

# DONNELLY-BOLAND AND ASSOCIATES

*Delivering quality, commitment and value.*



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## Organizational change – unavoidable and disruptive

### • Donnelly-Boland's efforts to help

All organizations go through change. These changes often leave a void between employees. The most common transition management situations include: Pending retirement, maternity leave, sick leave, long- or short-term disability or permanent loss of key personnel.

Perhaps nowhere is this change potentially more disruptive than in a financial department. Donnelly-Boland and Associates (DBA) offers transition management services to assist clients who have experienced the loss of a chief financial officer, controller or other key personnel.

"If, for example, an

organization's CFO or controller has left temporarily, or the company needs additional help with an important finance re-

whelming," added Fay Boland, DBA President and CEO. "Our professionals guide you through a seamless transition in



**"Organizational change need not be overwhelming."**

**— Fay Boland,  
President & CEO**

acquiring the right replacement." More than a standard accounting and tax services firm, DBA is uniquely qualified to help

you manage a transition in key financial personnel. An emergency situation with the bookkeeper left The Kingsley Association without the means to maintain their accounting systems. According to Sarah Arnold, Director of Administrative Services at

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change need not be over-

**See 'Change' on pg 2**

## Tax tips for your vacation home

Planning to rent out your vacation getaway? When it comes to taking advantage of the tax benefits, timing is an important factor.

### Here are two points to remember.

**1.** The fourteen-day-or-ten-percent test. The IRS applies this test to determine if you use your vacation home as a personal residence. If you stay in the home more than 14 days or 10% of the total days it's rented in a calendar year (whichever is greater), the general rule is you're using it as your home.

Why does it matter? Because treating a vacation home as your personal residence affects your rental deductions. You'd include all the rent you receive as income on your tax return. But related expenses are generally limited to the amount of that income, meaning you can't offset other income with a loss. Note that time spent in your vacation home by family members and certain others can count as personal use.

**See 'Vacation' on pg 3**

### See 'Change' from pg 1

The Kingsley Association, “DBA was very interested in finding solutions that worked for us and were able to help us develop a solid strategy for managing the day-to-day accounting operations. They provided immediate and seamless support in maintaining our general ledger and other accounting systems. DBA also has certified QuickBooks ProAdvisors, which was very important to me. DBA made sure that the staff and resources they provided were based only on OUR needs.”

The DBA accounting professionals include 6 CPAs and 17 QuickBooks ProAdvisors to serve clients with both simple and complex accounting and tax requirements, which include:

- General ledger and financial reporting
- Accounts payable processing
- Billing services
- Payroll and benefit administration
- Account reconciliation services
- System assessments
- Audit preparation services

- Year end reporting to funding sources

• Budget preparation and review  
Donnelly-Boland’s staff also includes professionals who are able to assist you with IT, Human Resources and Marketing service needs. “In those cases, we would work with you to define a project, prepare an estimated cost for the project and get your approval before starting,” Kevin said. “Our estimates for project work are typically based upon actual hours incurred at standard hourly rates.”

DBA was incorporated in 1992 as a woman-owned business enterprise. “During that time, we have assisted a variety of organizations, large and small, during periods of transition or on a fully outsourced basis,” Fay said.

“We have provided experienced professionals to serve as chief financial officers, controllers, consultants and accountants. We have also provided on-site fiscal consultants to meet a variety of project-based needs and are poised to grow with a company’s needs.”

Call Donnelly-Boland at one of our locations to discuss how we can help with your organization’s changes.

## William J. Murtaugh,

### Controller Operations,



has experience that spans more than 35 years. Bill’s areas of expertise include timely financial reporting and keen analytical abilities developed in the manufacturing, service and health industries.

Bill is a certified QuickBooks Advanced ProAdvisor and earned certification on Enterprise Solutions V9. He has worked for major corporations such as ALCOA and Black Box. His expertise is to provide accurate monthly financial reports and analysis for a variety of the firm’s clients.

Bill is also chiefly responsible for Donnelly-Boland and Associates financial reporting. He actively participates in audit preparation activities for larger clients and manages preparation of annual budgets.

### Put midyear tax planning on your summer schedule

Don’t forget to put a little tax planning on your busy summer agenda. A midyear tax review is a great way to save tax dollars and time. To get together for a check of your 2011 tax situation, give us a call.

### Reminder: Second estimated tax payment due June 15

June 15, 2011, is the due date for making your second installment of 2011 individual estimated tax. Your check to the United States Treasury should be accompanied by Form 1040-ES. June 15 is also the due date for calendar-year corporations to make their second quarter 2011 estimated tax payment.

## IRS raises threshold for imposing tax liens

The IRS recently announced that it will adjust its use of tax liens to collect back taxes. A federal tax lien gives the IRS a claim on a delinquent taxpayer’s property for unpaid taxes.

This change means the IRS won’t use a tax lien unless at least \$10,000 in back taxes is owed; the previous threshold had been \$5,000.

In addition, the IRS says it will “withdraw” more tax liens once the back taxes have been paid.

