

# *The Cornwell Associates, Accountants, Inc.*

# Newsletter

## **JUST THE FACTS!**

### THE CORNWELL ASSOCIATES, ACCOUNTANTS, IINC. ANNUAL CONFERENCE

- WHAT?** THE 2003 ANNUAL CORNWELL ASSOCIATES CONFERENCE
- WHEN?** SEPTEMBER 17,18,19, 2003
- WHERE?** BEST WESTERN GATEWAY GRAND—GAINESVILLE, FLORIDA
- COST?** \$270.00 PER PERSON

TO REGISTER, FAX ATTENDEES NAMES TO MARY COLEMAN AT 352-375-2747. FOR ROOM RESERVATIONS CALL THE BEST WESTERN GRAND AT 352-331-3336 OR FAX 352-221-3337 MENTION THE "CORNWELL CONFERENCE"

### **You've Got Mail!**



The Cornwell Associates, Accountants, Inc. Newsletter is now being emailed to our clients!

If you would like for us to add more of your employees to the list, please email Mary Coleman at [marycolman@cornwell-assoc.com](mailto:marycolman@cornwell-assoc.com) and she will be glad to add them. REMEMBER, when you add new employees or change internet providers you will need to notify us.

You will also find a copy on our website at [www.cornwell-assoc.com](http://www.cornwell-assoc.com).

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### Important Dates to Remember!

#### Management assessment certification reporting schedule dates

Fiscal Year End Date	Submission Due Date	Late Presumptive Failure Date
Sept. 30, 2002	Nov. 30, 2002	Feb. 28, 2003
Dec. 31, 2002	Feb. 28, 2003	May 31, 2003
Mar. 31, 2003	May 31, 2003	Aug. 31, 2003
Jun. 30, 2003	Aug. 31, 2003	Nov. 30, 2003
Sept. 30, 2003	Nov. 30, 2003	Feb. 28, 2004
Dec. 31, 2003	Feb. 28, 2004	May 31, 2004



### Who and how are you paying? By Marcie Goolsby

Many of you have staff persons who are more than willing to go far beyond the call of duty and put in those **EXTRA** hours. We are all grateful for these dedicated employees and want to reward them monetarily. That is where the **PROBLEM** lies. This payment should **ALWAYS** be paid through payroll by hours worked- **NEVER** as a separate check for contract costs where the person is paid as a vendor. **REMEMBER**, HUD is emphatic that no person should be paid for more than 100% of his or her time- after all you cannot work more than 100%! Therefore, you cannot be paid your regular salary then paid out of other programs for the same hours worked. **ALSO**, an employee **SHOULD NOT** submit time sheets for additional hours worked ½ hour here and ½ hour there and receive straight payment that **DOES NOT** go through payroll. **IF YOU HAVE DONE THIS**, remember (as we have told you many times before) this person **MUST** have taxes paid by both the employee and the Public Housing Authority.

So it is simple. Do you have an employee that works a lot of overtime and are hourly employees? Then pay them their overtime and take out the appropriate taxes. Do you have an employee that may have to wear more than 1 hat for a while? Working the same hours? They get their regular pay. Working overtime? Pay them their appropriate over-time taking out the appropriate taxes. **IF YOU HAVE ANY QUESTIONS ABOUT THIS PLEASE CONTACT THE OFFICE AND PROTECT THE HOUSING AUTHORITY AND YOUR EMPLOYEE FROM TROUBLE WITH THE IRS.**

## SOFTWARE LICENSING By Tom Donnelly

The software companies lose billions of dollars each year due to the illegal copying of their product. Software companies are beginning to crack down on these software “pirates.” Many laws now exist to protect the software companies and their copyrighted material. If a single user or business is suspected to have pirated software, then the appropriate company will take action. A representative will visit the alleged law-breaker and determine the number of illegal copies installed. Depending on the severity of the case, a civil or criminal action may be taken. A typical penalty may be between \$100,000 and \$250,000 per instance. They may also pursue individual users within a business who may be responsible for the copies.

As a business, you must safeguard yourself from such action. A good way to organize your software and licenses are to store them in the same place. Many businesses use a file cabinet or wall cabinet. Keep all of the software installed on each workstation labeled with the serial number (or service tag) of that computer. Make sure that these cabinets can be locked for security. Ensure all of the users at your business the severity of pirated software and the penalties that will be enforced.

This fall it would be a good idea to schedule a day or two organize your software closet. Keep an up-to-date audit of your software for a quick reference. If you have any other questions, please call and ask the computer engineers.



## Learning, Learning, Learning

By Shirley Mogensen



### The Cornwell Client Conference

There are exciting new learning opportunities in your future! You should already have heard that the Cornwell Client Conference will be held on September 17, 18 and 19 here in Gainesville. We're looking forward to seeing as many of you as possible and showing off our new quarters. Because this is YOUR conference, we want to make sure we touch on issues and questions that YOU need answered. Please send an email to [ShirleyMogensen@cornwell-assoc.com](mailto:ShirleyMogensen@cornwell-assoc.com) and let us know the pressing issues on your mind.

