



\$ The Bottom Line \$

The St. Paul Chapter

Volume XVIII

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Please Keep in Touch!!

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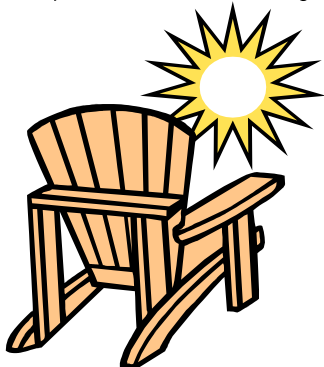
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President's Message

Welcome to the St. Paul Chapter's New Year! I am honored to serve as the Chapter President for another year. Throughout the summer the chapter board of directors worked hard to make this coming year the best one ever for our members. Our new website (<http://www.stpaul.imanet.org>) will become the central point for information distribution to our members throughout the year.

The plan for our 2003-2004 year focuses on increasing the number of CMA or CFM certified members, then giving each certified member the opportunity to attain the annually required 30 hours of continuing education credit through attendance at chapter sponsored events throughout the year.

This year we plan to conduct day-long seminars each quarter. The first seminar will focus on Technical Writing skills. Future seminars will focus on finance and accounting topics, information technology, and leadership development. Each seminar will award eight hours of continuing education credit.

We will conduct nine monthly membership dinner meetings. Each meeting will include social time to increase networking opportunities, a great dinner meal, and an excellent after dinner speaker presenting timely topics and information. Each dinner will be educational, and worth one hour of continuing education credit.

Six of our nine scheduled monthly dinner meetings will be "joint" meetings held with the Minneapolis Chapter of the IMA. We enjoy the camaraderie as well as the healthy rivalry we maintain with our friends and colleagues across the Mississippi River. We enjoy getting together for these very worthwhile meetings and topics in a larger setting provided by joint dinner meetings.

By attending three of our four scheduled seminars, as well as six of our nine scheduled dinner meetings, certified members of our chapter will attain the 30 credit hours of continuing education needed annually to maintain CMA and CFM certification. Of course we hope you will attend all of our scheduled gatherings.

Currently there is NO instructor led CMA review program anywhere in the Twin Cities to help prepare candidates to take and successfully pass the CMA Exam. During the new year the St. Paul Chapter, perhaps together with the Minneapolis Chapter, will roll out an instructor led CMA review course for our uncertified members. We will use a new review course, prepared and sponsored by the National IMA in Montvale, New Jersey as the official CMA Review Course. Positioning ourselves on the leading edge of this initiative, the St. Paul Chapter will be one of the very first chapters across the country to offer this instructor led review course to our members. As more information becomes available I will post it on our website, as well as include it in our monthly newsletters.

We want to increase our membership, and to help our new members we will institute a "Sponsorship" program. Every new member can expect to receive a telephone call from an established member. The "sponsor" will assist the new member through the first months by attending dinner meetings with the new member, introduce new members to other regular members, and answer any questions about membership in the St. Paul Chapter.

Additionally, we want to increase our presence in the St. Paul community. We plan to visit the campuses of our four-year college, speaking with business department heads as well as students. Additionally, we hope to increase the number of corporations offering to sponsor the annual membership dues and monthly dinner fees of IMA member employees.

Equally important, we want to find ways to give increasing amounts (financially and in service) back to our community. To meet that goal we will increase our level of support for Accountability Minnesota, the not for profit organization providing personal tax and accounting services for free to low-income families and individuals in the St. Paul area. They need our help, and deserve everyone's support for their very worthwhile work.

We have many exciting activities ongoing. We hope all of our members will be able to attend at least one of our activities, and hopefully all of them. The chapter exists to serve the needs of our great members. We need your support to be able to continue to provide our members with the services and activities they need to maximize the value of their IMA memberships.

Leo Philben, President 2002 – 2004,
St. Paul Chapter, IMA

~ September Dinner Meeting ~

Tuesday, September 23rd

Social 5:30pm, Dinner & Presentation 6:00pm

“Corporate Governance”

Featured Speaker:

Dave Ripka – VP/Controller Xcel Energy

Register no later than Friday, September 19th

E-mail registration to Dave Evenstar: dbevenstar@mmm.com

or call (651) 773-6731 \$25.00 On-site registration \$27.00

Location :

Doubletree – St. Louis Park 1500 Park Place Blvd St Louis Park, MN 55416-1527 (952) 542-8600

The St. Paul Chapter July Board Minutes

Call to Order

Leo Philben called the meeting to order at 5:30 pm, Monday, June 30, 2003 at Panera Bread in Eagan.

