

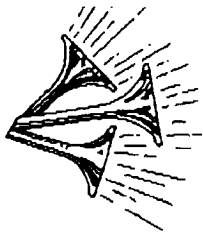


# The Update

VOLUME 20 NUMBER 1

Winter 2010

Sannerud, Savarese & Associates, P.A. – “Certified Public Accountants”  
1207 Constance Blvd. N.E. • Ham Lake, MN 55304 • (763) 434-5929 FAX (763) 434-8833 • [www.sannerudsavarese.com](http://www.sannerudsavarese.com)



## FROM SUE'S DESK

As 2009 comes to a close, I want to sincerely thank each one of you for your business! This past year has been financially challenging for most, both individuals and businesses alike.

With that, some may worry, will I owe taxes and if I do, how will I pay them? Please know that we are here to help! Rule #1 - file your tax returns by their due dates. By doing this, if you owe taxes you will avoid the costly “failure to file” penalties and some of the interest charges. If you do owe and are unable to pay the full amount, paying partial payments will help reduce the amount of your penalties and interest.

If you are due a refund, there is no penalty for “failure to file”, however, you cannot receive your refund without filing your tax return - wait too long to file, and you may lose the refund altogether.

We look forward to seeing you at your tax appointments and helping you through these challenging times.

*Wishing you and your family a very Merry Holiday Season!*

### **\*\* NEW \*\***

## **Upcoming Seminars**

**Offered At No Charge To Clients And Guests**

### **THE CASH BALANCE PLAN**

(Come find out about a qualified retirement savings vehicle that could make a tremendous difference in you personal financial planning.)

**Date:** Monday, January 11, 2010  
**Time:** 7:00 pm (dinner provided)  
**Location:** Sannerud Savarese & Associates, P.A.  
**Contact:** Call our office (763) 434-5929 for reservations, space is limited.

### **WHAT YOU NEED TO KNOW ABOUT ROTH CONVERSIONS**

(Do you have questions regarding Roth Conversions? This is the seminar where you'll find your answers.)

**Date:** Tuesday, February 23, 2010  
**Time:** 6:30-7:30 pm (snacks provided)  
**Location:** Sannerud Savarese & Associates, P.A.  
**Contact:** Call our office (763) 434-5929 for reservations, space is limited.

**Date:** Monday, March 29, 2010  
**Time:** 6:30-7:30 pm (snacks provided)  
**Location:** Sannerud Savarese & Associates, P.A.  
**Contact:** Call our office (763) 434-5929 for reservations, space is limited.

## TAX APPOINTMENTS FOR 2009!

Watch for your tax organizer to be coming in the mail this January. The organizer is meant to help you prepare for your tax appointment and will list your tax appointment time on the back page. If the appointment time does not work for your schedule, please call us as soon as possible to make a new appointment. If you do not have an appointment listed or do not receive an organizer, please call our office at 763-434-5929.

If you are away for the winter months there is no need to rush back in order to complete your 2009 taxes. You have the option to mail your 2009 supporting tax documents to us.

To make the most out of your tax appointment time, if possible, please make other arrangements for your children. Also, remember to bring all supporting documents along with your tax organizer to your appointment! We look forward to seeing all of you this tax season!

*Remember...You can save time by filling out the Tax Organizer on your computer - [www.sannerudsavarese.com](http://www.sannerudsavarese.com). It is PDF document that you can fill out and print, or save to your computer to modify and print in time for your 2009 tax appointment.*

***To keep us ALL healthy this season... please don't hesitate to call to reschedule your tax appointment if you are feeling ill.***

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# TAX NEWS

## 2010 Mileage Rates:

Business Mileage	50 cents/mile
Charitable Mileage	14 cents/mile
Medical/Moving Mileage	16.5 cents/mile

## Termination of Reciprocity with Wisconsin

Minnesota will end individual tax reciprocity with Wisconsin effective January 1, 2010. As a result, Minnesota and Wisconsin residents who work across the border must file returns in both states for 2010 and beyond if they meet minimum filing requirements.

**MN. Residents:** Wisconsin will tax MN. residents for income (wages, salaries, tips, commissions, fees or bonuses) earned in Wisconsin. Minnesota taxpayers working in Wisconsin must file a 2010 Wisconsin income tax return as a nonresident using Form 1NPR, if their Wisconsin income meets the minimum filing requirements.