Are Portables still giving you headaches. Do thoughts of PHAS and SEMAP dance in your head? Would you like to know the ins and outs of Report Writer. Let us know and we'll present information at the Conference.

### Word, Excel, Access, etc.

Our wonderful systems engineers are working on putting together a new classroom which will be used for client training. Naturally, we will offer training on important areas of the Lindsey software. But we also will be offering training on beginning, intermediate and advanced Microsoft Office Applications.

If you or a member of your staff could enhance their professional contributions to your organizations by beginning or expanding their MS Office skills, please contact Shirley Mogensen or Seth Enos.

In addition to teaching the basics, we will tailor our classes to our clients' needs. For example, our intermediate Excel and Access classes will include such information as how to save and import reports generated by Lindsey. This will allow you to analyze data in new ways.

Classes will be scheduled based on client requests.

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## David's Corner

By David Cornwell



Off the top of my balding head.....

**Internal Controls.** When you hear these words what comes to mind? Of course – “separation of duties”, right? Well, get ready. You will be hearing a whole lot more in the near future. Who controls the signature stamps? Where do you store the blank checks – even the blank paper your checks are printed on? Where are passwords stored? Who has them? How often do you have to change them? HUD is getting ready to release a PIH notice that will require all of your consultants, fees accountants, etc. to have annual SAS 70 reviews. What does that mean you say.....We (your consultant) will have to be audited annually. Stay tuned on this one. There will be a paradigm shift on this issue in the very near future. And cost? Oh my goodness.....

**CFP budgets.** HUD allows fungibility right? Ever thought of how difficult it would be to go back through your annual CFP budgets and prove that issues paid for during a certain CFP funding year was indeed in an approved 5 year plan? Or whether or not the CFP ACC date was prior to the contract execution? Auditors should be paying attention to this subject, and if they are not, they will shortly. If at all possible, sit down and come up with a solid spending strategy for your CFP money and stick to it. It might save problems in the future when HUD tells you of an ineligible expenditure.

**Software on your computer.** I have seen several instances of software packages such as Napster on workstations through out the State. Want a quick, lose, lose lawsuit? Do NOT allow your employees to load unlicensed software or proprietary information (or songs, MPEGs, etc.) on your network. At our last few annual conferences we have recommended an internet policy that the staff would sign – an understanding of what they should do or should not do with their computers systems and access to the internet. If I was an Executive Director, and a news paper pulled a FOI (Freedom Of Information Act) request for all C drives in the office, I would sure want to be able to fire someone if there was porn on the hard drive.....

**40% rule.** We get calls all of the time on the 40% rule – “how do I get them in the unit anyway?” You don’t. If they will be paying more than 40%, they will likely not be able to afford the unit and will get evicted, OR they are not telling you the truth about their income levels.

**Security Deposit Accounts.** Be sure you have a **separate** SD account for each of your lines of business (USDA wants a separate account for each complex). State law allows you to get interest income on the funds that do not have to be returned to the client, but you can no longer get away with saying “the money is in the general fund”. The fact is, if your general fund ever dips below the SD liability, you have spent that money.

**GAAP Accounting.** There are auditors running around the State telling Housing Authorities that they are not required to be GAAP based during the year, only converted at the end of each year. **WRONG!** Who pays the piper at the end of the year if you all of the sudden are troubled? The auditor? More than likely it will be the Executive Director.

**Backup tapes.** We have said it countless times and it is worth repeating. Keep a frequently rotated tape off site from your server room. We recently had an instance where the client had to resort to that tape for a restore and it otherwise saved hundreds of man hours of searching for some old data.

**AND FINALLY, Random samples** ....ever wondered how HUD can sample 10 files, out of 2,000 voucher files, and assume the findings in those ten files apply to the entire population? Well they can. The only catch is that there is a “confidence level” that exists that the stated supposition is true. I would venture to say that 10 files out of 2,000 would produce an extremely low confidence level. In other words, “our findings may or may not apply to the entire population”. Next time, ask what the confidence level of the sample is.....

## KEEP THE INTERFUNDS IN BALANCE

by *Ray Johnson*

Each housing authority uses interfund accounts to track expenses of one line of business (Public Housing, Section 8, Admin Fund, etc.) that are paid for by another line of business. They are also used when money is received by one line of business that belongs to another line of business. One problem with using interfund accounts is that sometimes only one side of the entry is made. Your income or expenses are now misstated. To avoid this, you must be sure to complete the entire entry. An example would be:

Public Housing pays a utility bill that covers both Public Housing and Section 8. The total bill is \$450 with \$300 belonging to Public Housing and \$150 belonging to Section 8. The entry would be as follows:

Public Housing:

Utilities	\$ 300.00
Interfund – Sec 8	\$ 150.00
Cash	\$ 450.00-

Section 8:

Utilities	\$ 150.00
Interfund – Public Housing	\$ 150.00-

Public Housing has written a check for \$450 to the utility provider, expensed \$300 to their utility account and created a receivable due from Section 8 for \$150. Section 8 in turn has expensed \$150 to their utility account and created a payable to Public Housing.

