



## From the Desk of John F. Morrissey

*john.morrisey@johnmorrisey.com*

Well, as I sit here writing the article for the newsletter, I realize that it is late because of me. I am sorry. It seems unrealistic that this is the spring of 2015 and we are about to embark on the most exciting time of year. This is the time of the year when nature comes alive again.

When we find out what has been happening under all the snow. The flowers will begin to grow and bring beauty into our lives.

It is also the time of year when ideas start to germinate about our business or about our fiscal condition. This is the time to do something with those ideas that we have been thinking about all winter. There is no good reason to put them off any longer.

We at John Morrissey Accountants are feeling that same way. We have excited new staff members, along with our experienced staff, who are anxious to showcase some of our new ways of providing innovative methods of servicing our clients. We have become more aware that we cannot always do things the way that we have done them in the past.

Technology is moving very fast, and yet it is not for everyone. That is where we can help our clients determine what is right for them and their business.

There are many ways to handle “data” via computers, but there is still the need to communicate face-to-face. We have found that we can provide much better service when our clients take the time to meet face-to-face with our team of professionals. Better communication results in better service and better service results in better results.

So I ask you, our clients, to allow us to better communicate and we will achieve better service which will mean better business for all.

## Focus On The Community

By Ella Nelson, Impact Coordinator  
website: [www.unitedwayrrv.org](http://www.unitedwayrrv.org)



*David Gets in Trouble. Pigsty. Not a Box. Bugs! Bugs! Bugs!* These books might not be found on the New York Times Best Sellers List, but they make a big hit with local three and four year olds. These books are part of **Success By 6**, an initiative spearheaded by United Way of Rock River Valley.

Understanding that our community is confronted with considerable educational challenges, including a significant number of children who are not able to read proficiently at grade level, United Way

established Success By 6 in 2010. Success By 6, a school readiness program, is aimed at helping children gain the necessary academic and social skills needed to enter school ready to learn and succeed.

In partnership with the Rockford and Harlem Public Schools, Rockford Head start, Easter Seals, and La Voz Latina, United Way’s Success By 6 is building home libraries and encouraging family engagement and a love of reading. During the 2013-2014 school year, more than 30,000 age-appropriate and educator-approved books were distributed to our community’s youngest population, along with information for parents and a curriculum for teachers to use in their classrooms. Books are read in the classroom at least three times, allowing for children to “read” the book on their own, with or without the help of a parent or family member.

Studies show that increasing the number of books in a child’s home has a profound effect on future academic achievement – as few as 20 books making a significant difference. And Success By 6 books do make a difference. Recently a mother told United Way that her child would not put down *David Gets in Trouble*. “All she wants to do is read about David. Thank you Success By 6 and United Way!”

### In This Issue...

From the Desk of John F. Morrissey .....	1
Focus on the Community.....	1
Charitable Giving.....	2
Employee Handbooks .....	2
The IRS Will Never Call.....	3
Insert Headline Here.....	3
QuickBooks ProAdvisors recognized.....	3



## Charitable Giving

By Claire Gierat

[claire.gierat@johnmorrissey.com](mailto:claire.gierat@johnmorrissey.com)

I am often asked if most taxpayers cheat on their tax returns. My answer is always the same. Yes, the majority of taxpayers cheat themselves. The biggest reason is they fail to keep adequate records or any records at all. The most neglected tax advantage for the average taxpayer falls on the itemized deduction schedule. This advantage is in charitable giving. Because the law states specific rules for justifying donations, the taxpayer finds it time consuming to do any record keeping, and misses the advantage of the deduction. It is really not as tedious as it sounds.

Whether you are giving money in cash or check, you need a bank record (cancelled check) or written receipt from the charity for amounts up to \$250. For amounts over \$500, you will need acknowledgement from the recipient plus other requirements depending on the amount. Record keeping for contributions made by cash or check is pretty simple.

Substantiation for noncash donations by the average taxpayer can be very easy to get, but there are additional rules depending on the item donated. Household goods such as clothing, furniture, appliances, toys etc., are the most common items given to charity. You will want to consult your tax advisor for items that are not considered "household". As an example, an auto would fall in the "other" category. To claim the deduction when you itemize, you will need the name and address of the charity, along with the date of the gift. This is easy. It's on your receipt. You need a reasonable description of the property. It's not hard to jot down "four sweatshirts" or "three pairs of jeans etc.!" For items delivered in large bags, you still must list what is in the bags. The easiest way to handle this is to take a group photo of the items prior to bagging them. You can always make your list later, simply by reviewing the photos. You will also

*continued on page 4*



## Employee Handbooks

By Sam Castree

[sam.castree@staffmgmt.com](mailto:sam.castree@staffmgmt.com)

Employee communication is important to the success of an organization, and the employee handbook is one of the most important communication tools. A well drafted handbook can concisely communicate essential policies and procedures. A good handbook can set the tone for an organization by spelling out the organization's mission and values. Conversely, a poorly written handbook can get clogged with excess or irrelevant verbiage. Who has seen the 80 page handbook that sits in the corner and collects dust because it's just too hard or voluminous to read?

