

*In touch with your Life<sup>SM</sup>*



**Fall 2006**

Business and Professional Banking Newsletter

**Welcome** to the fall 2006 issue of the Business and Professional Banking Newsletter. It is our goal to provide business customers with a useful and concise newsletter, highlighting Business Banking products and services, articles on a variety of important business topics and other interesting information.

## In This Issue

- New Xpress Deposit Service -  
*You CAN make your deposits from the office*
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*Be ready for any emergency*
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*GSB can make shopping easy*

**Please also take a moment to fill in and fax the Survey form inserted into this newsletter.** We want to know what you'd like to see presented in future issues and if you enjoy receiving our publication. Finally, thank you for being a GSB Business Customer.

## Glenview State Bank...making bank deposits easier, wherever you are.

### Xpress Deposit<sup>SM</sup>

#### What is it?

Xpress Deposit is a simple and effective way to electronically make your bank deposits - from the convenience of your office. You prepare, process and submit your deposit when you want regardless of what time it is or how far away you are from the nearest GSB location. Securely and simply.

The remote capture of your deposited items is easy to use and is accomplished with the following minimum requirements:

- A scanner provided by GSB (Digital Check TS230)
- Remote capture software
- High-speed Internet connection
- Customer-provided PC capable of supporting programs

There's also help whenever you need it via an exclusive Xpress Deposit Hotline (847) 832-0767 or via email at [XpressDeposit@gsb.com](mailto:XpressDeposit@gsb.com).

#### Benefits

Xpress Deposit provides many benefits, including:

- The convenience of making deposits from your office whenever you want
- Elimination of time and costs associated with preparing check deposits
- Savings on courier or other travel expenses
- Security features built into the software

#### One time fees:

*Implementation:* \$500.00    *Training:* \$200.00    *Software license:* \$200.00  
*Scanner purchase:* \$1540.00; or \$75/month to rent (scanner cost could vary)

*Monthly fee:* \$60.00 includes \$30 for software and system support (plus all other GSB account fees.)

For more information about Xpress Deposit or any other GSB service, please contact us:

J.B. Phillips  
Vice President  
847-832-0315

Maral Poladian  
Asst. Vice President  
847-832-0329

Sam Prada  
Cash Management Services  
847-832-0980

# Business Continuation Planning

If yours is a family business perhaps you have an “heir apparent” ready to take over in the future, but statistics have shown that many small and medium-sized companies do not have a succession plan. This is important to any non-public enterprise. The following brief exercise can help clarify your next step:

Ask yourself...if you had retired, died or become disabled yesterday, who would own and manage your business today?

Would you want your business interest retained for a family member, sold or liquidated?

**Here are some issues to consider under three possible scenarios:**

## **OBJECTIVE 1: RETAIN THE BUSINESS INTEREST FOR YOUR FAMILY**

- Is there a capable and willing family member?
- Will the family member be acceptable to any other business owners?
- How will you or your surviving dependents replace the income previously provided by your business?
- Is there a need to equalize inheritances among family members?
- Will there be enough liquidity in your estate to pay taxes and other settlement costs?

## **OBJECTIVE 2: SELL THE BUSINESS INTEREST**

- To whom will your business interest be sold?
- At what price?
- And at what events (death, disability and/or retirement)?
- What is the value of your business interest?
- Will the funds be available to complete the purchase at your death, disability and/or retirement?

## **OBJECTIVE 3: LIQUIDATE THE BUSINESS INTEREST**

- What is the value of your business as a going concern?
- How does that value compare to the liquidation value of your business?
- How will you or your surviving dependents replace the income previously provided by your business?
- Will there be sufficient funds available to allow for a planned liquidation?

© Source: Jefferson Pilot Financial Insurance Company, courtesy of HUB International Midwest Ltd. (847) 904-4816.

# How can I disaster-proof my business?

Businesses that recover quickly are those that plan in advance. This involves not only purchasing the right insurance, but also developing and maintaining an adequate recovery plan.

