

ONPOINT

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INSIGHT ■ INNOVATION ■ EXPERIENCE

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KEY TAX DATES

SEPTEMBER

15

Estimated Tax. Payment of third installment of 2009 estimated tax by calendar-year corporations.

Payment of third installment of 2009 estimated tax by individuals, by trusts and estates and certain residuary trusts in existence more than two years.

Corporations. Last day for filing 2008 income tax return by calendar-year corporations that obtained automatic six-month filing extension.

OCTOBER

15

Estates and Trusts. Last day for filing 2008 Form 1041 for calendar-year estates and trusts that obtained an automatic six-month filing extension.

Partnerships. Last day for filing 2008 Form 1065 for calendar-year partnerships that obtained an automatic six-month filing extension.

Individuals. Last day for filing 2008 income tax return by calendar-year individuals who obtained automatic six-month filing extension.

Strong Corporate Governance — What All Businesses Should Be Practicing

by Donald R. Owens, Director, Internal Audit and Risk Advisory Services

"People have an obligation to dissent in this company. I mean, I sit up here on the 50th floor in the library. I have no idea what's going on down there, so if you've got a problem with it, speak up. And if you don't speak up, that's not good."

— Jeffrey Skilling, Former CEO, Enron

Irony aside, scandal, corruption and greed seem prevalent in today's business environment, impairing public confidence and exacting tolls on job security and life-long savings. Many people, including many in government, claim to have the remedy to cure what ails business. Are the proposed cures revolutionary? Not by any means. They are tried and true business disciplines that have been successfully practiced for years. These remedies are the tenets of good corporate governance practices that many businesses have consciously elected to neglect of late.

Corporate governance is the collection of policies, procedures, authorities, goals and objectives that, when effectively woven into the fabric of a company, promote sound and ethical business practices and the company's mission and core values. Governance stands as the first line of defense against unethical business practices, and requires the establishment of a culture of ethics and integrity that permeates the organization. A strong

corporate governance structure empowers employees at all levels to act responsibly and, without fear of reprisal, to have the authority to report activities or actions that are contrary to the company's core principles. The following pillars support a strong governance structure:

Conduct and Consequences

- A code of ethics policy is the cornerstone upon which corporate governance is built. It outlines the activities that are appropriate and inappropriate for the workplace, and the consequences for those who violate the policy. These rules of conduct deter wrongdoing and promote honest and ethical behaviors. The code of ethics should be distributed to all new hires, and, on an annual basis, board members and employees should provide written acknowledgement attesting to their understanding of and adherence to the code of ethics.

Continued on page 2

TOP STORY

Corporate Governance *continued from page 1*

Mission Statement and Core Values

- Design a mission statement that clearly promotes the purpose of the organization (“why we exist”). For the mission statement to be of relevance, it must be espoused by senior management and embraced throughout the company. The underlying core values of a company should directly align to the mission statement. These core values are the guiding principles that define the corporate culture and are integrated into all of the company’s activities.

Recruiting Practices

- The foundation for good governance starts with the initial hiring practices at all levels. Clearly define roles, responsibilities and expectations of all positions to ensure that candidates are qualified. Conduct pre-employment background investigations, aptitude testing and behavioral assessments. Design incentive/compensation structures to promote ethical behavior. All are effective practices to identify, hire and retain people who are a good cultural fit.

Arm’s-Length Transactions

- To avoid conflicts of interest, strict policies relating to conducting business with related parties must be established and monitored. All potential conflicts, including conflicts-in-appearance, will need to be monitored and assessed,

independent of those involved in the transactions. Additionally, policies should specify the circumstances under which gifts may be accepted. Accepting gifts of a nature that appears to be excessive or could be viewed as an attempt to influence should be prohibited, and all gifts should be recorded and monitored through legal, finance and accounting departments or via another appropriate function.