ATTENDEES

Jim Seitz, John Stephani, Andy Benjamin, Wendy Degler, Michael Wahowske, Tripp Parker, and Leo Philben.

Members Absent

Dave Evenstar, Jon Grutzner, Shahla Dreyer, Cathy Healy, and Dave McMahon Jim Seitz, Andy Benjamin, Wendy Degler, Shahla Dreyer, Cathy Healy, Tripp Parker, and Leo Philben.

SECRETARY'S REPORT

Leo Philben furnished a copy of last month's meeting minutes to all board members. After review by the members, there were no objections to adopting the meeting minutes into chapter records.

TREASURER'S REPORT

Andy Benjamin presented the financial reports. After review and discussion by the board members, there were no objections to approving the treasury report into the chapter records.

ADMINISTRATION

John Stephani provided an administration. A brief discussion of report submission deadlines occurred. For information purposes, the list of report submissions deadlines is included here.

Chapter Reporting Calendar***July 26th***

Last Day to Opt out of Chapter Competition

November 26th

Form 990/990T (if required by IRS)

January 26th

Chapter President & Secretary Nominations

February 26th

Chapter Board of Directors Nominations

March 26th

Program Book/Roster for chapter award consideration

Website Updated for chapter award consideration

April 26th

Manuscripts for Lybrand Medal consideration

Public Relations Report for chapter award consideration

Community Service Report for chapter award consideration

Newsletters for chapter award consideration

May 20th

Last Date for Membership Applications

May 26th

Last Date for Professional Education Hours Submission

Last Date for Level of Activity Report Submission

MEMBERSHIP REPORT

Mike Wahowske reported on progress made on his 2003-2004 membership retention and growth plan.

EDUCATION

Wendy Degler provided an update of the final seminar arrangements, as well as the speaker schedule. All monthly dinner meeting dates are identified, as well as speakers; topics, most locations, and other needed information.

COMMUNICATIONS REPORT

Tripp Parker discussed continuing efforts to publish the annual roster, including for the first time a .pdf version of the report for use in electronic distribution to our members. The deadline for submissions to the printer is approaching, and information should be finalized within the next few weeks for printing.

NEW BUSINESS

Leo Philben provided a report on the Northern Lights Regional Council meeting held July 19th at Land O'Lakes in Arden Hills. The next Regional Council meeting will be held on October 11, 2003 at Fitgers in Duluth, Minnesota. Board members are encouraged to make plans to attend and represent our chapter at all Regional Council meetings.

NEXT MEETING

The next chapter board meeting will be held on Tuesday evening, August 19, 2003 beginning at 5:30 at Chevy's just south of the Mall of America in Bloomington.

MEETING ADJOURNMENT

There were no objections to adjourning the meeting.

CMA Sample Test Answers: 1. A 2. B 3. D 4. D 5. C

Roster News

The roster will be offered to our members **electronically** this year. Those members who receive the newsletter electronically will have the roster sent that way. A limited number of printed rosters will be available.

Member Information Updates

If you have a change in employer, address, email, or other member information, **please make the change on the National IMA website www.imanet.org**. All changes will be forwarded to our chapter. If you have questions about how to update your information on the National Website, please contact Cathy Healy 612-719-8091 or cathy_healy@hotmail.com. Updating the website is extremely helpful to the chapter, since we are **spending printing and postage costs to mail newsletters and rosters to those members that have not put their email address on the National website.**

Newsletters are available on our chapter website go to the National website select chapters and councils then select St. Paul Chapter. This will bring you to our website. Check it out. <http://www.stpaul.imanet.org>.

Ethical Conduct for Members."

IMA Ethical Standards

In today's modern world of business, individuals in management accounting and financial management constantly face ethical dilemmas. For example, if the accountant's immediate superior instructs the accountant to record the physical inventory at its original costs when it is obvious that the inventory has a reduced value due to obsolescence, what should the accountant do? To help make such a decision, here is a brief general discussion of ethics and the "Standards of

Ethics, in its broader sense, deals with human conduct in relation to what is morally good and bad, right and wrong. To determine whether a decision is good or bad, the decision-maker must compare his/her options with some standard of perfection. This standard of perfection is not a statement of static position but requires the decision-maker to assess the situation and the values of the parties affected by the decision. The decision-maker must then estimate the outcome of the decision and be responsible for its results.