**Communication Issues.** To achieve a balance in a handbook, and the manner in which it is written, we consider the following key communication elements:

- Who is your audience? The style of the handbook should be easy to understand by its intended audience. What is the average education level at your workplace? Are there multiple languages spoken in your workplace? Are there other barriers to communication?
- What topics will be included in the handbook? What is essential that an employee know? We suggest removing unimportant and irrelevant policies that merely clutter the handbook and reduce its effectiveness as a means of communication.
- We believe the handbook should communicate not just rules, but also the organization's philosophy, values, and direction.
- What tone do you want to communicate? Do you have a very formal workplace that may be best served by a very formal tone? Do you have a casual workplace where a casual writing style is more appropriate?

*Samuel J. Castree, Jr. is the Senior Vice President and General Counsel of Staff Management, Inc., the human resource consulting and outsourcing firm of the Morrissey Family Businesses. If you have any questions about your employee handbooks or other HR issues, he can be reached at 815-282-3946 or [sam.castree@staffmgmt.com](mailto:sam.castree@staffmgmt.com)*

**Legal Issues.** Not to be neglected are legal issues. The handbook can help you with your legal compliance efforts. Of particular importance are the new pregnancy discrimination amendments to the Illinois Human Rights Act. These amendments became effective on January 1, 2015 and require all employers to address pregnancy discrimination in their employee handbooks. The Act provides in part that it is a civil rights violation for an employer to "fail to include in any employee handbook information concerning an employee's rights under" the pregnancy discrimination provisions of the Illinois Human Rights Act.

Other important legal issues that should be addressed in a handbook include sexual harassment, statutory leaves (e.g., FMLA), equal employment opportunity and employment-at-will, to mention a few. If you've not updated your handbook in the past several years, there are a number of other legal developments that should be considered, including:

- Genetic Information Nondisclosure Act Policy
- Smoke Free Illinois Act issues
- Cellular phone issues and Illinois restrictions on texting and hands free requirement
- Family Military Leave (extend leave to children and grandchildren of service members; extend coverage to employers with 15 or more employees)
- Victims Economic Security and Safety Act (extend coverage under the Act to employers with 15 or more employees)

*continued on page 4*



## The IRS Will Never Call

By Andrea Malcolm

[andrea.malcolm@johnmorrisey.com](mailto:andrea.malcolm@johnmorrisey.com)

There is an ongoing phone scam that you need to be aware of. People are calling taxpayers and claiming to be the Internal Revenue Service. The scammers first looked to target recent immigrants, but the scam has spread to the general population and has hit every state and even our own JMA clients. This is a warning to be on the alert.

Some typical characteristics of a scam phone call would be the following:

The scammers make an unsolicited call to a taxpayer claiming to be an IRS official. The problem is the call “feels” real. The scammers typically use a common name and surname to identify themselves and also use a fake IRS badge number. The scammer may be able to even recite the last four digits of your Social Security Number. The purpose of the scam is to make you think that you owe money to the IRS and it must be paid promptly. If the victim refuses to cooperate then the scammer is known to threaten with arrest, deportation or suspension of a business or driver’s license. In many cases the caller becomes hostile and insulting.

The following is important information that the IRS wants you to know to protect yourself:

- The most important thing to know is that the IRS will not call you, email you or text you. The IRS only corresponds via written letter thru the United States postal service.
- Real IRS representatives will not make threats nor will they ask for debit cards, money orders or bank account information over the phone.
- IRS representatives will not ask you for a PIN or password.
- The IRS does not initiate contact with taxpayers by email to request personal or financial information. This includes any type of electronic communication such as text messaging or social media channels.

The IRS encourages taxpayers to be vigilant against phone and email scams that use the IRS as a lure. If you know that you owe taxes or you think you might owe taxes, call the IRS at 800-829-1040. The IRS employee at that number can help you with a payment issue if there really is an issue. If you know you don’t owe taxes or have no reason to think that you would owe any taxes, then call and report the incident to the Treasury Inspector General for Tax Administration at 800-366-4484. You could also file a complaint using the FTC Complaint Assistant. ♣

**We are committed to excellence** in our areas of expertise. We strive to achieve excellence through achievement of advanced designations, and continuous education and training; by maintaining a well-staffed organization of professionals to ensure continuity of service; and by investing in the latest technology. We spent a good part of this past fall training on new and existing software. We are proud to say that we have a number of QuickBooks ProAdvisors on our staff and we plan to add several more designations this spring and summer.