**WI. Residents:** Minnesota will tax WI. residents for income (wages, salaries, tips, commissions, fees or bonuses) earned in Minnesota. Wisconsin taxpayers working in Minnesota must file a 2010 Minnesota income tax return as a nonresident using Form M1 and Schedule M1NR, if their Minnesota income meets the minimum filing requirements.

**MN. Employers:** MN. employers must withhold MN. tax on wages for Wisconsin Residents working in Minnesota. Use the Federal Employee's Withholding Allowance Certificate, Form W-4, to determine the amount of MN. income tax to be withheld from the employee's paychecks. *If you as an employer no longer have a withholding obligation for Wisconsin, inactivate your WI withholding tax account after annual reports are filed.*

## American Recovery and Reinvestment Tax Act of 2009 (ARRA)

**Unemployment Compensation Exclusion:** Up to \$2400 of unemployment compensation benefits received in 2009 are excluded from federal gross income. This exclusion applies to ALL taxpayers, regardless of total income. This exclusion is not allowed on MN. tax returns.

**Making Work Pay Credit:** For 2009 and 2010, subject to income limits, credit is 6.2% of a taxpayer's earned income with a maximum credit of \$800 for a married/filing joint and \$400 for other taxpayers. The credit is phased out at a rate of 2% for taxpayers with an AGI that exceeds \$75,000 (\$150,000 on a joint return). Nonresident aliens and individuals who are already claimed as a dependent are not eligible for the credit.

**NEW Vehicle Income Tax Deduction For Purchases Made February 16, 2009-January 1, 2010:** This applies to a new car, light truck or motorcycle with a gross vehicle weight (GVW) rating of not more than 8,500 pounds, or a new motor home. The deduction is limited to the 1st \$49,500 of the purchase price of each new vehicle purchased. The deduction is phased out for taxpayers with an AGI between \$125,000-\$135,000 (\$250,000-\$260,000 for a joint return). MN. did NOT adopt this provision and must add back the sales tax taken.

**Earned Income Credit:** Low and moderate income workers may be eligible for the refundable EIC. Eligibility is based on earned income, AGI, investment income, filing status, number of dependent children and immigration and work status in the United States. The EIC percentages and thresholds have increased for 2009 and 2010. MN. has not adopted these changes.

## New Refundable Motor Fuel Credit *And...You do not have to have a car to qualify!*

There is a new refundable "motor fuel credit" of \$25 available to low income taxpayers. In order to claim the credit a Minnesota individual income tax return must be filed. To qualify the taxpayer must be: 18 years of age or older, Not a dependent for federal income tax purposes, a U.S. citizen or lawfully present in the U.S. with a Minnesota taxable income below the dollar threshold for their filing status: Married filing joint - \$33,220, Single - \$22,730, Head of Household - \$27,980, Married filing separate - \$16,610 – eligible for \$13.

## MILITARY CHANGES Combat Zone Credit

Starting in 2009 this refundable credit was increased from \$59 to \$120 for each month of service in a combat zone. To claim the credit, qualified individuals must file Form M-99 after January of the following year with proof (such as a leave earning statement) of time served in a combat zone.

# TAX NEWS

## Winter Tax Tip:

**If you receive your property tax statement prior to your tax appointment, please make sure to bring it along with you to your tax appointment, to ensure you receive all of your deductions. If you receive it after your appointment, please email [staff@sannerudsavarese.com](mailto:staff@sannerudsavarese.com), Fax #763-434-8833 or mail a copy of it to us. We do not need your original.**

## **New Life & New Rules For The Home Buyer Credit**

Just as the door was about to slam shut on the First Time Home Buyer Credit, Congress not only extended the deadline to April 30, 2010, but also expanded it to include those who are not first time home (includes homes, trailers, RV's, boats and structures) buyers.

The new law **Work, Homeownership, and Business Assistance Act of 2009**, extends the previously available \$8,000 credit to first time home buyers until April 30, 2010. Home buyers who have secured binding contracts by the April 30th deadline will still qualify if the purchase is complete by July 1, 2010

In addition, the new law adds a credit that will be available to those who qualify as "long-term residents of the same principal residence." Home owners who have owned their residence for at least five of the past eight years are eligible under the new law for a \$6,500 credit on the purchase of a new home. This allows current homeowners a credit if they choose to up-size or down-size to another home.