Two good questions to ask when faced with an ethical dilemma are, "Will my actions be fair and just to all parties affected?" and "Would I be pleased to have my closest friends learn of my actions?"

Individuals in management accounting and financial management have a unique set of circumstances relating to their employment. To help them assess their situation, the Institute of Management Accountants (IMA) has developed the following "Standards of Ethical Conduct for Members."

STANDARDS OF ETHICAL CONDUCT FOR MEMBERS

Members of IMA have an obligation to the public, their profession, the organizations they serve, and themselves, to maintain the highest standards of ethical conduct. In recognition of this obligation, the IMA has promulgated the following standards of ethical conduct for its members. Members shall not commit acts contrary to these standards nor shall they condone the commission of such acts by others within their organizations.

Members shall abide by the more stringent code of ethical conduct, whether that is the standards widely practiced in their country or IMA's Standards of Ethical Conduct. In no case will a member conduct herself or himself by any standard that is not at least equivalent to the standards identified for members in IMA's Standards of Ethical Conduct.

The standards of ethical conduct for IMA members are published in SMA 1C (Statement on Management Accounting).

COMPETENCE

Members have a responsibility to:

- Maintain an appropriate level of professional competence by ongoing development of their knowledge and skills.
- Perform their professional duties in accordance with relevant laws, regulations, and technical standards.
- Prepare complete and clear reports and recommendations after appropriate

analyses of relevant and reliable information.

CONFIDENTIALITY

Members have a responsibility to:

- Refrain from disclosing confidential information acquired in the course of their work except when authorized, unless legally obligated to do so.
- Inform subordinates as appropriate regarding the confidentiality of information acquired in the course of their work and monitor their activities to assure the maintenance of that confidentiality.
- Refrain from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage either personally or through third parties.

INTEGRITY

Members have a responsibility to:

- Avoid actual or apparent conflicts of interest and advise all appropriate parties of any potential conflict.
- Refrain from engaging in any activity that would prejudice their ability to carry out their duties ethically.
- Refuse any gift, favor, or hospitality that would influence or would appear to influence their actions.
- Refrain from either actively or passively subverting the attainment of the organization's legitimate and ethical objectives.
- Recognize and communicate professional limitations or other constraints that would preclude responsible judgment or successful performance of an activity.
- Communicate unfavorable as well as favorable information and professional judgments or opinions.
- Refrain from engaging in or supporting any activity that would discredit the profession.

OBJECTIVITY

Members have a responsibility to:

- Communicate information fairly and objectively.

- Disclose fully all-relevant information that could reasonably be expected to influence an intended user's understanding of the reports, comments, and recommendations presented.

RESOLUTION OF ETHICAL CONFLICT

In applying the standards of ethical conduct, members may encounter problems in identifying unethical behavior or in resolving an ethical conflict. When faced with significant ethical issues, members should follow the established policies of the organization bearing on the resolution of such conflict. If these policies do not resolve the ethical conflict, such members should consider the following courses of action.

Discuss such problems with the immediate superior except when it appears that the superior is involved, in which case the problem should be presented initially to the next higher managerial level. If a satisfactory resolution cannot be achieved when the problem is initially presented, submit the issues to the next higher managerial level. If the immediate superior is the chief executive officer, or equivalent

IMA Ethics Hotline

The Institute of Management Accountants offers an ethics hotline service. Members of IMA and financial professionals may contact this hotline for free, confidential guidance on ethical issues. Please call 1 800-638-4427, extension 1662 for this service.

The hotline was founded by Howard L. Siers (former chair, Committee on Ethics) and began service in 1991. Its purpose is to provide guidance to those in the profession that find themselves in an ethical dilemma.

After a preliminary discussion of the problem, the caller is referred to an ethics counselor and receives a code number to preserve anonymity. The caller is informed of the hotline's intent that emphasizes confidentiality. The counselor will not provide a specific resolution but will explain how the dilemma relates to the provisions of IMA's standards of ethical conduct.

Professional Development

In support of our mission to be the premier provider of professional education for management accountants and financial managers, IMA has developed professional education programs through identifying and sharing industry best practices. The development programs, conferences, courses, and certification training provide invaluable educational resources for IMA Members and corporations.

The IMA Professional Development library contains extensive educational programs and modules ranging from "nuts and bolts" accounting practice to advanced seminars on cutting-edge best practices. Our newest programs include "21st Century Management Accounting" and "Ethics for Success." This well-balanced array of educational product enhances our Members' development of both tactical skills and strategic decision making.

