENT

House Starts to Move on Derivatives Bills…Again

By Stephen Barlas

In March 2012, two bills derived from the Dodd-Frank Act passed the House in overwhelming votes of 370-24 and 357-36 but then went nowhere in the Senate. This year, it looks more likely that the Senate will at least vote on them. The two bills are the Business Risk Mitigation and Price Stabilization Act of 2013 (H.R. 634) and the Inter-Affiliate Swap Clarification Act (H.R. 677). H.R. 634 would ensure that regulators would not impose unnecessary margin requirements on many commercial end-users of derivatives (such as manufacturing and industrial companies) that use derivatives to hedge business risks rather than as investments. H.R. 677 would prevent certain internal interaffiliate trades from being subject to regulatory burdens that were designed to be applied only to certain street-facing swaps. Both bills have considerable corporate financial and accounting implications.

The 2013 version of H.R. 677 has been changed in two ways to reflect business concerns with the 2012 version. This year's bill excludes swap dealers from the exemption and fixes a problem dealing with centralized treasury centers. The first change is meant to ease concerns in the Senate, and the second change shouldn't be controversial, according to business industry sources.

The House Agriculture Committee passed those two bills in mid-March. At the time of writing this article, the House Banking Committee was expected to follow suit in April, with a House vote following closely behind. One public interest group lobbyist who opposes both bills thinks the reason the bills didn't appear in the Senate in 2012 is that they passed the House too late in the session, and the Senate, already paralyzed from the general hostility between Republicans and Democrats, faced a shortened session because of the November elections. That isn't the case this year. Senator Jon Tester (D.-Mont.), chairman of the Senate Securities, Insurance, and Investment subcommittee of the Banking Committee, apparently backs both bills. "Senator Tester remains supportive of it and remains committed to working with Senator [Mike] Johanns to reintroduce it and get it passed in the Senate," says Dan Malessa, Tester's spokesman. Johanns (R.-Neb.) is the top Republican on the subcommittee.

The Banking Committee is split 12-10 along party lines (Democrats vs. Republicans). If Tester gets at least one other Democrat to agree with him, which is more than likely, Chairman Tim Johnson (D.-S.D.) would probably have to bring the bill up for a vote. Sam Gilford, the Banking Committee's press secretary, didn't return an e-mail asking about Johnson's intentions. Johnson has announced his retirement at the end of 2014 but probably has no desire before retiring to earn the enmity of business and agriculture groups that strongly support both bills.

How Will U.S. Define "Full-time" Employee?

Starting in January, employers with 50 or more full-time staff members will have to start offering those employees health insurance that meets minimum essential benefits standards or pay fines to the federal government. But exactly which employees are covered by that requirement is being ironed out by the Departments of Treasury and Labor via a proposed rule they jointly issued in February. A big public meeting was scheduled on this issue—referred to as "shared responsibility"—for May 29, 2013. One would guess, probably, that large employers already offer their employees health insurance that meets the minimum standards. Yet groups like the ERISA Industry Committee (ERIC), which represents large corporations, are contesting the way Treasury and Labor propose to define "full-time." The conventional view of the DOL is that no more than 160 hours of service are to be counted as hours of service for any single continuous period during which the employee was paid (or entitled to payment) but performed no duties. The proposed regulations don't conform to this established rule. The preamble to the proposed rule states that some commenters "requested that the 160-hour limit be removed because they viewed it as restrictive and expressed concern about the potential negative impact on employees who are on longer paid leaves, such as maternity or paternity leave."

There's the potential problem: Consider an employee who qualifies for a long-term disability benefit at age 45. Those benefits can continue to age 65 or beyond in the corporate world. Under the way the ERIC reads the proposed rule, that person would be credited with hours of service purposes for 20 years. Without the limit, many employers may need to curtail long-term disability benefits and other benefits currently provided to employees.

Companies who don't offer minimum essential coverage must pay an excise tax equal to one-twelfth of $2,000 per month times the number of its full-time employees in excess of 30. Where an employer does offer minimum essential coverage, but the coverage isn't affordable or doesn't meet the minimum value standard, the employer must pay an excise tax equal to one-twelfth of $3,000 per month times the number of its full-time employees who receive a premium tax credit or cost-sharing reduction through a state exchange. **SF**