



# INAFP

Inland Northwest Association for Financial Professionals

## INAFP NEWS

November 2007

[www.inafp.org](http://www.inafp.org)

### October Meeting Recap

**Has Check 21 Changed the way you do business?** Apparently it has for many businesses around the Northwest as they have implemented a *Remote Deposit Capture* system within their organizations. Cheryl Day of Wells Fargo was the presenter at the INAFP October meeting. She discussed some of the benefits of Check 21 and demonstrated a remote deposit capture system.

The Check Clearing for the 21<sup>st</sup> Century Act (Check 21) was signed into law in 2003. Check 21 was designed to foster innovation in the payments system and to enhance its efficiency by reducing some of the legal impediments to check truncation. One of the innovations that has come about as a result of Check 21 is remote deposit capture (RDC) systems being made available to any enterprise wishing to deposit checks electronically.

Using a RDC system has many benefits. Checks no longer need to be physically taken to the bank. Checks deposited via an RDC system ultimately clear faster leading to a quicker source of cleared funds. Companies with locations across the country can now deposit checks to a single bank. And savings can also be realized by reducing the need for armored car service.

Many of our INAFP members discussed the features of the RDC options that are offered by their banks. Perhaps the benefits of a RDC system are worthy of further investigation for your company.

### Rate Cut Unlikely to Fix Housing Woes

*AP Online* via NewsEdge Corporation

WASHINGTON The interest rate cut Wall Street believes will buffer the economy from housing market woes is unlikely to boost hard-hit banks and homebuilders much in the near term, analysts say. The Federal Reserve policymaking committee approved cutting the short term rate a quarter percentage point last Wednesday to help the economy get through a deeper-than-expected housing slump and credit crunch that accelerated in August.

The Fed's decision comes amid widespread anxiety among investors that the housing slump and soaring oil prices will stall consumer spending and drag the economy into a recession. However, a Commerce Department report out Wednesday morning shows economic growth remains solid. Gross domestic product, a broad measure of U.S. economic activity, grew at a 3.9 percent annual pace in the July-September quarter, the fastest in a year and a half.

Even with the Fed's rate cut, on top of a half-percentage-point reduction in September, the outlook won't change much, if at all, for companies on the front lines of surging mortgage defaults and a dried-up market for complex securities backed by home loans.

“The problems in the housing market, the problems in the credit markets are not easily solved by the Fed cutting rates,” said Steve East, chief economist for investment bank Friedman Billings, Ramsey & Co. in Arlington, Va., who sees the Fed making three quarter-point cuts by January and puts the odds of recession in 2008 at 60 percent.

The thinking is that lenders can improve battered balance sheets if they have to pay less for money they borrow short term while the rate they charge borrowers for long term loans holds steady or moves higher. Yet analysts say problems in the credit markets extend beyond the benefits of small rate cuts.

Struggling homebuilders, such as D.R. Horton Inc., Lennar Corp. and Pulte Homes Inc., are face with tightened lending standards and severely limited demand. Many would-be buyers are unable to qualify for loan approvals, even if rates move lower. Lower interest rates are “certainly not the panacea” for getting the housing market back on track, said UBS homebuilding analyst David Goldberg.

The median U.S. home price nationwide fell for the eighth consecutive month in August, according to the S&P/Case-Shiller index release last Tuesday. Fifteen of 20 metropolitan areas included in the index declined. Many experts predict housing prices will fall further before demand rebounds.

Jefferson Harralson, a banking analyst with Keefe, Bruyette & Woods Inc. who follows banks such as Bank of America Corp. and Wachovia Corp., said an acceleration in losses from defaults “seems to be a given” even with the rate cut.

He says home equity lines of credit will be less likely to default if rates are lower. But that’s hardly a revenue cure for banks in an environment in which housing prices continue to fall and foreclosures continue to rise.

“The home equity business isn’t going to be a growth business,” Harralson said.

## **Simply Put: Six Steps To Simplifying Communications**

*Employee Benefit News* (08/07) Vol. 21, No. 10, P. 20

By Andrew Smith

Here are a few tips to keep in mind the next time you communicate something to your employees.

