



Consultants in Minnesota

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President's Message

Greetings from the Northland!

First of all, I'd like to thank Joan Barnes and the rest of the presenters for an informative session last month. I realize that this was just a dress rehearsal for the Strictly Business show, but I learned some things and based on the number of members taking notes, I suspect some others did also. I really appreciate the outside speakers we get, but there's really a lot to be learned from our own membership!

Well, tax time has come and gone. So, now what should we be doing – a few months ago actually! Planning for next year. It doesn't end...

In my tax planning for this year, I had a meeting with my accountant evaluating potential changes. The two biggest areas that were discussed were retirement plans and incorporation status.

My accountant reiterated what we had heard from Dave Normeier of North Star Resource Group a couple of months ago. The new 401 plan looks like it should be a big advantage for someone that wants to be able to put significantly more away in a retirement plan

than current plans (SEP, SIMPLE) without the overhead of a traditional 401K plan. What was really surprising was that I may not have to raise my salary to be able to do it. At a 25% contribution and a company match, I can get up to 50% of my salary deferred in a retirement plan. Obviously, you need to consult your tax advisor to find what is works best for your own situation.

The End of the S-Corp? I don't know how many of you have been following the Bush tax-cut proposals. I haven't been following things closely because I didn't really understand the potential impact of eliminating the taxes on dividends on me as a small business owner. I'd have to say I was a typical relatively uninformed American, since I had heard a few sound bites about it from the traditional media. Of course, the media is hyping that this is a tax break for the rich; I certainly didn't think that would include me.

What my accountant explained to me was that what Bush's plan is REALLY doing is ending the double tax that is imposed on dividends. The corporation pays taxes on it's profits and the shareholders pay taxes when those profits are distributed. I hadn't understood my balance sheet as well as I should;

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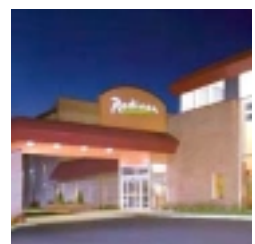
ICCA to replace Lido's Italian Mkt. As a Meeting Place

On April 22, Jack received a call from Lido's banquet manager informing him that Lido's was closing their restaurant as of May 1.

The May meeting has been

difficult to arrange. First it had to be reschedule, now it has been relocated.

The new sit is the Radisson Hotel, 2540 North Cleveland Ave. in Roseville.



When will wireless technology finally take off?

I read an interesting article by [Ian S. Hayes, Senior Consultant, Cutter Consortium](#). I have summarized it below:

Despite outward appearances, wireless technology is poised for takeoff.

So far it hasn't because Current-generation wireless technologies are complex and unsettled. Few IT professionals have the expertise to independently implement a project.

Working Wirelessly Is Inevitable. For four reasons:

1. The workforce is already mobile and growing. Within the workplace, be it an office or assembly line, wireless usage is also on the upswing.
2. Wireless Is the Technology of Choice for Up-and-Coming Generations.
3. There is Lower, and Still Declining, End-User Infrastructure Costs
4. Likewise, the concept

of anywhere, anytime access to data first introduced by the Internet is furthered by wireless technology.

Given these four factors, the widespread adoption of wireless technology is not a question of "if," it is a matter of "when." And as we saw with Internet adoption, once started, "when" will arrive very quickly.

[For more on wireless technology, see the October 2002 issue of *Cutter IT Journal**, available from Cutter Consortium at [e-mail service@cutter.com](mailto:e-mail.service@cutter.com),

Financial Advice from Warren Buffett

Think of yourself as a car. One car, and it's the only one you will ever have. You get only one mind and body -- the same ones you'll have at 40, 60, etc. Take care of them and maximize their potential. It will be too late to take care of your body and mind (and car!) later on.

You can maintain them, but it's hard or impossible to undo big mistakes or negligence later on. You don't want to end up with a wreck on your hands.

Your main asset is yourself. Treat yourself as a valuable asset. [He] often explains to

students that I'd be willing to pay today for a percentage of the future earnings of good students. They're valuable assets already, worth something right now. You can learn a lot from Buffett's letters to shareholders. Read them online at [Berkshire Hathaway](#) to

"You, are your greatest financial asset, how well are you managing it?"

"Obviously, with more deductible expenses, the less tax I'll owe"

The End of the S-Corp?

(Continued from page 1)

dividends aren't an 'expense', they're a 'Equity', so they don't reduce the corporate tax burden.

Now as an S-corporation, you might think 'so what'. One of the advantages of the S-Corp is that the corporate taxes just get pushed onto the personal tax return. So, no double-tax on profits!

Seems to make this a non-issue for many of us small-business owners. My accountant explained why this is important for S-corp owners. We don't have the double tax on profits, but some of the disadvantages of an S-corp is the limited deductibility of some types of expenses (e.g. dental insurance) for the owners of the

business (BTW, my wife didn't like hearing that the IRS considers her 'tainted', in accountant-speak!). If the tax on dividends is eliminated for C-corps, then one of the big advantages of the S-corp is washed out. Obviously, with more deductible expenses, the less tax I'll owe.