Independent Board/Leadership Committee

- Responsibilities of the board/committee include establishing the company’s mission statement, goals, strategic direction, compensation practices, and fiscal and governance

policies. The board or committee should have as one of its members a financial expert who understands the complexity of

the financial reporting system and has the needed expertise to analyze the financial statements and related disclosures.

Accountability

- Developing monitoring activities and providing a means of reporting ethics violations has proven to be effective in deterring unethical behavior and enabling a company to demonstrate compliance with its mission, core values and code of ethics and conduct. Common practices include directing the internal audit function to test for compliance with established

governance practices, providing a confidential whistleblower hotline, performing independent reviews and approvals of expense reports, and conducting vendor contract audits.

These pillars provide highly effective checks and balances, and are critical in establishing a strong corporate governance structure. However, executive management, along with all employees of a company, must publicly (actions speak louder than words) demonstrate their strict commitment to the company’s core values and ethical standards in order to transform practices into culture. ■

Don Owens, CPA, CIA, CFF, CBA, CFSA, Director in Schneider Downs’ Internal Audit and Risk Advisory Services practice, assists clients in designing and implementing internal controls and business processes that promote strong corporate governance and effective risk mitigation.



DONALD R. OWENS
SCHNEIDER DOWNS
ASSURANCE ADVISORS
Director, Internal Audit and Risk Advisory Services

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The matters highlighted in this newsletter are presented in broad, general terms and, accordingly, cannot be applied without consideration of all the circumstances. The firm will provide additional details on matters discussed in this newsletter upon request, and will be pleased to discuss with clients or their attorneys the possible effects of these matters in specific situations.

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FEATURE ARTICLE

Search Engine Optimization — Is It Right for You? *by Christopher R. Debo, Manager, Technology Advisors*

The Internet has quickly displaced traditional media as the preferred method for quickly and easily finding information, services or products. Search engines such as Google and Yahoo! have matured by leaps and bounds to become the primary tool in helping us sift through the sea of content that is the World Wide Web. As we rely more and more on search engines to find relevant content, so too are organizations relying on search engines to drive traffic to their sites. With studies by Forrester Research showing that 99% of search engine users do not look beyond the first 30 results, the competition for search engine page ranking is more prevalent than ever, and will continue to grow as more and more organizations enter the Internet marketplace. To protect and improve their search page rankings, many organizations are turning to a relatively new means of website management known as search engine optimization.

What Is Search Engine Optimization?

Simply put, search engine optimization (SEO) is a process for managing web site content and presence in an attempt to improve the quality and/or volume of traffic that is driven to a website via search engines. SEO takes into account the way search engines work, as well as the way Internet users search for content. The end objective is to drive relevant traffic to a website. "Relevant traffic" refers to those users who are looking for a specific product or service that your organization provides.

Benefits of SEO

The primary benefit of SEO is straightforward: The higher one of your website pages ranks in a search, the more traffic your website will receive. However, ancillary benefits also exist. SEO requires that you take a structured approach to website design. Besides making it easier for search engine "crawlers" to index and navigate your site, adding structure will make your site easier to maintain. It will also improve the overall aesthetics of your website and force website managers to provide more relevant and timely content. This will result in a satisfactory website experience for users that will keep them coming back. Remember: SEO merely drives traffic to your site; keeping them there is up to you.

Do You Need SEO?

While the benefits of SEO cannot be argued, an organization does need to determine if SEO is right for them.

Organizations that specialize in a specific product or service and have little or no web-based competition may not need SEO. Similarly, organizations that service a small geographical region or that have little need for web presence may not be prime candidates for SEO. In the end, the best way to determine if you need SEO

is to go to a search engine and enter a search phrase that a typical visitor to your site would enter. For instance, the top roofing company in Denver should expect that they would be at or near the top of the search result list if "roof repair Denver" is searched (this is known as a "local" search due to the geographical constraint). Continue using different keyword variations that you would expect your visitors to use and evaluate where you rank versus where you think you should be. If you are not happy with the results, your organization may be a prime candidate for SEO.