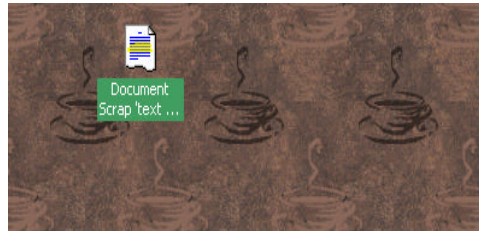
Notice that the two interfund accounts offset each other. Try to make both sides of the entry within the same process if possible. Remember, anytime you make an entry to an interfund account there must be an offsetting entry to another interfund account. If you follow this rule your interfund accounts will always balance.

### **Famous Predictions:**

1. Sensible and responsible women do not want to vote.  
— Grover Cleveland, 1905
2. There is no likelihood that man can ever tap the power of the Atom.  
— Robert Millikan, Nobel Prize in Physics, 1923
3. Heavier than air flying machines are impossible.  
— Lord Kelvin, President, Royal Society, 1895

## Saving Scraps of Text by, *Seth Enos*

Have you ever wanted to save just a few lines of a document or maybe just a few paragraphs for later use in another document? Here is an easy way to do this in either Word or Excel. Select the text you would like to save and hit Ctrl + C to copy. Go to your desktop and hit Ctrl + V to paste it. You will see an icon appear titled "Document Scrap" followed by the some of the text you are saving in single quotes (see screen shot). You can then come back to this scrap when you would like to paste it into a document.



### Pasting from Excel to Word

When you paste any part of an Excel workbook into a Word document, the Excel portion of the document is "live" and can be edited. This can be troublesome when this document may be sent out to various people for review. If you would like the data to be displayed, but not allow editing, here is how to do it:

Select the range of cells from the Excel workbook that you would like to copy.

Hold down Shift and select **Edit** → **Copy Picture** from the menu bar.

When the Copy Picture dialog box appears, click **OK**.

In your Word document, select where you would like the cells to go and hit **Ctrl + V** to paste.

This will insert a picture of the cells, rather than a live application.

## Peer-to-Peer File-Sharing Applications By *Justin Blakely*

Peer-to-peer (P2P) file-sharing applications were popularized by the media coverage of the now defunct Napster's lawsuit with the recording industry. It would be crazy to think that your employee's wouldn't understand the potential for abuse posed by P2P file-sharing applications. But in today's world we can't afford to take this knowledge for granted, so in this article I will review the issues that arise because of the use of P2P programs. P2P programs can be used to download pictures, video, music, movies and a number of other different types of software. This causes a number of concerns, the first being the over-utilization of network resources. The downloading and storage of these files uses bandwidth and storage on your network. This will be noticed by slower network application response times, printing and network file access. These are the minor issues. The bigger threats are the security breaches that can occur with the use of these programs. Viruses can be easily introduced into your network were they can spread or Trojans can be planted that will allow unauthorized access to your data. Not only are there network and security concerns but also the threat of lawsuit due to the illegal possession of copyrighted material. These issues need to be addressed immediately. If you have an employee that currently uses these programs contact us so I can uninstall the program and remove any files that meet the above criteria. In the future the use of these programs needs to be deterred. I have created an acceptable use policy for your network. If you would like for me to forward you the policy, please send me an email.

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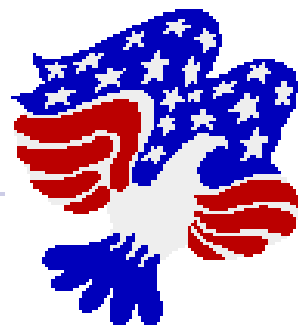


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**WE'RE ON THE WEB!**  
**WWW.CORNWELL-ASSOC.COM**

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## ***OUR PROMISE***

The Cornwell Associates, Accountants, Inc. assume full responsibility for customer service to your satisfaction. Providing knowledge, materials and products in a friendly, efficient and professional manner has been the concept behind customer service for decades. In responding to your needs with a positive attitude toward constructive criticism, we strive for excellence in accountability and performance.

The Cornwell Associates, Accountants, Inc. have earned a reputation for superior knowledge of the Department of Housing and Urban Development programs, rules, and regulations. We provide clients with the knowledge, materials and products needed to meet the demands of the Housing Industry today. We intend to uphold our reputation and continue deserving your confidence.