And more can qualify by increase of the income limits - Couples earning up to \$225,000 a year and individuals earning up to \$125,000, are now eligible for the credit.

This credit applies only to homes used as a taxpayer's principal residence. Vacation homes and homes worth \$800,000 or more do not qualify for the credit.

## *American Opportunity Credit*

The American Opportunity Credit is a new version of the Hope credit for tax years beginning in 2009 or 2010. It covers the first 4 years of postsecondary education and is allowed for 4 taxable years for each student.

- The maximum credit is \$2500 (100% of the first \$2000 of qualified expenses plus 25% of the next \$2000).
- The AGI phaseout range is higher: \$80,000-\$90,000 for most taxpayers and \$160,000-\$180,000 for married taxpayers filing a joint return.
- Up to \$1000 of the American Opportunity Credit is refundable unless the taxpayer is a child with unearned income who is subject to the kiddie tax (see article).

• Eligible expenses include not only tuition and fees but also course materials (books, supplies, and equipment that are needed for a course of study whether or not they are purchased from the educational institution).

Make sure to obtain a copy of the student's fee statement, book receipts and the 1098T form from the educational institution in order to claim this credit.

## KIDDIE TAX

A child's investment income above an annual threshold is subject to the kiddie tax if the parents' tax rate is higher than the child's. Since 1986 tax law has chipped away at tax breaks that result from putting investment income into the names of children.

The kiddie tax that subjects a child's investment income to tax at the parents' marginal rate originally applied only to children under age 14. The age limit was increased twice previously (through age 17 and then age 18) and beginning with the 2008 tax year, it can affect full-time students until they are age 24.

### **Filing requirements for children:**

If a dependent's income exceeds \$950 and includes more than \$300 of investment income, the dependent must file a return. If all of a dependent's income is earned income, filing is not required until the income exceeds \$5,700 (the standard deduction amount for individuals who are single).

### **Kiddie tax applies when:**

- ✓ When a child's investment income exceeds \$1900 (twice the basic standard deduction for a dependent, even if the child is not a dependent), the kiddie tax must be considered.
  - ✓ To any child who is younger than 18. If the child is 18, the kiddie tax applies unless their earned income exceeds 50% of his or her total support, whether or not the income is spent for the support and whether or not the 18 year old is a student.
  - ✓ To full-time students ages 19-23, unless the student's earned income exceeds 50% of his or her total support, whether or not the income is spent for the support.
- If both parents of the child are deceased, the kiddie tax will not apply. If a child is married and files a joint return, the kiddie tax is not applicable.

# BUSINESS TIPS & MONEY MATTERS

**Question: If I have a loss, do I still need to file a tax return?**

**Answer:** We encourage everyone to file a tax return-purely to close the statute of limitations on audits. If you have securities sales, or small businesses with profits over \$400, you need to file a tax return. If you are wondering about your own situation, please contact us for help.

## Improvements to Tangible Property - When do I get to deduct what I spent on my building?

Below are three categories of cost that result in an improvement to property (capitalize and depreciate over time):

1. Those that result in a betterment to a unit of property – whether an item is a component of property hinges or how integrated it is with a larger asset. The more connected and linked it is to another asset, the more likely it is to be viewed as a component of the larger asset. If the condition of the property is materially improved, the cost is to be capitalized regardless of whether the betterment increases the property’s fair market value.
2. Those that restore a unit of property – expenditures made to restore property to a reasonable operating condition after the property has deteriorated to a state of disrepair such that it cannot function for its intended purpose must be capitalized.
3. Those that adapt a unit of property to a new or different use – a new or different use is one that is not consistent with the taxpayer’s intended use of the property at the time it was placed in service.

Qualifying activities under a routine-maintenance safe harbor are deemed to not improve property, so that they are classified as repairs. Routine maintenance expenses are the recurring costs that the taxpayer will pay multiple times over the property’s life to keep it in its normal, efficient operating condition.

