

# The MFAC Report

VOLUME 13 NUMBER 3

WINTER 2008

## The Corner Office

### The “Green” Issue

By Mitchell Freedman, CPA/PFS, AIF®

Readers will notice that this issue of *The MFAC Report* is designated as our “green” issue. What exactly does this mean? As a business, we are taking the initiative and implementing the steps necessary to have less of a negative impact on the environment. It’s one small step for MFAC, but hopefully it will place us in the vanguard of socially responsible financial services firms who are on a path to do less damage to our planet for the sake of our children, grandchildren, and generations to come.

Clients and readers may not know it, but we have already taken steps toward that end. About two years ago we began to “go paperless,” purchasing and utilizing a state of the art imaging system within our business management practice. Additionally, for a number of years we have been encouraging tax clients to submit their information to us in electronic format. Furthermore,

during the 2006 tax filing season we began imaging internal documents, avoiding the unnecessary and redundant utilization of paper. While many large professional tax preparation firms have been mandated to file Federal and California tax returns electronically for the last several years, our boutique firm has not as yet been required to do so. Nevertheless, we are hoping to begin that process for the 2007 tax filing season and we most certainly will for the 2008 tax filing season. Our plans are to also convert as much as we practically can of our financial advisory and portfolio management business data and reporting to electronic format this year. The aim of these initiatives is to save trees, use less energy, and to cause less pollution to the world in which we live.

Each article in this issue is devoted to “green” matters and we are even using recycled paper. The staff of MFAC and I hope that you enjoy

reading the “green” issue of *The MFAC Report* and that you receive some useful ideas and tips that you can utilize in your day-to-day lives to help you to become better world citizens and consumers.

We ask you take a moment to decide if you would prefer receiving *The MFAC Report* via a PDF email, or if you would like to continue receiving it in printed format. Before making up your mind, remember that you can always save it to your computer and print it at a later date for reading during your leisure time. However you decide, please contact us at: [newsletter@mfac-bizmgmt.com](mailto:newsletter@mfac-bizmgmt.com) or call Janet Gardner at 818-905-0321 to let her know.

On a parting note, if you know someone who could benefit from *The MFAC Report* please let us know and we will add them to our subscription list.

## Let’s All Go To The “Green” house

By Eva Meza

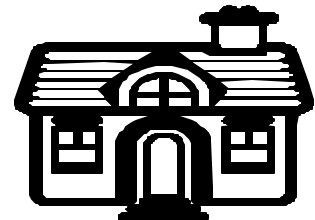
It’s easy to make excuses and procrastinate, but when you actually stop and think about it, “going green” in your home might not be the headache you make it out to be. It is less expensive than you may have thought!

Carefully chosen products and design elements can make your house an energy-efficient and user-friendly home.

Insulation: Use plastic sheeting to cover the dirt in crawlspaces and attach foam boards to cinderblock

walls. You’ll find that your heating and cooling bills will be less with the extra added insulation. Indoor air is three times more polluted than outdoor air, according to the EPA ([www.epa.gov](http://www.epa.gov)) and is considered to

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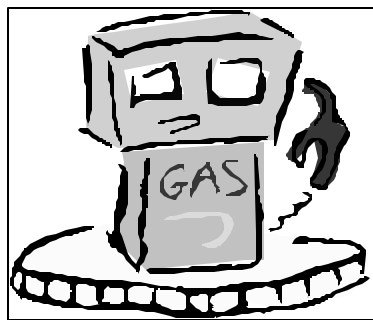
*Kermit (Continued from page 2)*

your wallet, especially considering the cost of gasoline of late. And don't forget parking hassles and fees, all eliminated! Yes, I do use public transportation for my commute to and from work, from the Westside to Sherman Oaks, I read, puzzle and knit while someone else battles the road. It takes, on average, 10 to 15 minutes longer than if I drive (I see this as just extra time for me). On the weekends, I walk to the cleaners, library, coffee shop and market. And best of all, I only fill my gas tank about 4 times per year!

OK, if you can't give up your car on a regular basis, try a greener car. There are so many options available to us and while the initial investment may seem somewhat costly, the savings to the environment and eventually your wallet will be appreciable. Hybrids are number one on the list for offering convenience, versatility and availability, along with cleaner emissions and better gas mileage than a conventional engine. Although a

huge step in the right direction, a hybrid isn't the only option. If you're shopping for a new car and a hybrid isn't on your list, look for the car with the best mpg that fits your desires and other requirements. Own a diesel fueled car? Bio-diesel should be in your future. How about an electric car for your grocery and errands about town?

Carpooling and ride sharing are important concepts to implement when-



ever you can. Even if only two people share a ride half the time, pretty soon there would be half the cars on the road at any given moment in time and that would be a good thing!

Be fuel efficient. Keep your car in good mechanical condition. Get it tuned up regularly. Maintenance saves headaches and gas and reduces emissions. Keep your tires properly inflated and don't carry around a lot of unnecessary stuff in your car (I used to refer to my car as my mobile storage unit, not a good thing).