Where to Begin

As search engine technology continues to evolve, so does the community of professionals dedicated to finding ways to manipulate web content in order to maximize search engine page rankings. Organizations that rely heavily on web traffic should consider investing in SEO. Costs can range from a few thousand dollars for a simple website evaluation to several hundred thousand dollars for a large-scale SEO implementation. Some SEO providers can even guarantee a specific ranking for particular searches.

Although SEO can be expensive, small organizations or those with limited budgets should not be discouraged from pursuing it, as well. There is an endless supply of free, publicly available information

on the basic steps for achieving SEO success. Organizations such as SEO Chat (www.seochat.com/), IBM (www.ibm.com/developerworks/web/library/wa-seo1.html) and even Google (www.google.com)

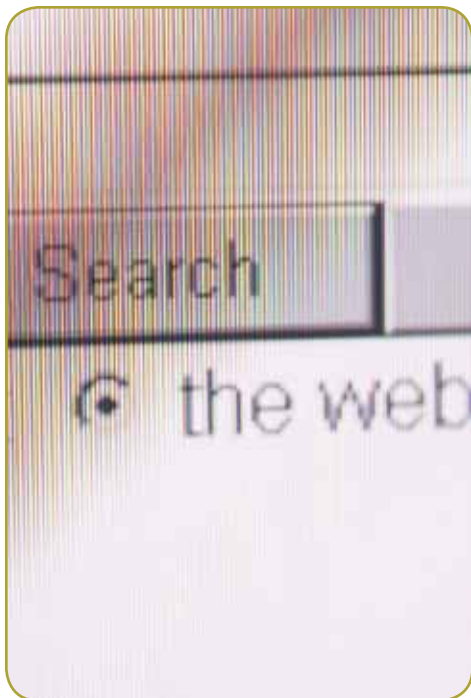


CHRISTOPHER R. DEBO
SCHNEIDER DOWNS
TECHNOLOGY ADVISORS
Manager

SEO *continued*

google.com/support/webmasters/bin/answer.py?hl=en&answer=35291) provide advice on SEO. Start with the basic website design recommendations and go from there. Take time to understand how search engines rank pages and develop a methodology for ensuring that your website pages provide timely, relevant information to users. Some search engines such as Google (www.google.com/analytics/) or Yahoo! (web.analytics.yahoo.com/) also provide free analytic services that can help you evaluate your website's traffic and assess your needs.

One important thing to remember is that SEO is a process: Optimizing your site today does not guarantee that you will get the same results a year from now. It is critical that you and/or your website provider develop a long-term strategy for managing website content and monitoring traffic. ■



Q & A

Schneider Downs Wealth Management Advisors, LP *Question of the Quarter*

Q. With the government injecting money into the U.S. economy in order to support economic activity and spur growth, should I be concerned about inflation?

Inflation is generally defined as the increase in the price of a basket of goods and services that represent the economy. Prices for goods and services increase because the demand for those goods and services increases at a faster rate than the goods and services can be produced. Let's use home prices as an example. Prior to the bust of the housing bubble, the prices of homes in California were rising rapidly. In this case, there were too many home buyers chasing too few houses. Inflation is also directly related to the supply of money. As the supply of money increases, so does the demand for goods and services. The government has greatly increased the money supply, so inflation is inevitable, right?

Perhaps not — at least not in the near future. In today's environment, we believe that there are several forces counterbalancing inflation. One of these is the high level of unemployed workers. This force has two prongs. The first is that the demand for goods and services throughout the economy has been cut as unemployed and underemployed workers slash their living expenses. The second prong is that employee wages (for those still working) are not increasing rapidly, and in some cases, are decreasing. Because of the recession and the overall decrease in demand, employers currently have the ability to hold wages down. So, even employed individuals are bringing home smaller paychecks, and, consequently, are also spending less.