## EMPLOYMENT TAXES

Employment taxes are the focus of a National Research Program that began in November 2009. Beginning in 2009, as many as 2000 employment tax returns will be selected each year during a 3 year period for the National Research Program (NRP) audits that collect data that is used to measure payment, filing and reporting compliance.

Tax returns are selected for NRP audits through statistical sampling: Selection of a tax return does not indicate that anything appears wrong on its face. The IRS agent can look at any line on the return, but the following four issues are the primary foci of the NRP project:

**Worker Classification:** Are workers employees or independent contractors? When an employer has the right to “control” and direct the individual who performs the services, not only as to the result to be accomplished by the work but also as to the details and means by which that result is accomplished, an employee relationship exists.

**Fringe Benefits:** Any fringe benefit is taxable unless tax law specifically excludes it. IRS Publication 15-B summarizes the payroll tax treatment of several fringe benefits.

**Officer Compensation:** Internal Revenue Code 3121 states that “an officer is an employee”. Corporations may attempt to avoid employment taxes by classifying an officer’s compensation as another form of income rather than as a salary or wage. The payments may be disguised as any of the following: Dividends from a C Corporation, Distributions from an S Corporation, Loans to shareholders, Rent payments, Management fees, and fringe benefits. Each of these payments may be legitimate, but the officer’s total compensation picture must be reviewed. Reasonable compensation must be paid before a dividend or distribution can be paid to a shareholder-employee, especially if the shareholder controls the corporation.

**Reimbursed expenses:** If businesses reimburse employees for deductible business expenses through an accountable plan, the reimbursements are not taxable. An accountable plan must satisfy three criteria: (1) Expenses must be ordinary, necessary, and reasonable business expenses incurred by the employee while performing services for the employer. (2) There must be an adequate accounting for the expenses within a reasonable period of time and (3) Excess reimbursements must be returned to the employer within a reasonable period of time.

# BUSINESS TIPS & MONEY MATTERS

## ORDER CURRENT "EMPLOYMENT POSTERS"...THEY ARE FREE!

**Current Employment Posters** - To order current employment posters go to the following websites listed below:  
MN. STATE employment posters: <http://www.dli.mn.gov/LS/Posters.asp>  
FEDERAL employment posters: <http://www.dol.gov/osbp/sbrefa/poster/matrix.htm>. The federal site has a link that will allow you to evaluate what posters are required for a company based on the information you submit.

### OTHER ITEMS TO ORDER FOR THE NEW YEAR:

**2009 (W-2's, W-3's, 1099's etc.) Forms** - You can order many of the current year tax forms and publications online for delivery by U.S. mail at **NO CHARGE!** Go to: [www.irs.gov](http://www.irs.gov), Online Services, Order Forms and Publications by U.S. Mail, Online Ordering for Information Returns and Employers Returns.

**2010 Small Business Tax Calendar** - This tax calendar includes useful information on general business taxes, common tax filing dates and much more. To order, go to [www.irs.gov](http://www.irs.gov), Small Business Products ordering page. You can order up to 5 copies for free.

## The Home Office Deduction

With technology making it easier than ever for people to operate a business out of their house, many taxpayers may be able to take a home office deduction when filing their 2009 tax return.

Here are five important things the IRS wants you to know about claiming the home office deduction:

1. Generally, in order to claim a business deduction for your home, you must use part of your home exclusively and regularly: as your principal place of business, or as a place to meet or deal with patients, clients or customers in the normal course of your business, or in the case of a separate structure which is not attached to your home, it must be used in connection with your trade or business. For certain storage use, rental use or daycare-facility use, you are required to use the property regularly but not exclusively.
2. Generally, the amount you can deduct depends on the percentage of your home that is used for business. Your deduction for certain expenses will be limited if your gross income from your business is less than your total business expenses.
3. There are special rules for qualified daycare providers and for a person storing business inventory or product samples.
4. If you are self-employed, use Form 8829, Expenses for Business Use of Your Home, to figure your home office deduction. Report the deduction on line 30 of Schedule C, Form 1040.
5. Different rules apply to claiming the home office deduction if you are an employee. The regular and exclusive business use must be for the convenience of your employer.

If you have questions about the home office deduction, please give us a call!