## **DEVELOP A DISASTER RECOVERY PLAN BY:**

- Keeping up-to-date duplicate records of both computerized and written records. Under federal law, if companies fail to maintain and safeguard accurate business records, the company may still be held liable.
- Identifying the critical business activities and the resources needed to support them in order to maintain customer service while your business is closed for repairs.
- Planning for the worst possible scenario. Do research before a disaster strikes by finding alternative facilities, equipment and supplies, and locating qualified contractors to repair your facility.
- Setting up an emergency response plan and training employees how to execute it.
- Considering the resources you may need to activate during an emergency such as back-up sources of power and communications systems. Also, stock-piling the supplies you may need such as first-aid kits and flashlights.
- Compiling a list of important phone numbers (including cell phone numbers) and addresses, including local and state emergency management agencies, major clients, contractors, suppliers, realtors, financial institutions, insurance agents and claims representatives. The list should also include employees and company officials. Keep copies off the premises in case the disaster is widespread.
- Deciding on a communications strategy to prevent loss of your customers. Clients must know how to contact your company at its new location. Among the possibilities to explore, depending on the circumstances, are posting notices outside the original premises; contacting clients by phone, e-mail or regular mail; placing a notice or advertisement in local newspapers; and asking friends and acquaintances in the local business community to help disseminate the information.
- Review your plan on a regular basis and communicate changes to key employees.

Source: Insurance Information Institute at [www.iii.org](http://www.iii.org)

# Interview with Featured Customer Contributor, Robert Rounfull, CPA

Owner, Rounfull & Associates, Ltd., Glenview IL (847) 832-9470

## TOPIC: PLANNING FOR SUCCESS



*We sat down with Bob Rounfull, CPA to discuss some issues that he has seen make the difference between a successful and an unsuccessful business.*

*(Bob has over 25 years' experience working with small businesses and has a long history with GSB.)*

### Q. Mr. Rounfull, have you found any general rules that can lead to success?

**Bob:** There is a general framework that I use when I'm working with small business owners, with 3-40 employees and revenues between \$500,000 and \$5,000,000. There are three critical steps in the accounting and finance area: (1) Creation of timely, accurate and reliable financial records; (2) Creation of a financial records history that can be used to determine direction and trends; (3) and projection or forecasting of future results.

### Q. Is maintaining accurate financial records a problem for the typical small business?

**Bob:** You'd be surprised how often I meet with a new client who believes he or she has sufficient records, but upon further investigation, we find many deficiencies. I met with a new client recently who told me what a good year the company just had. A review of their records revealed that the company had actually lost a substantial amount of money. The company didn't properly account for vendor obligations, nor realize the extent of their debt.

There was a study done in the late 1970s that examined 359 businesses in the Chicago area that were experiencing financial problems. In 40% of the cases, it was determined that the financial trouble was because of accounting-related problems involving the misuse or nonuse of accounting data.

### Q. What about forecasts and projections?

**Bob:** The most important of the three steps is to forecast the next year's results. The business owner needs to have a vision of where he or she wants the business to go and what they want it to be. Too many small business owners work very hard in their business and put in long hours without really having a plan for what they wanted to create. I compare this to riding a bicycle: your head is down and you're peddling furiously. You look up and realize that you're not in the destination that you'd intended, but someplace completely different.

### Q. How can forecasts and projections help to solve this problem?

**Bob:** Projections need to be done correctly and not just represent a forecast of desired sales and expense figures. Owners need to determine if those results are really achievable and what it will take to achieve them. Then they need to look at the projection and say, "Am I happy with these results? Will they take me closer to my goal for this business?" It gets back to having a vision for the business, and working to achieve that vision.

### Q. Dec. 31st 2006 is quickly approaching. What should small business owners do to prepare?

**Bob:** First, they need to make sure their accounting records are current. You can't plan

for the end of the year without knowing where you're at. I would encourage owners to meet with their accountants to review what steps they need to take or consider taking before it's too late, such as:

- 1) **Estimated tax payments and tax withholdings** - to eliminate surprises when the tax returns are filed next spring.
- 2) **Income deferral** - can, or should, income be deferred until next year?
- 3) **Expense acceleration** - should the business make purchases before year end?
- 4) **Accounting method change** - cash or accrual basis, is one method required, and if not, would a change be beneficial? (We have been able to save clients a substantial amount of taxes using this technique).
- 5) **Inventory** - if the business carries inventory, are there stale, obsolete or slow-moving goods that should be "closed-out" or written-off?
- 6) **Retirement plans** - if you don't have one, should you? (Probably.) What type of plan would work best for your business?
- 7) **New tax laws** - Two major tax laws passed in 2006 - the Tax Increase Prevention and Reconciliation Act in May, and the Pension Protection Act of 2006 in August. Your accountant can determine if any changes are relevant to you, or your business.

We hope this information has been useful in your own business planning. Contact your GSB Business Banker to see how we can assist your growth with our financial services.



