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How Safe Are Your Savings?

This is a question a lot of people have been asking.

All types of deposits received by a financial institution in its usual course of business are insured. For example, savings deposits, checking deposits, deposits in NOW accounts, Christmas Club accounts, certificates of deposit, cashier's checks, money orders, officers' checks and outstanding drafts are all covered.

A depositor is insured up to *\$250,000 in each insured financial institution. Deposits maintained in different categories of legal ownership are separately insured. Accordingly, you can have more than \$250,000 of insurance coverage in a single institution, provided the funds are owned and deposited in different ownership categories. Funds deposited by a corporation, partnership or unincorporated association are insured up to \$250,000 and are insured separately from the personal accounts of the shareholders, partners, or members.

The type of account has no bearing on the amount of insurance coverage. A single (or individual) account is one owned by one person. All single ownership accounts established by, or for the benefit of, the same individual are added together. The total is insured up to a maximum of \$250,000, including principal and interest.

A joint account is one owned by two or more persons. Generally speaking, joint accounts are insured separately from single ownership accounts if (1) all co-owners are natural persons, (2) each co-owner has a right of withdrawal on the same basis as the other co-owner(s), and (3) each co-owner has signed a signature card.

Certificate of Deposit Account Registry

Depositors can increase their FDIC-covered accounts at a single bank through the Certificate of Deposit Account Registry Servicer (CDARS). Using CDARS, a customer deposit exceeding \$250,000 can be placed by a participating bank into smaller-denomination certificates of deposit at multiple FDIC-insured financial institutions. The depositor gets the convenience of maintaining only one banking relationship instead of spreading accounts at numerous financial institutions to ensure FDIC coverage. The CDARS program is not affiliated with the FDIC. More information about the CDARS program is available at www.cdars.com.

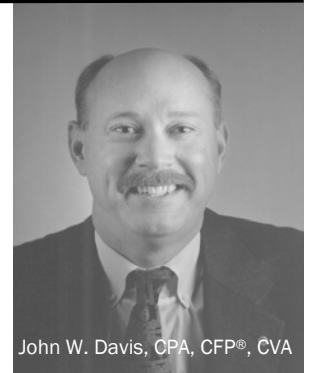
Retirement Accounts

Up to \$250,000 in deposit insurance is provided for the money a consumer has deposited at the same insured institution in a variety of retirement accounts, including traditional IRAs, Roth IRAs, SEP IRAs, and SIMPLE Plans.

Closing Thought

The Exchange Stabilization Fund is temporarily available to assist participating money market funds in maintaining \$1 per share net asset values and in paying their shareholders \$1 per share upon the liquidation of those shares. Keep in mind though, the program will be limited to assets in money market funds as of the close of business on September 19, 2008, and to investors of record as of that date, not for additional funds contributed since then.

* The FDIC now insures qualifying beneficiaries for \$250,000 each until December 31, 2009.



John W. Davis, CPA, CFP®, CVA

MEET THE TEAM



Nathan Rice

Nathan Rice joined Davis & Hodgdon Associates CPAs this Summer as our Entrepreneurial Advisor. He works with a variety of clients providing management consulting services. Services include QuickBooks Reviews, book-keeping services, office administration consulting, and other business consulting services.

Clients have benefited from Nathan's experience in the Vermont public sector as well as the service and banking industry. He was

born and raised in Vermont and spent many years working for the family business. Nathan is a graduate of the University of Vermont and is currently working towards an MBA at Champlain College.

Nathan resides in Shelburne with his wife Sarah and their dog Chase. In his spare time he can be found working on their horse farm in Shelburne.

GREEN COMMUTER TAX BREAKS

The federal tax code allows employers to provide tax-free transit, vanpool and parking benefits to employees. Employers and employees save on taxes, since neither pays federal income or payroll taxes on these benefits. Called "qualified transportation fringe benefits" in the Internal Revenue Code, Section 132(f), these tax incentives are often referred to as commuter — "choice tax benefits" or simply "commuter benefits." Because the value of the benefits paid to employees is considered a tax-free transportation fringe benefit, and not wage or salary compensation, the cost of the benefit is eligible as a business expense and payroll taxes do not apply.

Employers can pay for employees to commute by transit or vanpool, up to a limit of \$110 per month, subject to annual change. With this arrangement, employees each get up to \$110 in a tax-free transportation benefit. Employers get a tax deduction for the expense and enjoy savings on payroll-related taxes.