## HO, HO, HO - GIFT EXPENSES

If you give gifts in the course of your trade of business, you can deduct all or part of the cost. Generally, you can deduct not more than \$25 for each business gift you give directly or indirectly to each person during your tax year.

### More Help For Small Businesses

The American Recovery Act also includes the following business-related provisions...

**Reduction of Estimated Tax Payments:** Normally, small businesses have to pay 110 % of their previous year's taxes in estimated taxes. The Recovery Act permits small businesses to reduce their estimated payments to 90% of the previous year's taxes.

**Extension of Bonus Depreciation Deductions Through 2009:** Bonus depreciation is extended through 2009, allowing businesses to take a larger tax deduction within the first year of property's purchase.

**Capital Gains Tax Break for Investment in Small Businesses:** Investors in small business who hold their investments for five years can exclude from taxation 75% of their capital gains.

### TAX BENEFITS FOR EDUCATION

Check out the new "Tax Benefits for Education" section now available on the IRS website [www.irs.gov](http://www.irs.gov). It highlights various tax breaks and 529 plan changes designed to help parents and students pay for college.

# HEALTH & HOME

## WARM UP FOR WINTER

AS WINTER APPROACHES AND THE TEMPERATURE DROPS, IT MAY BE TEMPTING TO SPEND MORE MONEY ON GOODS AND SERVICES TO KEEP YOU WARM. TAKE INTO CONSIDERATION THE FOLLOWING TIPS TO HELP YOU BRAVE THE COLD WEATHER CLIMATES AND "FREEZE" SOME DOLLARS FOR SPRING.

**HARVEST YOUR HEAT.** TURN DOWN YOUR THERMOSTAT WHEN YOU ARE NOT HOME AND CLOSE VENTS AND DOORS TO UNUSED ROOMS. OPEN CURTAINS ON SUNNY DAYS TO HELP HEAT THE ROOM(S). SNUG-FITTING DRAPES MAY ALSO BLOCK COLD DRAFTS. CIRCULATE THE HEAT BY TURNING YOUR CEILING FAN ON (CLOCKWISE). MAKE SURE YOUR HOME IS PROPERLY INSULATED. FOR MORE INFORMATION ON INSULATING YOUR HOME GO TO [WWW.SIMPLYINSULATE.COM](http://WWW.SIMPLYINSULATE.COM).

**FIND WARM CLOTHES.** WEARING AN EXTRA LAYER OF CLOTHING INSIDE OF THE HOUSE CAN BE A FRUGAL ALTERNATIVE AS OPPOSED TO TURNING UP THE HEAT A FEW DEGREES. CHILDREN OUTGROW THEIR CLOTHING ITEMS SO FAST. INSTEAD OF BUYING NEW, CHECK OUT THRIFT STORES AND RESALE SHOPS (ONCE UPON A CHILD, [WWW.OUAC.COM](http://WWW.OUAC.COM)) OR BROWSE YOUR LOCAL ONLINE CLASSIFIEDS ([WWW.CRAIGSLIST.COM](http://WWW.CRAIGSLIST.COM), [WWW.FREecycle.ORG](http://WWW.FREecycle.ORG)). MANY COMMUNITIES ALSO SPONSOR WINTER COAT DRIVES FOR FAMILIES IN NEED DURING THIS TIME OF YEAR. VISIT [WWW.ONEWARMCOAT.ORG](http://WWW.ONEWARMCOAT.ORG) FOR EVENTS AND PROGRAMS IN YOUR AREA.

**STOCKPILE FOOD.** PRIOR TO THE SNOWY DAYS WHEN IT CAN BE DIFFICULT TO DRIVE TO THE STORE, STOCK UP ON FOODS SUCH AS CANNED SOUPS THAT MAKE AN INEXPENSIVE, HEARTY MEAL. YOU CAN ALSO PREPARE FOOD AHEAD OF TIME AND FREEZE IT TO EAT ON THOSE CHILLY DAYS.

