

## The Seeds of Tomorrow's Cash Crisis Are Being Sown Today

*Courtesy of Business Resource Services*

Business owners often get trapped because they don't heed the messages their business sends and they don't pay attention to basic principles. The following checklist represents a clear set of danger signals – situations and issues – that have a clear and negative effect on cash flow. Take a few minutes under the harsh, cold light of reality to ask yourself how many of the following danger signals exist in your business and then evaluate carefully their implications:

- No physical inventory taken on a regular basis.
- Lots of unsold inventory sitting around.
- No monthly cash budget projection.
- Bank credit line not paid down to zero within the last year.
- Term loan payments were paid late one or more times within the year.
- Buying at trade shows without a purchasing plan.
- Short-term credit like credit lines used for long term assets such as rental equipment.
- Bank statements not reconciled every month.
- Supplier discounts rarely taken for early payment.
- Projected annual sales increase of over 25%.
- Balance sheet prepared only at the end of the year, and only used for tax purposes.
- No review of financial statements on a regular basis.
- High interest rates on bank loans.
- Increasing amount of credit supplied by credit cards.
- Bad debt expense increases every year.
- No Accounts Receivable report on weekly basis.
- High moving items are often out.
- Payroll checks have been written late one or more times this year.
- No systems in place to prevent internal fraud.
- Only communication with CPA is in April to discuss tax avoidance strategies.
- No handle on company cost structure or break even level.
- Showing profits but no cash.
- Business cycle contains sharp seasonal slumps or booms.

Perhaps the greatest danger of all: not having adequate records and / or financial skills to be able to answer all of these questions – or not having any questions to ask! Planning is the vital element, especially when we're talking about cash flow. Danger signals are just that – signals. The longer you wait, the fewer options you will have. Now is the time to gain control and keep it. Get yourself ahead of the game, sleep better at night, and get in a much better position to weather whatever rough seas lie ahead. 🍷

## FIRST TIME HOMEBUYER'S...

*By Brad Curtis*

If you weren't able to find the right home before the December 1st deadline in order to qualify for the First Time Homebuyer Credit, you are in luck! The President signed an extension for the credit to April 30th, 2010. What that means is you now have until the end of April next year to sign a binding agreement for the purchase of your first home and actually close that home by June 30, 2010, in order to qualify for the credit.



There are other qualifications that you must meet, and they are determined by the IRS, so you should consult your tax advisor to determine your eligibility.

If you sold your home and bought another home this year, you may also be eligible for a tax credit. The 2nd Time Homebuyer Tax Credit is for those that have owned a home for at least five years and sold that home to buy another home. Again, there are a lot of questions that folks will have concerning these programs, so we strongly encourage you to contact your tax advisor to determine eligibility, qualifications and credit amounts that you might be entitled to. 🍷



## Welcome David!



In October, ASB hired David Page as Asset Liability Manager. He is responsible for the asset, liability, liquidity and investment activities of the bank.

Page brings with him over 15 years experience in the finance industry. He holds a B.S. in Business Management and a Masters in Public Administration from the University of South Dakota - Vermillion.

Currently, David is on the Rawlin's Library Board and serves as Treasurer on Central SD Enhancement District board. 🍷

## Profit Mastery Seminar

Fourteen people attended this 2-day seminar held October 20th & 21st. Carl Forssen, Senior Vice President of Business Resource Services, provided an in-depth understanding of the financial challenges that confront business owners, large and small.



"Profit Mastery gave me the opportunity to better utilize the financial tools I already had in order to make well-informed management decisions for our organization. I really enjoyed networking with other business owners and sharing our strengths and business strategies with one another."—Kristie Maher, South Dakota Discovery Center.

Those in attendance included business owners and managers, controllers and CFOs, entrepreneurs and business advisors, including CPAs and accountants.

## "ASB on the Go" Prize Winner!



American State Bank treated Parkwood during the holidays with cookies and a prize drawing. The winner of the Holiday Centerpiece was Alice Jietz. Santa Claus also made an appearance.

ASB on the Go provides Parkwood residents with banking services every other Tuesday morning.

### Hours

Monday – Friday 7:30 am – 5:30 pm  
Saturday 9:00 am – Noon  
Sunday Closed

## Anniversaries Celebrated!



### Tina Van Camp – Five years



November 22nd marked Tina's fifth anniversary at ASB. Before coming to ASB, she worked with businesses across the state for SD Department of Tourism & State Development. Tina knew in the long run she wanted to work for a bank doing what she enjoys most – helping small businesses with their business planning and financial needs.

Tina serves as our Vice President in commercial loans. She is currently on the PEDCO board and is active in Junior Achievement.

### Denise Steiner – 25 years



As of December 3rd, Denise Steiner has been part of the American State Bank family for 25 years!

In her officer position as assistant cashier, Denise displays leadership in the teller line, operates the vault, and is strategic in managing the ATM and debit card program. Her attention to detail and ability to solve any problem makes her an essential part of this organization.

When asked what she enjoys most about her job, she says, "It's the people I work with!"

## Making Online Banking Safe and Secure

It is important to know that when you visit the Internet to access your online banking account(s), you are entering a secure area. The measures banks take include one or more of the following:

Your user ID and password are your first lines of defense. Be sure not to share them with anyone. Most frauds involving hijacked accounts originate with someone the victim knows.

Multi-factor authentication provide added security requiring additional information that only the account owner could provide. This could be in the form of questions answered by the owner when setting up his / her account.

Encryption software converts your personal information into code that is readable by only you and your bank.

Privacy policies protecting your personal information are stringent. Confidential information is treated with utmost care, meeting or exceeding federal and state mandates.



American State Bank

700 E Sioux Avenue  
PO Box 1178  
Pierre, SD 57501

605.224.9233  
1.800.347.6537  
Fax 605.224.1872

bank@asbpierre.com  
www.asbpierre.com