To meet the demand of busy schedules, Professional Development programs have been designed for 3-hour modules as well as full-day and multiple-day comprehensive seminars. A wide variety of educational material is available at the local chapter level and online in the form of live broadcast seminars, self-study programs, and interactive formats to provide the greatest level of access and achievement.

News & Events Press Room

7/29/03 - Enterprise Risk Management Exposure

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) has recently published *Enterprise Risk Management Framework*. The document details the essential components of enterprise risk management and the context in which they are effectively implemented. The framework identifies the

interrelationships between risk and enterprise risk management and integrates COSO's 1992 publication, *Internal Control – Integrated Framework*.

The framework has been released for a 90-day public comment period ending October 14, 2003, and can be accessed at www.erm.coso.org. Individuals are encouraged to review the framework and submit their comments through this website.

IMA is one of the five sponsoring organizations of COSO and has been represented on this project by Frank Minter, Dennis Neider, and Jerry DeFoor.

Chapters & Councils

Local Chapters & Council

Our local chapters are the backbone of the organization. Fueled and managed solely by dedicated volunteers, the local chapters provide an important layer of professional community and personalization to IMA Membership.

Chapter events include networking and professional development seminars where Members who participate earn valuable CPE credits. Members involved in local chapters have improved their leadership skills and have developed lifelong friendships through their hard work, involvement, and volunteerism.

Councils provide volunteer leadership on a regional basis. Councils typically host three all-day seminars per calendar year providing excellent opportunity for professional development, networking and for earning CPE credits.

CMA/CFM Practice Exam Questions

**CMA/CFM sample Ethics Questions:
Answers Pg 4**

1. The IMA Code of Ethics includes an integrity standard, which requires the financial manager/management accountant to
 - A. Identify and make known anything that may hinder his/her judgment or prevent satisfactory completion of any duties.
 - B. Report any relevant information that could influence users of financial statements.
 - C. Disclose confidential information when authorized by his/her firm or required under law.
 - D. Refuse gifts from anyone.
2. When establishing financial accounting standards, the FASB
 - A. Issues an exposure draft as a final statement.
 - B. Holds a public hearing at least 60 days after the discussion memorandum is released.
 - C. Consults only with the SEC before the statement is released.
 - D. Delegates responsibility to the SEC or the IRS.
3. The discount rate set by the Federal Reserve System is the
 - A. Required percentage of the reserves deposited at the central bank.
 - B. Rate that commercial banks charge for loans to each other.
 - C. Rate that commercial banks charge for loans to the general public.
 - D. Rate that the central bank charges for loans to commercial banks.
4. All of the following are alternative marketable securities suitable for investment except
 - A. U. S. Treasury bills.
 - B. Eurodollars
 - C. Commercial Paper
 - D. Convertible bonds.
5. Insolvency is
 - A. A low cash balance.
 - B. Lack of liquidity.
 - C. Not being able to pay one's debts.
 - D. Lack of borrowing capacity.

IMA Schedule—2003-2004

Date	Chapter	Special Event	Speaker	Topic	Location
September 23	Minneapolis		Dave Ripka- VP/Controller Xcel Energy	Corporate governance	Doubletree – St. Louis Park
October 21	St. Paul	CMA/CFM Recognition	Greg Jaeger, Wells Fargo	Risk Management relating to financial analysis	Embassy Suites
October 28		Seminar	Bill Herzog- Course Charters LLC	Dynamics of a Turnaround	Doubletree
November 18	St. Paul	Past President Recognition	Bette Frick, PHD - The Text Doctor	“That’s a good question”	Toby’s on the Lake
December 9	Minneapolis		Karen Anderson	Better Business Br	Doubletree
January 20	Minneapolis	New Member Night	Michele Roepke- VP Human Resources, Metris Companies, Inc.	HR in a Controllers World	Doubletree
February 19	St. Paul	Student Night	CFO/Controller – Red Cross	Not for profit accounting	St. Paul Grille
March 24	Minneapolis		Mark Thomas- Ballistic Recovery Systems	General Aviation Safety Industry	Doubletree – St. Louis Park
April 27		Seminar	Best Buy	Issues involved in the move	Best Buy HQ
April 20	St. Paul	Bring a Guest	Federal reserve Economist	“Beige Book”	Radisson, Roseville
May 11	Minneapolis	Sponsors Appreciation	Steve Lear- Affiance Financial	Personal Invest- ments, 401K plans	Doubletree

INSTITUTE of MANAGEMENT ACCOUNTANTS

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