**WINTERIZE YOUR CAR.** DRIVING CAN BE HAZARDOUS IN FREEZING TEMPERATURES. MAKE SURE YOU HAVE ESSENTIALS SUCH AS AN ICE SCRAPER, WINDSHIELD WASHER FLUID AND WIPER BLADES IN GOOD CONDITION, JUMPER CABLES, A SNOW SHOVEL, ROCK SALT, BLANKETS AND A FLASHLIGHT. WHEN TEMPERATURES DROP, TIRES LOOSE AIR. TIRES AFFECT THE RIDE, HANDLING, TRACTION AND SAFETY-MAKE SURE THEY HAVE THE CORRECT AMOUNT OF AIR PRESSURE. ALSO CHECK YOUR ANTIFREEZE AND MOTOR OIL. FREEZING CONDITIONS WILL ALSO REDUCE THE VEHICLE'S BATTERY POWER-MAKE SURE TO KEEP THE BATTERY CONNECTIONS CLEAN, TIGHTENED AND FREE OF CORROSION. FOR MORE INFORMATION ON WINTERIZING YOUR CAR GO TO [WWW.CARCARE.ORG](http://WWW.CARCARE.ORG).

## Let's Get FRUGAL

Let's face it, in these tough economic times we all feel the need to cut back on things and get FRUGAL!

Frugal living encompasses many concepts such as using things that you have on hand instead of purchasing new. For example a frugal person would cook up dinner with items that they already have in the kitchen cabinets instead of ordering take-out or buying more food at the grocery store. Organizing and hosting a child's birthday party at home instead of paying for other entertainment/activities is another example of being frugal. By becoming more frugal you may realize that frugality can be fun, creative, and less stressful.

Meet with your family to discuss ways in which you all can become more frugal. Can you refinish or paint a piece of bedroom furniture instead of buying new? Would your family be willing to dine out one-night less a week or reduce the number of premium television services? Over time, your family may begin to integrate many innovate ideas in order to create a frugal lifestyle. **In the end, these changes may make you more relaxed because you will know how to live richly without spending a lot of money.**

## RECYCLE YOUR HOLIDAY GREETING CARDS AND CANCELLED STAMPS

**We are still accepting used greeting cards for recycling. These will be given to the Anoka County Extension for use by Anoka County 4H clubs.**

**We are also now accepting cancelled stamps for the Sons of Norway Organization. The stamps are sent to Norway to benefit the children.**

**Tear or cut the stamps from the envelope leaving a ¼ to ½ inch surrounding edge.**

**If you have cards and/or stamps to donate, please stop by our office anytime or bring them in at your next tax appointment!**

**Thank you!**

## FEEL A GIGGLE COMING ON?

It happens. You're sitting in a meeting or in church, and suddenly feel like you're going to giggle. Next time, try this:

Pinch the web between your thumb and forefinger. Do it hard enough so you feel it radiate up your arm. It won't do any harm to you – but it will get rid of your giggles.

# ODDS & ENDS

## Free "Thank You" Cards

Create your own free thank you cards at [www.snipurl.com/holiday327](http://www.snipurl.com/holiday327). There are hundreds of designs to choose from.

## WHAT'S COOKING?

### VEGETABLE PIZZA

2 cans crescent rolls  
(pinch together and lay flat).  
Bake and cool



Mix together:  
8 oz. cream cheese  
 $\frac{3}{4}$  cup mayonnaise  
 $\frac{1}{4}$  cup milk  
1 tsp. dill weed  
1 tsp. garlic powder

Chop the following:  
Broccoli  
Cauliflower

Slice the following:  
Green onions  
Black olives  
Mushrooms

Grate the following:  
Carrots

Spread the mixture on the crescent rolls. Top with the vegetables (carrots last). Slice and enjoy!

## History Facts:

*Thomas Edison was one of the greatest inventors in American history. When he first attended school in Port Huron, Michigan, his teachers complained that he was "too slow" and hard to handle. As a result, Edison's mother decided to take her son out of school and teach him at home. In his lifetime, Edison produced more than 1,300 inventions.*

## Complete Payroll Services

Sannerud, Savarese & Associates, PA.'s  
full payroll service includes:

- Payroll Processing
- Direct deposit available
- Electronic deposit of all payroll taxes
- Preparation of all payroll reports & filing electronically as required
- Preparation of yearend payroll reports and required forms including Form 940, W-2's, W-3, 1099's and 1096
- Providing copies for corporate files
- Reporting new hires to the state

Sannerud, Savarese & Associates, PA. can take the  
worry out of payroll for you by:

Applying for payroll related identification numbers  
(Federal, State, and State UC)  
Providing you with W-4s and I-9s.