**Use easy to understand, jargon-free English.** You use something, not utilize it; the appropriate stakeholders are the right people; you don’t operationalize a program, you start it. If you do nothing else, eliminate corporate jargon, buzzwords and gobbledegook from written communications. Trust me, using straight-forward English doesn’t make you sound simple or stupid. In fact, it will probably be openly welcomed by your audience.

**Keep it Short.** Don’t fall prey to the belief that lengthy sentences filled with big words will make you sound intelligent or impress the audience. They won’t. In fact, the only thing verbose writing does is confuse your reader and waste time. Say what you mean in clear, concise language. If at all possible, keep your message to one page.

A good rule of thumb: If you can't read a sentence out loud without taking a breath, it's too long. Another quick tip: Don't make paragraphs longer than four sentences and use bulleted lists when possible.

**Identify the purpose for your message in the first two or three sentences.** You only have your reader's attention for a few seconds before he or she fades off into disinterest. If you can't capture someone's attention right away, chances are your message will be lost. Leave the lengthy narratives to the novel writers; your job is to get your message across in a timely and effective manner.

**Use correct grammar and watch for typos.** Nothing says unprofessional like a written piece filled with typos and incorrect grammar. Most employees who receive a written document with these types of errors will assume (rightly or wrongly) that you are sloppy, careless or uneducated.

They'll also wonder how you're going to handle their material when you can't even get yours right. My advice: Print out your document (don't proofread it on the screen), read it slowly and thoroughly, then ask a trusted co-worker to review it as well. Nothing beats another set of eyes for catching mistakes.

**Remember the first draft is never perfect.** Even the best writers don't nail it on the first try. Allow yourself the time to write a first draft that can then be fine-tuned. Your writing and the quality of your finished product will invariably improve if you slow down and take a little extra time. Keep in mind there's always room for improvement.

**Write for your audience.** Whether accounting for education level, fluency in English or industry/company shorthand, be sure to speak employees' language.

Simplistic? Yes, but that's the point. And that's really all there is to it.

### **November's Meeting: "Accounting for Your Investment Portfolio -- Risky Business"**

With the heightened scrutiny over the accounting treatment of securities, as well as the inability of service providers to properly account for certain securities and adapt to the constant-changing accounting rules, accounting for your investment portfolio has truly become risky business. This presentation will offer the most prevalent risks and problems we are seeing in treasury and accounting departments and the antidotes to ensure your organization mitigates each risk. Additionally, the presentation will give an optimal control framework for investment operations to ensure you consider industry best-practices at your organization.



## President's Message

Greetings,

We had another month with a terrific turnout. Thank you to Cheryl Day from Wells Fargo for her presentation on Remote Deposit Capture.

The AFP Annual Conference was held in Boston this year. They had some terrific speakers who covered a range of treasury management topics. The most impressive speaker was at the CTP Luncheon. Ken Burns is a well respected historian. Mr. Burns spoke about the experiences he has encountered while researching for his various documentaries that have aired on Public Broadcasting Service television stations all across the United States. The most recent documentary was aired on PBS on *The War*.

Eric Gwilliam from Clear Water Analytics will be joining us for our November luncheon to discuss "Accounting for Your Investment Portfolio -- Risky Business". The meeting will be on Wednesday, November 28<sup>th</sup> at Hotel Lusso. Watch your email for more details on registering for the luncheon.

The INAFP is now able to accept credit card payments for both the monthly luncheons and annual membership dues.

We hope everyone has a wonderful Thanksgiving. See you at the luncheon on Wednesday, November 28<sup>th</sup>.

Sincerely,

Renne Ditton  
President  
Sterling Savings Bank

### 2006 – 2007 Board of Directors:

<i>Renne Ditton / President</i>	Sterling Savings Bank	Renne.Ditton@sterlingsavings.com
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**UPCOMING INAFP MEETING CALENDAR**

November 28 <sup>th</sup>	Accounting for your Investment Portfolio – Risky Business
December	No Meeting / Holiday Break
January 23 <sup>rd</sup>	To Be Determined
February 27 <sup>th</sup>	Avoiding Fraud and Scams
March 26 <sup>th</sup>	Treasury Management Topic by Debbie Smart
April 23 <sup>rd</sup>	To Be Determined
May 14 – 16	Regional AFP Conference in Portland (more details to come)
May 28 <sup>th</sup>	Economic Impacts for Spokane

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