Another force that will help keep inflation in check is the increasing savings rate in the U.S. In the last quarter of 2008, the savings rate in

the U.S. suddenly began to rise. This shift from spending to savings was a result of the economic crisis that was unfolding. Individuals not only

saw their home prices and balance sheets shrink, they were also confronted with the possibility of losing their jobs. When dollars are saved, they are not chasing goods and services. Additionally, and for the same reasons, many individuals began paying down debt. Many pundits are forecasting that this shift in behavior may be long-lasting. So, for the short term, and perhaps indefinitely, some of the excess dollars that consumers find in their pockets will be redirected to improving their balance sheets instead of purchasing products.

Although we expect that consumer demand will increase for the remainder of the year and into 2010, the high unemployment rate, coupled with the increased savings rate, will help to stave off the forces of inflation for the near term. In the longer term, however, as economic conditions improve, inflation will certainly become a concern unless our government takes action to tighten the money supply and control its own budget deficit. ■

Written by Nancy L. Skeans, CPA, CFP®, Partner/Managing Director, Schneider Downs Wealth Management Advisors, LP.



SDANNOUNCES

What's All the Tweeting About?

By Karlye N. Rowles, Marketing Supervisor

Twitter is a social networking and micro-blogging service that provides its users with a means to quickly update their *followers* (twitter-speak for network) about what they are doing, what they are reading and what they are seeing. These text-based posts are called *tweets*.

Why is everyone a-tweeting about Twitter? You must express yourself in 140 characters or less! (Photos and links can be included among your 140 characters.) Besides capturing a moment, such brevity facilitates tweeting and following by mobile device users.

Twitter started in 2006, and has grown to more than six million users¹, including the Queen of England. It's had a tremendous impact on communication, especially the way that news is reported and spread. For example, before the first news cameras caught a glimpse of the US Airways plane that crash-landed into the Hudson River, photos were spotted on Twitter.

Schneider Downs recently joined the Twittersverse @Schneider_Downs. We're using twitter to talk with our followers about what's going on in the accounting industry, gauge trends, announce events and share ideas. If you're using Twitter, we invite you to follow us, and if you're not using twitter, join the conversations—there's a lot to tweet about!

1. <http://en.wikipedia.org/wiki/Twitter>

New Hires

Our people are our greatest strength. We welcome our April, May and June new hires:

Sandra Bly	Brittany Lockerman
James Buetel	Jack Macioce
Victoria Huber	Lauren Rodgers
Patrick Kirsch	Eric Schiffman
Lauren Landry	Whitney Schmiesing

WELCOME

Around Schneider Downs



More than 30 people joined the Schneider Downs team in Walk Now for Autism, a fund-raising event at Heinz Field on June 13. The team enjoyed a beautiful Saturday afternoon to support an important cause: Raise funds – and awareness – to benefit the fight against autism. Walkers from Team Schneider Downs raised nearly \$1,500 for the cause. For more information, visit www.walknowforautism.org.

Tom Harvey, Director of Human Resources, was recently named one of the top Human Resources Directors in Western Pennsylvania by the *Pittsburgh Business Times*. This is the first year for the award and so, Tom (third from right) holds the distinction of being named one of the first! On hand to deliver the award were employees of the *Business Times* as well as the award's sponsors. Congratulations, Tom!



On June 27, the Pittsburgh office of Schneider Downs held its annual firm picnic at Kennywood Park. It was a beautiful day and a great time was had by all!



A pavilion in the park was a meeting place and location of the buffet lunch, which included an ice cream sundae bar—perfect for a warm summer day!



The future of Schneider Downs? Abbey, Tyler and Dominic can't wait to go on the rides at Kennywood Park.



The Columbus office had its picnic at Kings Island near Cincinnati, OH on August 8. In this picture, Don Owens and his daughter, Megan, braved the park's newest roller coaster, Diamondback.