[www.rounfull.com](http://www.rounfull.com)



In touch with your Life<sup>SM</sup>

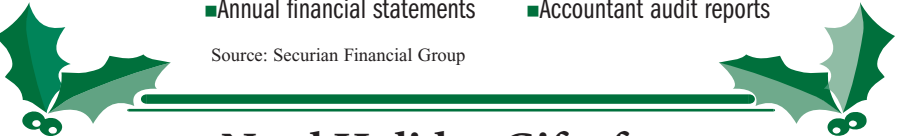


# A Guide To Organizing Your Financial Documents

It's often difficult to know what the appropriate time frame is to hold on to your financial documents. Therefore, we have provided a handy reference for determining how long to keep your financial documents.

<b>Two Years</b>	<ul style="list-style-type: none"> <li>■ Bank reconciliations</li> <li>■ Duplicate deposit slips</li> </ul>	<ul style="list-style-type: none"> <li>■ Routine correspondence</li> </ul>
<b>Three Years (minimum)</b>	<ul style="list-style-type: none"> <li>■ Appliance warranties (except those that are longer)</li> <li>■ New and used car warranties</li> </ul>	<ul style="list-style-type: none"> <li>■ Appliance purchase agreements</li> <li>■ Insurance policies (expired)</li> </ul>
<b>Five Years</b>	<ul style="list-style-type: none"> <li>■ Sales commission reports</li> </ul>	<ul style="list-style-type: none"> <li>■ Employee business expenses</li> </ul>
<b>Seven Years</b>	<ul style="list-style-type: none"> <li>■ Federal tax returns</li> <li>■ State and local tax returns</li> <li>■ Items to support tax returns</li> <li>■ W-2 forms</li> <li>■ Mortgage statements</li> </ul>	<ul style="list-style-type: none"> <li>■ Personal canceled checks relating to taxes, purchases or special contracts</li> <li>■ Property damage reports</li> <li>■ Personal bank statements</li> <li>■ Accident records and release forms</li> </ul>
<b>Permanent</b>	<ul style="list-style-type: none"> <li>■ Deeds and titles</li> <li>■ Divorce papers</li> <li>■ Mortgage documents</li> <li>■ Marital agreements</li> <li>■ Stock and bond certificates</li> <li>■ Annual financial statements</li> </ul>	<ul style="list-style-type: none"> <li>■ Social Security audits</li> <li>■ Parents' wills</li> <li>■ Military service records</li> <li>■ Civil service records</li> <li>■ Property records</li> <li>■ Accountant audit reports</li> </ul>

Source: Securian Financial Group



## Need Holiday Gifts for Your Employees or Customers?

Let Glenview State Bank make it easy for you. Whether you're rewarding employees or saying "Thank you" to your clients or business associates, nothing "fits" better than cash. Why not consider a GSB Currency Gift-Pak as a Holiday gift? New singles come in packets of \$25 or \$50, and \$2 dollar bills come in packets of \$50 and \$100. Currency Gift-Paks are available only at our main office at 800 Waukegan Road in Glenview. (There is a \$2 per packet fee. Large Gift-Pak orders require several days notice.) You can also purchase American Express © Gift Checks and Gift Cards in denominations of \$25, \$50 and \$100 at any GSB location. (\$2.50 fee for checks/ \$3.95 fee for cards.)

It's a convenient and well-appreciated way to express your gratitude at year-end for good service and loyalty from your staff, your customers or your vendors.

## Our Promise to You

You may have noticed new posters around the customer service areas and drive-up windows highlighting The Glenview State Bank Promise. This is a pledge by all employees of the bank to improve upon the superior customer service we feel we already offer.

- As a GSB Customer you are entitled ...
- to speak with a person when you call
  - to accurate information
  - to bank how you want
  - to privacy of your personal information
  - to courteous, efficient service

We want to hear your comments, suggestions, or stories. Please feel free to contact President and Chairman Paul Jones at (847) 729-1911 or by e-mail at [president@gsb.com](mailto:president@gsb.com).

## Need to contact your favorite business banker?

Remember, we all have direct phone numbers and email addresses.

- **J.B. Phillips** [jbphillips@gsb.com](mailto:jbphillips@gsb.com)  
(847) 832-0315
- **Maral Poladian** [mpoladian@gsb.com](mailto:mpoladian@gsb.com)  
(847) 832-0329
- **Silva Namatallah** [snamatallah@gsb.com](mailto:snamatallah@gsb.com)  
(847) 832-0179
- **Sheran Owen** [sowen@gsb.com](mailto:sowen@gsb.com)  
(847) 832-0173