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Accountants and
Financial Professionals
in Business

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Qualified Opinion

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At a Glance:

Next Meeting:

Feb. 18, 2010

Carlyle's Grill

3660 Jackson Rd
Ann Arbor, MI

(West of Wagner Rd, at Quality Cinemas)

Pre-Dinner Meeting: 5:45pm, \$12

Speaker: Rob Turley

Topic: "Prescription Drugs"

After-Dinner Meeting: 7:00pm, \$25

(includes both meetings and Dinner)

Speaker: Diana Kern

Topic: "Non Profits"

Carlyle's *NEW* Menu

*Rotisserie Herb Chicken
Jumbo Lump Crab Cakes
Pecan Crusted Chicken
Pasta Carlyle with Shrimp
House Smoked Baby Back Ribs
Salmon
Steak Frites
Eggplant Parmesan
Blackened Chicken Alfredo*

RSVP TODAY! Make your reservation today with Mary Cortese at mfcgram@yahoo.com or call her at (734)-434-6218

RSVP for the Feb 18th Meeting!

Rob Turley, Kroger Pharmacy

What are generic medications, and are they the same as brand names? According to the Food and Drug Administration (FDA), every year, more than 400 million prescriptions are filled with generic medications in the United States. The FDA regulates generic medications. They are allowed on the market only after testing has proved they produce the same effect on the body as their brand-name counterparts. Not every drug has a generic. One way to reduce the high cost of prescription drugs is to switch to generic drugs, which are priced 25-80% lower than the equivalent brand-name versions. One reason generic drugs cost less than their brand-name equivalents is that manufacturers of generics spend less money on advertising and product development because the brand-name equivalent is already well-known.

Diana Kern, Vice President of Programs, N.E.W.

After twenty-five years of progressive advancement in real estate management with McKinley, a national real estate investment firm where she supervised multi-million dollar budgets and over 400 employees nationwide, Diana joined NEW as the Director of the BoardConnect® program with a commitment to board governance and strong non-profits. Diana also oversees NEW's ResourceConnect® program, which is the nonprofit community's first stop for assistance with management issues. She has served on numerous boards and been involved in non-profit fundraising. She received the Randolph W. White Memorial Award for Community Service in 2003 for her dedication to serving the housing community. She is also a certified trainer with the Institute of Real Estate Management. Contact Diana at dkern@new.org

Board to Propose More Flexible Accounting Rules for Banks

By [FLOYD NORRIS](#)

Published: December 7, 2009 The New York Times

Facing political pressure to abandon “fair value” accounting for banks, the chairman of the board that sets American accounting standards will call for the “decoupling” of bank capital rules from normal accounting standards.

His proposal would encourage bank regulators to make adjustments as they determine whether banks have adequate capital while still allowing investors to see the current fair value — often the market value — of bank loans and other assets.

In the prepared text of a speech planned for a conference in Washington, Robert H. Herz, the chairman of the [Financial Accounting Standards Board](#), called on bank regulators to use their own judgment in allowing banks to move away from Generally Accepted Accounting Principles, or GAAP, which his board sets.

“Handcuffing regulators to GAAP or distorting GAAP to always fit the needs of regulators is inconsistent with the different purposes of financial reporting and prudential regulation,” Mr. Herz said in the prepared text.

“Regulators should have the authority and appropriate flexibility they need to effectively regulate the banking system,” he added. “And, conversely, in instances in which the needs of regulators deviate from the informational requirements of investors, the reporting to investors should not be subordinated to the needs of regulators. To do so could degrade the financial information available to investors and reduce public trust and confidence in the capital markets.”

Mr. Herz said that Congress, after the [savings and loan](#) crisis, had required bank regulators in 1991 to use GAAP as the basis for capital rules, but said the regulators could depart from such rules.

Banks have argued that accounting rules should be changed, saying that current rules are “pro-cyclical” — making banks seem richer when times are good, and poorer when times are bad and bank loans may be most needed in the economy.

Mr. Herz conceded the accounting rules can be pro-cyclical, but questioned how far critics would go. Consumer spending, he said, depends in part on how wealthy people feel. Should mutual fund statements be phased in, he asked, so investors would not feel poor — and cut back on spending — after markets fell?

Continued on next page

The House Financial Services Committee has approved a proposal that would direct bank regulators to comment to the S.E.C. on accounting rules, something they already can do. But it stopped short of adopting a proposal to allow the banking regulators to overrule the S.E.C., which supervises the accounting board, on accounting rules.

“I support the goal of financial stability and do not believe that accounting standards and financial reporting should be purposefully designed to create instability or pro-cyclical effects,” Mr. Herz said.

He paraphrased Barney Frank, the chairman of the House committee, as saying that “accounting principles should not be viewed to be so immutable that their impact on policy should not be considered. I agree with that, and I think the chairman would also agree that accounting standards should not be so malleable that they fail to meet their objective of helping to properly inform investors and markets or that they should be purposefully designed to try to dampen business, market, and economic cycles. That’s not their role.”

Banks have argued that accounting rules made the financial crisis worse by forcing them to acknowledge losses based on market values that may never be realized, if market values recover.

Mr. Herz said the accounting board had sought middle ground by requiring some unrealized losses to be recognized on bank balance sheets but not to be reflected on income statements.

Banking regulators already have capital rules that differ from accounting rules, but have not been eager to expand those differences. One area where a difference may soon be made is in the treatment of off-balance sheet items that the accounting board is forcing banks to bring back onto their balance sheets. The banks have asked regulators to phase in that change over several years, to slow the impact on their capital needs.



Next-Gen Camaro, CTS to Join Small Cadillac ATS on New Rear-Drive Platform

DETROIT - Chevrolet's next Camaro will switch to the global Alpha platform that General Motors is developing for Cadillac's new BMW 3 Series fighter. The new Camaro is scheduled for the 2014 calendar year according to consultancy firm Grant Thornton LLP and analysis firm CSM Worldwide.



Along with the 2015 Camaro, the Alpha platform would replace the Sigma platform under Cadillac's CTS sedan a year earlier, in calendar '13 as the '14 model. Ricci says the CTS coupe and wagon would then be discontinued. As we've reported in the past, the next CTS is to grow in size, solidifying its position as Cadillac's mainstream luxury car. – *Motor Trend*

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Change of Address Instructions

Please update your address, phone, and email at the IMA national web site www.imanet.org.
ALSO email Jim Casper at jcasper@provide.net so that our Chapter has your updates.
If you have questions, call our local chapter board member Mary Cortese at 734-434-6218.