As my accountant put it, if Bush's tax plan passes,

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Strictly Business Info by Joan Barnes

I am organizing the ICCA-MN participation in the Strictly Business show this year, May 14-15 at the Convention Center in Minneapolis.

We will have our usual booth at the trade show. All staffing slots are currently filled with at least one person, but I will be calling members to ask for additional help. It's more fun with more people.

ICCA-MN is doing a panel presentation on IT Management for SOHOs at 10:00AM on Thursday, May 15. Topics will include platforms, system administration, software, Internet, security, and consult-

ant management.

It's shaping up as a rather nifty presentation. The plan is that each of the presenters will do a talk with all questions reserved until the end.

Prior to questions, I will introduce ALL MN CHAPTER MEMBERS who are in the room, and everyone will have a chance to contribute to answers. So, even though you are not part of the presentation, there is opportunity to talk a bit and look smart. We will have an 8 1/2 x 11 trifold at the booth advertising our presentation, so we may have a good audience. We expect to have coffee and cookies at the presentation. We offi-

cially have the room until noon, but as of this nanosecond, there is no other use of the room scheduled until 2:00.

If this presentation goes well, we may want to consider 'taking it on the road' to meetings of other professional organizations.

IN PREPARATION for Strictly Business: I have some tickets which you may wish to distribute to clients and potential ones. You may also wish to include a trifold brochure promoting our presentation. Gimme a call, and I will get you the stuff.

Ray Giske Elected to ICCA National Board

Ray Giske: National Director. Ray was recently elected to ICCA National Board of Directors along with Bill Buending (National Treasurer) and Randy Hayman (Chair of the ICCA Chapter Presidents Council) from the

Minnesota Chapter. Ray serves as one of the four National Director at-large positions. The Board of Directors has assigned him to work with ICCA's Membership Committee. Increasing the membership of the association is one of ICCA

President Jerry Stuckle's key interests. Ray has previously served as Minnesota Chapter president and vice president

My apologies, this should have been in last month's newsletter (Ed)

The End of the S-Corp?

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he is probably going to recommend that all of his accounts change over to C-corporations. Obviously, this depends on the final form of the tax bill that gets passed. Another caution here is that there is a limit to how often you can switch between a C-corp and S-corp, so don't switch without understanding your fu-

ture plans. This may be worth contacting your congressional representatives and let your voice be heard.

Finally, following on a bit from the Strictly Business presentations, I'd be interested in hearing from the membership on what their company computer infrastructure looks like. Do you run your own mail/web

servers or do you farm that out to an ISP? What technologies do you use? Windows/Linux/Sun? SendMail or Exchange? What were the main factors driving your solution? Might even be a future column topic :-)

That's what was on my mind this month...

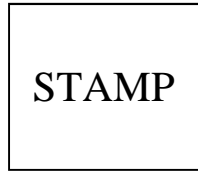
Wade

A crash reduces
Your expensive
computer
To a simple stone.

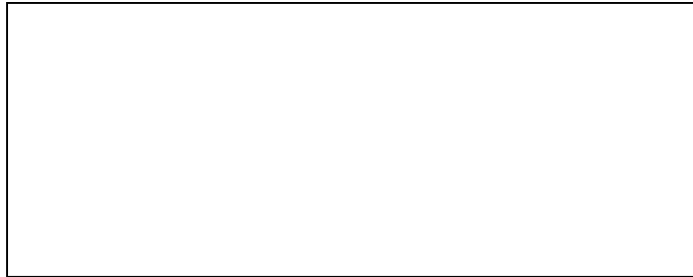
Publishers note: It's Sunday night and I don't have any blue paper and I am running Publisher 2003 beta so I can mail merge. So you get a white newsletter this month. knh



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First Class Mail



Next Meeting Tues, May 20th

**Jeff Alden,
Attorney-At-Law,
will speak on Hir-
ing the Independ-
ent Contractor.**

social hr: 5:30 dinner: 6:30

Radisson Hotel, 2540 North
Cleveland Ave. in Roseville



**When You Hire One of Us,
You Get Our Collective
Knowledge and Experience**

Our Newsletter gets a Brand New Facelift!

Hi Everybody, as you can see, I have finally gotten around to making some changes to our newsletter.

There will be three major changes that I plan on making. The first is to start including in the newsletter links and /or summaries of articles that may be of interest to all of us. The second is to change the format better suited to the added content and emailing the newsletter to everyone. Which is the third change.

Not only does emailing the newsletter catch us up with more current news services —after all, as IT consultants, shouldn't we be lead-



ers in the use of technology?—it also saves our chapter a significant chunk of change. I have been told that the newsletter is the largest part of our budget. By sending this electroni-

cally we save those costs.

However, if you really would prefer to read this on paper you have two options.

1. You can use your printer to print it out.
2. You can tell me, or Larry Bremer —our secretary aka. “keeper of the mailing list” —to put you on the “prefers snail mail” mailing list.

Finally, expect more format changes as I settle on what I like. Please share your thoughts and ideas with me. I value reader input more than my own.

Bob d'Editor