A withdrawal removes the lien from the taxpayer’s credit record, whereas a lien “release” as previously used left the lien on the credit record for at least seven years.

Having a tax lien on a taxpayer’s credit record can knock 100 points off the individual’s credit score.

The IRS estimates that the new rules mean that “tens of thousands of people won’t be burdened by liens.”

## Tax breaks can help when disaster strikes

Recent events here and abroad are reminders that disasters can occur at any time - often with staggering human and financial costs. If you're an unlucky victim of a disaster, you may receive help from insurance and federal disaster aid. But the tax code also offers some relief. You may be able to take an itemized deduction for part of your loss. In tax terms, it's a "casualty loss," and it can also apply to events such as a car crash, a house fire, or theft. Here are the basics.

- The loss or damage must be due to an unexpected and sudden event. Losses due to slow deterioration over the years, such as rot, rust, or insect damage, don't qualify.
- Your tax deduction won't equal your total loss. You must subtract any insurance or other reimbursement. Then you must also deduct \$100 for each loss and 10% of your

adjusted gross income.

- Your loss may also be limited by your adjusted basis in the property. That's generally what you paid for it, plus or minus any improvements or previous losses.
- In a widespread disaster, the area may be classified a "Presidentially declared disaster area." If that happens, you have a special option. You can claim your casualty loss against the current year's taxes. Or you can amend the previous year's return and claim your loss against that year's taxes. That usually generates a faster refund, but it may change the amount of your deduction.

If you suffer a casualty loss, please contact us. We'll explain the rules and help you claim the maximum possible tax benefit.

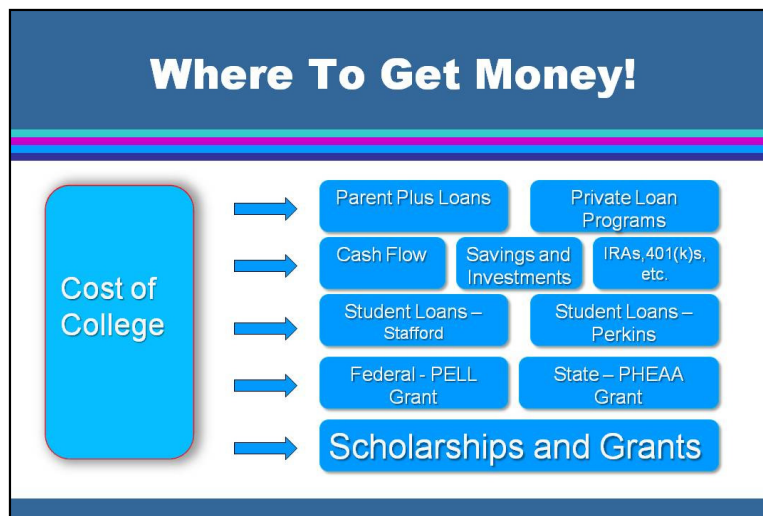
## Great info available at informational seminars

On May 18, we hosted Ensphere College Planning Services' Mike Giffin, who provided valuable college planning information. His workshop was an overview of today's college cost and financing situation. Mike told us that the average time to receive a bachelor's degree is 5-1/2 years, but if your college student

graduates in four years you can save \$45,000. Mike also said he can help you find out where money is available for your children. Places to get money for your student include the Federal Government, State Government, Colleges and Universities, and private sources.

You can reach Mike for more information at (724) 745-0305.

Watch the mail, our website and your e-mail for information on upcoming seminars. You can also call Matt for more information at (412) 882-5383, ext. 1168.



See 'Vacation' from pg 1

2. The less-than-fifteen exception. Rent out your vacation home for less than 15 days during the taxable year, and the income is yours, tax-free. You don't even have to report it on your return. Just be aware that any expenses related to the rental are nondeductible. If you itemize, you can still deduct qualified mortgage interest and real estate taxes on your vacation home.

Other tax rules, such as passive activity and capital gains reporting, can also impact the decision to rent out your vacation home. Give us a call before you put up that "For Rent" sign. We'll be happy to review your options under the tax rules.

### References, Citations, and Suggested Additional Readings for Material in the June 2011 Newsletter

We thought you would appreciate having references, citations, and additional reading sources on topics in each issue of the *Monthly Newsletter*.

"Tax breaks can help when disaster strikes"  
- Code Sec. 165.

"Tax tips for your vacation home"  
- Code Sec. 280.

"IRS raises threshold for imposing tax liens"  
- *Wall Street Journal*,  
February 25, 2011;  
page C1.

This newsletter provides business, financial, and tax information to clients and friends of our firm. This general information should not be acted upon without first determining its application to your specific situation. For further details on any article, please contact us at one of our locations:

Baldwin at 412.882.5383, Brentwood at 412.884.4829, Glassport at 412.664.7554 or Waynesburg at 724.627.6491.

# Thanks! We appreciate you!

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Customer Name  
Place Label Here

We appreciate the confidence you have shown in us to handle your tax and accounting needs. We remain ready to assist you at any time. Call us in:

*Delivering quality, commitment and value.*

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