

# ews

Kathy Williams, Editor

## ELECTRONIC TAX FILING— JUST DO IT!

July 1 is the deadline for businesses that had federal employment tax deposits of more than \$50,000 in 1995 to begin electronic tax filing. To encourage a smooth transition as companies begin making their federal tax deposits by computer or telephone, the IRS says it won't impose any penalties on those that enroll in the Electronic Federal Tax Payment System (EFTPS) and attempt to pay by July 1 but make a mistake when they file.

About 1.2 million businesses are affected, and they should have submitted enrollment forms to the IRS by May 1. For more information or to get a form, call EFTPS Customer Service at 1-800-555-4477 or 1-800-945-8400.

IRS Commissioner Margaret Milner Richardson explained that some businesses are hesitant about the changeover but shouldn't be:

1. The IRS does not have access to the taxpayer's bank account. The taxpayer controls the amount of money transferred and when the funds are transferred.

2. EFTPS does not change the tax due date. The taxpayer must tell the bank or the Treasury's financial agent

to make the transfer a day before the payment due date, but the funds do not move until the due date.

3. The system is easy to use. No equipment is required other than a telephone, and the Treasury's financial agents will supply the software for taxpayers who want to use a computer to transfer funds.

## IHLANFELDT NAMED TO NOMINATING BOARD

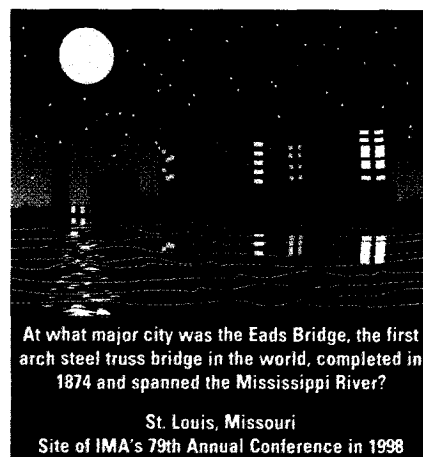
IMA Chairman William J. Ihlanfeldt has been named a member of the Board of Nominations of the Ohio State University Accounting Hall of Fame. He will serve a five-year term.

In this position he will help elect the Hall of Fame members, usually one or two each year who have made significant contributions to the field of accounting throughout their careers. The Board consists of public accountants, educators, and industrial and governmental accountants. The current Board has representatives from the United States, Australia, Canada, England, Japan, and Mexico.



## WHAT ARE YOUR TOP TECHNOLOGY ISSUES?

Security in cyberspace is the number one technology issue facing businesses in 1997, according to a poll taken by the American Institute of CPAs. The poll listed the technologies that are expected to affect businesses during the calendar year based on their impact on revenue, organizational and personal productivity and efficiency, and expo-



At what major city was the Eads Bridge, the first arch steel truss bridge in the world, completed in 1874 and spanned the Mississippi River?

St. Louis, Missouri  
Site of IMA's 79th Annual Conference in 1998

sure to various risk factors.

Here are the top 10:

1. Internet security,
2. Image processing,
3. Communication technologies,
4. Internet and public online services,
5. Training and technology competency,
6. Year 2000 problem,
7. Electronic commerce,
8. Workflow technology,
9. Private networks, and
10. Electronic data interchange (EDI).

How do they stack up against your concerns?

## COST MANAGEMENT IS BIGGEST HEALTHCARE ISSUE

Managed care and an increased emphasis on cost management have created an urgent need among healthcare providers for relevant cost information, but organizations lack the necessary tools to gather the information. That was one of the key findings in a recent survey by IDG Research for Arthur Andersen and Lawson Software of 200 senior finance, operations, and information services executives from hospitals, integrated delivery networks, and clinics.

"The healthcare market has shifted from a revenue focus to a cost focus, but organizations haven't yet acquired the tools needed for success in this new environment," Doug Williams, a partner with Arthur Andersen's healthcare business consulting practice, explained. "Executives recognize the need for improved cost information but struggle with how best to gather and use that information." Lawson Software, with nearly 200 healthcare clients, says it

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offers the tools—LAWSON INSIGHT™ Healthcare Business Management Systems, an integrated suite of financial, human resources, and procurement management solutions, of which activity-based management is a major component. Ann Claridge, director of healthcare marketing at Lawson Software, added, "The increasing emphasis on managed care has created a situation where healthcare providers have become data rich yet information poor. ABC is a critical tool in implementing successful shared services."

Here are other key findings:

- Cost management is the dominant force in today's healthcare environment. It was cited by 95% of the respondents and ran far ahead of revenue generation, resource availability, and integration of multiple facilities.
- There is a lack of actionable information for decision making. Eighty percent of the respondents want to measure costs over the entire episode of care, but only 33% are confident about

the quality of their cost data, and only 26% said their data are timely for decision making. Fewer than a third thought they even had data they could use for decision making.

- There is a dramatic lack of tools for bidding, administering, and evaluating managed care contracts. When respondents were asked about their ability to project revenue, costs, volume/utilization, and profit projections when bidding managed care contracts, 84% called the information necessary and valuable, yet only 48% were confident about their revenue projection abilities, 31% about costs, 26% about volume/utilization, and 20% about profit projection abilities.
- Process benchmarking and evaluation techniques are too narrowly focused to yield widespread benefits. About 70% said their organizations measure and compare business processes across internal departments and with other healthcare organizations, but only 8% compare with nonhealthcare groups. Most frequent comparisons were with services, hospitality, and manufacturing concerns.
- Sixty percent of the executives said ABC could be used effectively in a multiple-entity healthcare environment, but only 25% are using or implementing it.

For further information about the survey, contact Lawson Software at 1-800-793-0249.

## AICPA ISSUES PRACTICE BULLETIN

The Accounting Standards Executive Committee has issued Practice Bulletin 15, "Accounting by the Issuer of Surplus Notes," which was prepared by the AICPA Insurance Companies Committee. The Bulletin applies to "life and health insurance enterprises (including mutual life insurance enterprises), property and casualty insurance enterprises, reinsurance enterprises, assessment enterprises, fraternal benefit societies, reciprocal or interinsurance exchanges, pools other than public-entity risk pools, syndicates, and captive insurance companies that issue surplus notes."

For information on how to get copies, call Elaine M. Lehnert, technical manager of accounting standards, AICPA, (212) 596-6200. ■