Slow down! You won't get there any faster, especially in this town and you burn unnecessary fuel. You might not get there at all. Over 40,000 Americans are killed each year in automobile accidents, excessive speed being a factor. Speeding and sudden starts use more fuel and are far less efficient than a smooth and steady pace. Remember that fuel usage leads to toxic emissions. Again, not a good thing.

We need to maintain this planet for ourselves, our children, our grandchildren and for future generations. Each and every individual needs to take responsibility and do his best to make life a little cleaner and our automobile usage is a good way to start. There are so many steps you can take, carpooling, working at home one day a week, public transit (my fav), a more efficient car or better yet a bicycle. Think about it. Save yourself some \$\$\$ and the atmosphere from pollution.

## Heard In The Hall

From October 18-20, 2007 Mitch Freedman was in Chicago for a joint conference and meetings of The Association of CPA Financial Planners and The All-Star Financial Group. He was on the Planning Committee for the conference and moderated a panel which addressed the panelists' investment screening processes. Mitch also participated in a special edition podcast presented by CalCPA titled "Disaster Preparedness." It can be accessed at: [www.calcpa.org/Content/community/financialempowerment.aspx](http://www.calcpa.org/Content/community/financialempowerment.aspx). On November 13th Mitch was one of two CPAs who participated in an AICPA webinar discussing the structuring of a PrimePlus/ElderCare practice. Mitch was featured in a CalCPA news release titled, "Safekeeping Records Essential for Financial Wellbeing." Mitch appeared on KABC7 TV with Ric Romero, discussing year end tax planning on November 28<sup>th</sup> and he participated with twelve other CPAs in a KABC7 tax call-in show on November 29<sup>th</sup>.

Tad Jakes and Mitch attended the Schwab Conference in Las Vegas, October 29-31, 2007. On November 6<sup>th</sup> they both attended the City National Bank Investment Conference. November 15-16, 2007 Mitch attended an AICPA PrimePlus/ElderCare Task Force Meeting in Phoenix. He also attended CalCPA Communications Advisory and Personal Financial Planning Committee meetings in Los Angeles on December 3 and 7, respectively. In addition, he attended a California Jump\$tart Coalition Board of Directors meeting on December 5<sup>th</sup>.

*Do you have any friends, family members, business associates or neighbors in need of our services? Please refer them to us and we will be happy to assist in any manner possible. We always have room for one more good client!*

## Green Tax Incentives \$ Greening \$ Your Business

### By Tom Trent, EA

In addition to helping the planet (which is in our best self-interest) you can also realize some tax savings by going green. There are Federal and California state tax credits available (some for the 2007 tax year, others at least through 2008) to help offset the cost. For most individuals, these credits probably aren't going to amount to all that much, but remember that they're in addition to the energy or fuel savings you reap! And remember, unlike a tax deduction which just reduces the amount of income subject to tax, a credit reduces the amount of tax, dollar-for-dollar.

So, what credits are available? Actually, there are quite a few. There's even a **100%** credit for "Qualified Energy Property," which is certain certified heat pumps, air conditioners, furnaces, water heaters, etc. A 100% credit is very good news, but remember when I said they don't amount to much? The maximum credit is \$500 and that's a lifetime, not per-year. Other credits are available for alternative (including hybrid) or electric vehicles; qualified energy efficiency improvements (such as insulation, external windows, storm doors, etc.); solar water and photovoltaic (power generating) equipment and fuel cells. For a good overview of what's available, go to the Tax Incentives Assistance Project website at [www.energytaxincentives.org](http://www.energytaxincentives.org), or for extremely comprehensive information, try the Database of State Incentives for Renewables and Efficiency at [www.dsireusa.org](http://www.dsireusa.org).



### By Janet Gardner

Wonder how greening can be applied to your business? We've been doing things in our office but we are more eager to make even larger changes to help the environment, as well as our bottom line. It's not as scary as it sounds and doesn't involve a costly overhaul of your business.

The following simple ideas will have positive impacts on the environment. Did you know that the average business tosses out approximately 350 pounds of paper per employee, per year? Change your paper purchases to recycled paper with a minimum of 30% post-consumer recycled content. Of course, the higher the recycled content, the better.

Collect any paper that is only printed on one side and re-use the other side for drafts, faxes, scratch paper and the like.

Recycle your ink-jet and toner cartridges. Check with your local office supply store. They might already have a program in place.

Try email with attachments instead of snail mailing paper. It is great for so many other reasons besides saving paper: speed of delivery, postage savings, and no toner costs. I could go on but won't bore you.

If you're having a large meeting, make fewer copies than the number of people attending and ask them to share with the person sitting next to them.

If you have documents that have to be reviewed and edited, do it through the word processing program your office uses rather than paper and ink redlining. Most programs can track multiple versions.

The worst offender? Junk mail. Alert – this is also good for home! Ask that you be removed from unwanted mailing lists. Here are a couple of websites that can assist with this: [www.privacyrights.org/fs/fs4-junk.htm](http://www.privacyrights.org/fs/fs4-junk.htm) or <http://stopjunkmail.org>.