Accurate – Cost Effective – Timely

*"Let us help you use your time  
to do what you do best!"*

## Office Hours

Monday – Friday 8:00 AM to 4:30 PM  
or by appointment (763) 434-5929

## Tax Season Office Hours (January 25 – April 15, 2009)

Monday, Tuesday, Thursday	8:00 AM to 8:00 PM
Wednesday & Friday	8:00 AM to 4:30 PM
Saturday	8:00 AM to 12:00 Noon

E-Mail: [staff@sannerudsavarese.com](mailto:staff@sannerudsavarese.com)  
Web Site: <http://www.sannerudsavarese.com>

*Happy*  *Holidays*

**From All Of Us At  
Sannerud Savarese & Associates, P.A....**

# STAFF NEWS & EDUCATION

## Sannerud Savarese & Associates (2010 policy updates)

- Completed tax returns mailed to clients per client's request, will have a postage fee of \$7.95 (could be more depending on size/location). It is now our policy to mail confidential documents: Priority Mail/Confirmation Receipt to ensure delivery.
- For 2010, we will no longer file individual extensions without a client's request.
- We will now charge \$22.50 for each additional tax return copy requested.
- Our Record Retention policy for our tax and business clients is to keep seven (7) years of records only. Any records over seven (7) years will be destroyed. It is also our policy to return to you at the conclusion for each engagement, all of your original records/supporting documents that we may refer to during the course of our work along with a copy of your tax return(s) and/or financial statements at the time of completion and payment for our services. Your original records/supporting documents and tax return copies are to be retained at your discretion.

### Upcoming Community Education

(Taught by Sue Savarese, CPA)

**Class:** Small Business Recordkeeping  
**Date:** January 19, 2010  
**Location:** Staff Development Center, Anoka, MN.  
 For more information about the class or to register, call: 763-506-5766

## The staff has attended the following classes:

- Sue Savarese:** Long Term Care Seminar, The New Appeal of Small Businesses/The Case for Roth IRA Conversions (Ameriprise Financial Services) Income Tax Short Course (U of MN.)  
**Dawn Smith:** Income Tax Short Course (Uof MN.), Your Job & Your Ethics (MAPA), The New Appeal of Small Businesses/The Case for Roth IRA Conversions (Ameriprise Financial Services)  
**Jamie Anderson:** Gear Up 1040 Seminar (MAPA), The New Appeal of Small Businesses/The Case for Roth IRA Conversions (Ameriprise Financial Services)  
**Pauline Mittelstaedt:** The New Appeal of Small Businesses/The Case for Roth IRA Conversions (Ameriprise Financial Services)  
**Paulette Hynes:** Tax Pro Symposium, The Essential 1040, Beyond the 1040 (NATP), The New Appeal of Small Businesses/The Case for Roth IRA Conversions (Ameriprise Financial Services)  
**Ruth Hunter:** Gear Up 1040 Seminar (MAPA), The New Appeal of Small Businesses/The Case for Roth IRA Conversions (Ameriprise Financial Services)

### \* Staff \*

A.M. Sannerud, Founder . . . . . Certified Public Accountant (Inactive)  
 Susan E. Savarese, Managing Partner . . . . . Certified Public Accountant  
 Dawn Smith . . . . . Senior Accountant  
 Jamie Akerson-Anderson . . . . . Certified Public Accountant  
 Pauline Mittelstaedt . . . . . Firm Administrator  
 Paulette Hynes . . . . . Enrolled Agent  
 Ruth Hunter . . . . . Staff Accountant  
 Jody Newlander . . . . . Accounting Clerk  
 Tracy Slepica . . . . . Receptionist, "Update" Editor  
 Betty Sannerud . . . . . Support Services  
 Mary Lou Michels . . . . . Custodial Services

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The Update  
 Sannerud, Savarese & Associates, P.A.  
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The Update is published for our clients and friends. It is designed to provide accurate information with respect to the subject covered. Before any action is taken based upon this information, it is essential that competent, individual, professional advice be obtained.