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Schneider Downs

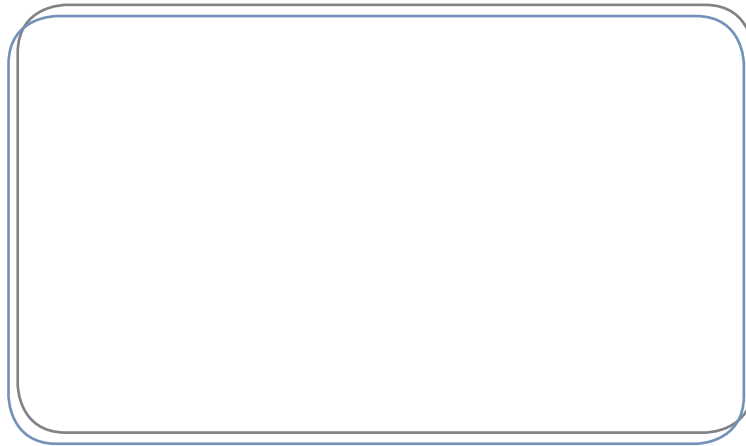
1133 Penn Avenue
Pittsburgh, PA 15222-4205
TEL 412.697.5200
FAX 412.261.4876

Huntington Center, Suite 2100
41 South High Street
Columbus, OH 43215-6102
TEL 614.586.7200
FAX 614.621.4062

www.schneiderdowns.com

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PROFESSIONAL NEWS

Nancy L. Bromall, Audit Shareholder, was named President of the International Women's Forum of Western Pennsylvania. Nancy has also been named President of the Duquesne Club Charitable Foundation.

Gennaro J. DiBello, Tax Shareholder, is serving as membership chair for the YPO - Pittsburgh Chapter for 2009-2010.

Donald B. Applegarth, Audit Shareholder, attended the PCAOB conference, "The Forum on Auditing in the Small Business Environment" in July in New York City.

Melanie M. LaSota, Tax Senior Manager, was quoted in the article, "No Will, Outdated Documents Pose Risks." The article appeared on WTAE TV's website, www.thepittsburghchannel.com, on July 1. She was also interviewed in their newscast.

Joel M. Rosenthal, Business Advisors Shareholder, was appointed Treasurer of Jewish Family and Children's Services of Pittsburgh. Joel has also been named Treasurer of the Mt. Lebanon Foundation for Education.

Henry J. Szymanski, Director of Automotive Services Group, was quoted in the June 12th *Pittsburgh Business Times* article "GM sets strict standards for remaining dealerships."

Donald B. Applegarth, **Michael A. Renzelman**, and **Brian C. O'Brien**, Audit Shareholders, attended the National Advanced Accounting and Auditing Technical Symposium in July in San Diego.

John H. Stafford, Technology Shareholder, presented "Accounting Integration for Virtual One Stop" at the Geographic Solutions 2009 User Conference in Monterey, CA.

Meredith J. Christy, Audit Senior Manager, was elected Treasurer of Lenape Vocational Technical School.

Theresa M. Sekely, Chief Compliance Officer of Schneider Downs Wealth Management Advisors, LP, was elected to the Executive Committee for the Greater Pittsburgh Compliance Roundtable. Theresa will serve as Treasurer for a two-year term.

Donald R. Owens, Director, Internal Audit and Risk Advisory Services, was elected as First Vice President of the Central Ohio Chapter of The Institute of Internal Auditors (The IIA). **Robert E. Mackey**, Internal Audit and Risk Advisory Manager, was elected Corresponding Secretary of The IIA.

Charles A. Oshurak, Audit Senior Manager, served as chairman for a Schneider Downs-sponsored Eastern Association of College and University Business Officers (EACUBO) workshop. Chuck also presented at the workshop. Also presenting were **Nancy L. Bromall** and **John R. Null**, Audit Shareholders; **Debra A. Ries**, Tax Senior Manager; **Frank E. Dezort**, Internal Audit and Risk Advisory Senior Manager; **Scott Fremer**, Wealth Management Director of Business Development; and **Staci L. Brogan**, Audit Senior Manager.