If you are in a large building that doesn't have a recycling program, take the initiative and contact the landlord or building manager to start a program.

Are you lucky enough to have a dishwasher in your office kitchen or kitchenette? Don't run it every day just because that's what you've always done. Wait until it's full. This will also save on water costs and prolong the life of your dishwasher, as well as save on detergent costs. Make sure you purchase biodegradable soap!

Eliminate the use of paper plates and cups, plastic and styrofoam dishware. Purchase some ceramic dishware and silverware for your office. It will cost less in the long run.

Recycle your cans and bottles. If your building doesn't, then ask your staff if someone would care to do so weekly. Or make

it a rotating job amongst all your staff.

Electricity is like P a c

M a n , eating up energy extremely fast. Again, back to little things making a big difference. Most utility companies will come to your office, usually free of charge, and do an audit. They will suggest ways to reduce your usage.

If you have any floor or desk lamps in your office, change to the Energy Star rated compact fluorescent bulbs. Everyone used to say that they were so expensive but the costs have dropped dramatically. They no longer cost more than the regular type of light bulbs when you factor in the energy savings.

Computers, cell phone chargers, etc. all use electricity while not in use. Place them on a power strip and turn it off while not in use overnight, etc.

Screen savers are fun and cute. However, they use a significant amount of electricity. There are power saving features on both PCs and Macs. Set your computers to sleep mode or hibernate whenever possible.





### \$ Greening \$ (Continued from page 4)

The same goes for general office lighting. If a room, say a conference room, isn't utilized, turn off the lights. Only turn them on when needed. Turn off office lights at night.

If you are building out your office or remodeling, think of all the ways you can green before you start.

**Flooring:** Research all the interesting eco-friendly floorings on the market. Or try staining concrete floors with non-toxic stains.

Try to recycle shelving, windows, door, cabinets, furniture and fixtures from your own company or other businesses.

Purchase Energy Star appliances and lighting.

**Computers:** Old parts and components? Try Costco.com, click on Electronics and then Trade-In & Recycle. You might be eligible for a rebate. If not, it's still a great way to recycle computers. When disposing of a computer destroy the hard drive to eliminate any private information stored there.

Add lots of plants. Not only do they look inviting, they help the air.

As you can see, a lot of these solutions are neither difficult nor time consuming. However, they will save money and help our environment at the same time. Try to look at all aspects of your business to see where you can green up. Have a newsletter or brochure? This is a great place to start. If you don't handle the printing in house, make sure your printer uses the right items: recycled paper, non-toxic inks, etc.

Most importantly, involve your entire staff. It will make it easier if everyone helps out. You never know, they might even have ideas for you as well.

# Green Investing

By Tad Jakes

With the threats of global warming and pollution, it seems that there is more awareness on the part of countries, companies and individuals regarding "green" initiatives that are taking place worldwide. People are looking to stop and hopefully reverse the damage caused to our planet and be more conscious of their actions. We need to find new ways of living, conducting business, conserving energy, increasing efficiency and reducing pollution, all in an effort to leave less of a negative impact on our environment.

In their everyday lives, people certainly have an impact on the condition of our environment; however some of the worst offenders are businesses. Many have massive global operations, employ tens of thousands of people and often use chemicals or processes that are harmful to the environment. In recent years we have seen a trend of companies that are doing something about this and, as a result, fall under the category of being "socially responsible." This is a broad category and can mean several different things. It can mean the company does not produce products such as tobacco or firearms, it promotes diversity in the workplace, and/or it exceeds all environmental requirements mandated by law.

In addition to being socially responsible, there is a narrower sub-sector referred to as "green." The distinction between socially responsible and "green" is somewhat gray, but "green" commonly refers to companies, in any industry, that make an effort to have a positive impact on the environment through their day-to-day operations, or that are directly involved in an industry that promotes a cleaner environment such as recycling and waste management, water purification, alternative energy sources, environmental cleanup, or environmental consulting.

In an effort to promote a way of life that is less detrimental to the environment, some investors have decided to go "green." They specifically look for investments that are socially responsible and/or green. There are mutual funds and ETFs (exchange traded

funds) available to investors to help them meet these life and investment goals. If you are interested, you can go to [www.socialinvest.org/resources/mfpc](http://www.socialinvest.org/resources/mfpc) and view lists of numerous mutual funds that fall under these categories. The web site details performance, fees and expenses, assets under management, fund inception date and provides links to the fund company websites. It also gives comparative analyses to green or "eco" indexes as well as broad indexes such as the Standard & Poors 500. If you are looking for an ETF you can visit [www.etftrends.com/2007/05/thejollygreen.html](http://www.etftrends.com/2007/05/thejollygreen.html). This web site lists several "green" ETFs and provides links for more information. If you are looking for additional options, try "Googling" "green ETFs" and you will find plenty of information.

If you are interested in promoting environmentally friendly business practices, or clean potential investment performance, then "green investing" just might be for you.



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