



THE MORLEY GROUP, INC.
BROGAN & MORLEY, LTD.
13 KEDRON AVE.
MORTON, PA 19070
610-544-1094, 610-544-4600
mjm@mgiconsulting.com

Newsletter

SEPTEMBER 2005

Tax filing reminders

- **September 15** – Third quarter installment of 2005 individual estimated income tax is due.
- **September 15** – Filing deadline for 2004 tax returns for calendar-year corporations that received an automatic extension of the March 15 filing deadline.

Consider seven ways to cut your 2005 tax bill

Here are some things you can do between now and year-end to cut your 2005 tax bill.

1. Buy a hybrid car. Original owners can claim a one-time clean-fuel tax deduction of up to \$2,000 for qualifying hybrid vehicles.

2. Donate a vehicle to charity. Generally, you can take a charitable deduction for the gross proceeds the organization receives from selling the vehicle.

3. Start a pension plan for your small business. Business owners can take a credit of up to \$500 in each of the first three years of establishing a pension plan.

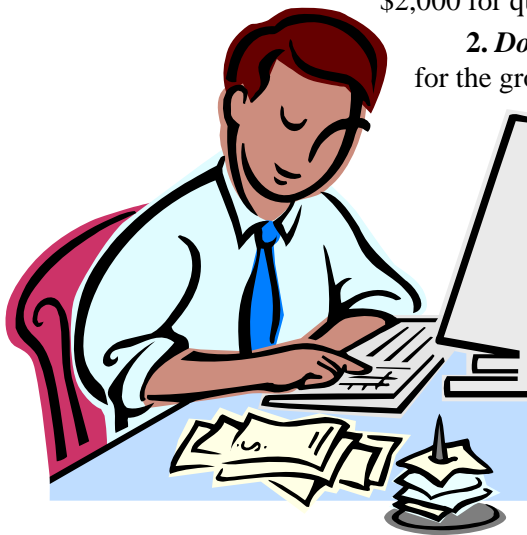
4. Put money into a health savings account (HSA). Money placed into HSAs can be deducted, and the funds can be used tax-free to pay unreimbursed medical expenses.

5. Teachers, take this break. Educators can deduct up to \$250 for classroom materials purchased with their own money.

6. Pay education expenses. Consider pre-paying early 2006 college fees in order to take advantage of the Hope and lifetime learning education credits in 2005.

7. Plan year-end equipment purchases. Current tax law provides a \$105,000 deduction for business equipment acquired this year. So plan to place needed new equipment into service before year-end.

These are only a few steps you can take to reduce your 2005 tax bill. To discuss the best moves in your situation, give us a call.



Investment ladders can tame investment risk

If the stock market is too risky for you these days, you might be considering fixed-rate investments such as bonds or bank CDs. These investments are not without their own risks, however. With bonds, there's the risk that your bond could go down in value when interest rates increase. So if you need to sell a bond before it matures, the value might be lower than your purchase price. If all your bonds or CDs mature around the same time, you could be in the position of having to reinvest when rates are unfavorably low. One strategy to help deal with these risks is called an investment ladder.

Stagger investment maturities. To construct an investment ladder, you stagger the maturities of your fixed-rate investments so that approximately equal amounts of bonds or CDs mature over several years. Because the maturities are equally spaced, they're like the rungs in a ladder. For example, if you have \$50,000 to invest, you might buy five \$10,000 bonds with staggered maturities over the next ten years.



Guarantee liquidity. With an investment ladder, you're sure of having certain amounts of cash at various future dates. For example, you might build a four-year ladder for a college savings fund so that the maturities match your annual tuition bills. Or you could build a ten-year ladder to cover the first decade of your retirement.

Even out fluctuating interest rates. As you reinvest the maturing bonds or CDs, you tend to compensate for fluctuating interest rates. If interest rates rise, you can reinvest the funds maturing to take advantage of the higher rates. If interest rates drop, your return is protected because you've locked into the higher rates on your longer-term issues.

If you'd like more information about constructing an investment ladder suited to your situation, contact our office.

Six tips to help you make smarter hiring decisions

Hiring and training new employees is one of the toughest jobs you face as a manager or business owner. Even when there are plenty of applicants, finding the right one is still time-consuming. Here are some tips for each stage of the process – from identifying your requirements to interviewing candidates.

1. Identify the job requirements by meeting with the manager or those who will be co-workers of the new hire, and talk through exactly what skills are important to do the job well. For some positions such as line production positions, the job requirements are clear. You may need specific technical skills or certain work experience. In other cases, the important skills required for the job may be less obvious. This is especially true in small companies where employees may have to perform several functions.

2. Set up a standard application form to capture prior work history and other information. This will make it easier to compare candidates.

3. When you conduct interviews, let the candidate do much of the talking. Ask free-form questions which make the candidates choose and prioritize exactly what they are going to tell you. Questions such as, "What did you like most about your last job?" can produce revealing answers. Follow with, "Now tell me what you liked least about your last job." Letting candidates do most of the talking will tell you a great deal about their attitudes and priorities.

4. Structure the interview so the candidates talk about themselves first, and you talk about the job and the company later. Otherwise they're likely to tailor their answers to fit the job you have just described.

5. Set up a meeting between finalists and their future co-workers. Describe it as a "get to know you" meeting. You'll be surprised what people will discuss in a less formal setting. You might also be surprised at what your other employees will notice about their future co-worker. This is still part of the hiring process, so make sure your employees attending the meeting are aware of questions they can and cannot ask.

6. Follow up on references, and check police or driving records if appropriate.

Taking the time to find the right employee for a job opening will pay off in the long run. You'll avoid the frustration and expense of excessive employee turnover.



OFFICE REMODELING IS COMPLETE

We have completed the remodeling of our office in Morton. We have added a reception area, conference room and new private offices. Please visit and see how this investment provides a more secure, comfortable and efficient work place.

THE MORLEY GROUP, INC.
13 KEDRON AVE.
MORTON, PA 19070-1513
610-544-1094

SEPTEMBER 2005
NEWSLETTER

PRSTD FCM
POSTAGE PD
PERMIT 58
MORTON, PA