**Tish Adams**  
 Certified QuickBooks2014 ProAdvisor  
 Certified QuickBooks2015 ProAdvisor  
 Certified QuickBooks Online ProAdvisor  
 Certified QuickBooks EnterpriseSolutions ProAdvisor



**Janet DiGuseppi, CPA**  
 Certified QuickBooks Desk-top Advanced ProAdvisor  
 Certified QuickBooks2014 ProAdvisor  
 Certified QuickBooks Point-of-Sale ProAdvisor  
 Certified QuickBooks EnterpriseSolutions ProAdvisor



**Stephanie Cliff, EA**  
 Certified QuickBooks2014 ProAdvisor



**Brigitte Mickey, CPA**  
 Certified QuickBooks Online ProAdvisor



**Anne Smith**  
 Certified QuickBooks2014 ProAdvisor  
 Certified QuickBooks Online ProAdvisor



## Insert Headline Here

By John J. Morrissey

[johnj.morrissey@staffmgmt.com](mailto:johnj.morrissey@staffmgmt.com)

I was pretty sure I could catch your attention with this headline. You likely thought that our newsletter editor made a terrible mistake. But I can assure you that is not the case. I now have you reading at least four sentences in to this month’s article. And we’ve already learned something important: the headline isn’t the story.

So it is with a headline I saw recently that read, “Get Rid of the Performance Review”, an intriguing headline to be sure. It was a terrific article, in fact, that was summarized from a book of the same name published in 2010 by Samuel A. Culbert, a professor in the Anderson School of Management at UCLA.

In the body of the article, Mr. Culbert makes it clear that accountability and strong communication in the workplace are important. He opines, however, that the performance review is a poor way to achieve those objectives. He prefers what he calls Performance Previewing, which he says is more forward-focused and results-oriented.

A Performance Preview can be designed to allow employees to define the resources they require to get the job done well... and the results that are desired. This focus on planning also allows for any needed changes in policies, and can occur at a hopeful time, when manager and employee are able to focus on strengths and opportunities.

His objection to the performance review seems to be its lack of objectivity, the tilted balance of power in the conversation, and the competitive nature of many workplaces. These are all fair considerations, but to my mind, the headline isn’t the story. I believe that managers and human resource professionals should generally be encouraging frequent, honest, and results-oriented communication among teams at all times. Some of those

*continued on page 4*

“Despite the forecast, live like it’s Spring.” ~ Lilly Pulitzer ~

## THE MORRISSEY REPORT

*is published by*

John Morrissey Accountants, Inc.  
5919 Spring Creek Road  
Rockford, Illinois 61114  
815.282.4600

*and*

John Morrissey Accountants, Inc.  
774 Beloit Road  
Belvidere, IL 61008  
815.547.6234

[www.johnmorrисsey.com](http://www.johnmorrисsey.com)  
©2015 All rights reserved.

*To share ideas or suggestions,  
please contact John Morrissey.*

This publication is designed to provide accurate information in the areas covered. It should not be construed as providing legal advice, accounting, or professional services. It is designed to provide our clients and friends with up-to-date information on topics of interest. Send address changes and all correspondence to the above address.

PRSRT STD  
U.S. POSTAGE  
PAID  
ROCKFORD, IL  
PERMIT NO. 1

*A Morrissey Family Business<sup>SM</sup>*

## Charitable Giving...*from page 2*

need the cost of the items and their fair market value when given. The fair market value can easily be obtained on the web at several locations. Here is where the taxpayers cheat themselves. Your like new items are generally worth more when given to charity than they are when sold at a garage sale. All you need to do is google “value of donated goods” or go to [www.goodwill.org](http://www.goodwill.org) or [www.salvationarmyusa.org](http://www.salvationarmyusa.org). These guides are also available for you in our office. Each one is a good source recognized by the IRS.

If you generally itemize deductions such as real estate taxes and mortgage interest, ask your tax advisor just how much your donated items saved or would have saved you in federal tax. Do you want to pay more in tax than you are liable for? Don’t cheat yourself. Take all the advantages you are allowed. ♣

## Employee Handbooks...*from page 2*

- Illinois Employee Credit Privacy Act
- Illinois Firearm Concealed Carry Act
- Illinois Medical Marijuana issues

The employee handbook is an important human resource tool. Draft it carefully and keep it up-to-date so it remains both useful and legally compliant. ♣

## Insert Headline Here...*from page 3*

conversations will necessarily focus on what has already occurred.

Getting rid of an annual exercise of checking some boxes and filling in a few comments, boss telling subordinate what he failed to accomplish? Good idea. But if one only reads the headline, one might get the wrong idea that fair, honest, frequent feedback on performance is somehow out-of-style. I don’t think so. Employees are People. More communication about job success is almost always better than less. ♣