GREEN UP YOUR BOTTOM LINE



We are continuing to expand our business consulting services and one of our new products includes a series of assessments that can be completed in the areas of Corporate Planning, Finance & Accounting, Human Resources, Marketing and Information Technology. The assessment process has proven to be a valuable tool for clients because it helps to focus resources in a specific area to ensure that they are being used as efficiently and effectively as possible.

By conducting any number of our specialized assessments on various components of your business, you are already taking steps towards "going green." How, you may ask? Our assessments – regardless of the topic – are designed to maximize operational efficiencies within your business. This could include helping you to identify new pieces of equipment to increase production and reduce energy consumption; help streamline the daily tasks of your employees to save time, energy and money; or determine the feasibility of

investing in "green" technology to reduce your business' carbon footprint.

Our clients continue to expand their businesses while remaining true to Vermont's heritage of providing good-paying local jobs in an environmentally conscious manner. To demonstrate the commitment that Davis & Hodgdon Associates' clients make towards this mutually beneficial goal, one of our clients is currently exploring investing in solar panels for a number of commercial office buildings to help reduce its energy consumption.

Implementing the recommendations of our assessments can help your business operate more efficiently and effectively by better managing your resources. Ultimately, these assessments will help you "go green" by doing your part for the environment while also improving "the green" of your bottom line.

Interested?

Call us at 878-1963 to begin your assessment.

BUSINESS SPOTLIGHT – 2Morrow Studio



2Morrow Studios Design/Build Farmhouse reBuild in South Burlington

Is it possible to have an affordable custom built home with energy-efficient design using the latest green and sustainable technologies? Yes, and **2Morrow Studios** has been making this possible for the past several years.

In 1980, John Connell founded the Yestermorrow Design/Build School in Warren, Vermont with the idea of teaching people how to plan, design, build or renovate their own homes. From this endeavor came 2Morrow Studio which puts into actual practice the design/build philosophy taught at the Yestermorrow School.

2Morrow Studio seeks to provide green, custom homes for normal income households living in the colder regions of the north. Located in the heart of the Mad River Valley, 2Morrow Studio is a full service architect-led design/build firm specializing in custom designed but factory built green homes.

Too often, it's the special built-ins and fine finishes that get sacrificed when making homes affordable. But the cost control born of using green cores allows the flexibility necessary to upgrade portions of the project that must be custom crafted on site.

2Morrow Studio is a member of the U.S. Green Builders Council and is staffed by LEED (Leadership in Energy and Environmental Design) approved professionals. 2Morrow Studio serves residential and small commercial clients within the New England Area and beyond.

If you are interested in additional information on 2Morrow Studio and their services you may reach them by phone at 802-496-5546 or check out their website at www.2morrowstudio.com.

Our Funny Side

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www.glasbergen.com



"I need your menu choices for the Wind Power Energy Conference. Baked beans or chili?"

OFFICE BUZZ



We are growing!!

Jennifer Cioffi
Associate Accountant



Jennifer is a graduate of Southern New Hampshire University with a Bachelors Degree in Accounting & Finance. She has previously worked for a regional bank in St. Albans and is an active volunteer with Habitat for Humanity, March of Dimes and several other organizations in the area. Jennifer is currently working on her MBA and studying for her CPA exam.

Nick Baldwin
Associate Accountant



Nick is a graduate of Champlain College with a Bachelor's degree in Business and is currently studying for his CPA exam. He has worked in higher education financial aid and brings his project management experience to the Firm.

Jo Ann Plante
Executive Assistant



Jo Ann has joined us as our Firm's Executive Assistant, bringing over 20 years of administrative, legal and human resources experience. As the Executive Assistant

she is responsible for handling client billings, receivables and assisting in tax return and financial statement processing as well as supporting our Staff with various deliverable responsibilities.



Find the misspelled word!

We have hidden one misspelled word in our newsletter

Be the first to find it and call our office at 802-878-1963

YOU WILL WIN \$10!*

* if you have won recently, please allow others the opportunity to win – thank you.

THANK YOU FOR YOUR REFERRALS



We feel that client referrals are one of the best marketing tools a company can have. Over the years Davis & Hodgdon Associates CPAs' growth can be credited to the friends, family members and col-

leagues that have sent new clients our way. We consider this the highest of compliments to the firm and quality of service we strive for.

As a thank you for referring anyone who becomes a new client, we will give you a \$25 gift certificate to a local area restaurant of your choice - just mention this ad.



As a member of CPAConnect, we are part of a leading network of local CPA firms. CPAConnect is an affiliate of CPAmerica International, which is one of the largest CPA networks in the United States.

This affiliation provides a knowledge base through a leading national network of CPA firms. This resource allows us to offer our staff and clients access to additional expertise and resources from across the country and around the world.