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RECORD KEEPING AND RECORD DISCARDING...A GUIDE

Maintain permanently: articles of incorporation and bylaws
minutes of board meetings
deeds and titles
patent, copyright and trademark records
income, gift and estate tax returns
general ledger and journal records

Maintain for seven years or until the statute of limitations expires:

- bank statements
- accounts receivable and payable ledgers
- invoices issued and received
- employee earnings and service records
- records that support income or deduction items on a tax return

Maintain three years or the close of a specific tax year:

- bank deposit slips
- remittance statements
- general correspondence
- expired insurance policies
- employee travel records.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided with the understanding that this publisher is not engaged in rendering legal, accounting or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. Published bi-monthly for members of the American Sod Producers Association, under the auspices of the ASPA Business Management Committee. We invite your comments and recommendations.

SEVEN "C'S" IN 60 SECONDS HELPS SECURE LOANS

Most banks, according to one source, base their decision on loan applications on these seven "C's": character of the borrower, collateral offered, capacity to earn, cash flow, current information, capital, and conditions (economic). Character apparently accounts for about half of the decision, with the other six elements weighted for the other half.

To improve your odds of securing a loan, the experts say you should give the bank officials your seven "C's" in the first minute of your presentation.

Demonstrating who you are (character), what you have (collateral), what you do and will do (capacity to earn and cash flow), and how long you require the loan (capital), with up-to-date financial statements (current information), will go a long way in achieving the results you want. Unfortunately, the seventh "C", economic conditions, is probably out of your personal control.

DRINKING, DRIVING AND THE EMPLOYER'S LIABILITY

Providing the "boys" a "cold one" after a hard day's work may seem to be a generous and nice idea for morale among employees, but it could result in a very large problem.

As more and more states adopt very strict drunk driving laws, a recent Texas State Supreme Court ruling develops more and more importance.

In 1978, an Otis Engineering Co. machinist had been drinking on the job, yet told his supervisor he could drive himself home. Three miles away from the plant he became involved in an accident that killed two people. Although a Dallas judge originally threw out the case for lack of grounds, the Texas Supreme Court ruled that employers can be sued for failure to restrain an employee from endangering others.

No one wants anyone hurt as a result of an accident, but preventable incidents are even worse. Insisting that no alcoholic beverages are consumed on a firm's property and restraining from driving any employee who is knowingly intoxicated always made good moral sense, now it makes good legal sense as well.

NOVEMBER 6 IS APPROACHING...ARE YOU REGISTERED TO VOTE?

According to the U. S. Census Bureau, in 1982 27 percent of white collar employees were not registered to vote, and another 13 percent who were registered did not bother to go to the polls to vote on election day. Thus, only 60 percent of the white collar employees voted in 1982. Four of every six potential pro-business votes were not cast.

To vote, you must be registered in the county or city of your residence, but voting in the last general election is no guarantee that you are still registered. A person can be removed from the register in many states for any of these reasons: change of residence, if you move, you must re-register; name change, if you change your name because of marriage or other legal action, you must re-register; failure to vote, in many states this will result in your name being purged from the records and you must re-register.

Once you are properly registered, REMEMBER TO VOTE on November 6.

WAGE-HOUR ADMONITIONS & PROHIBITIONS...A WORD TO THE WISE

In a recent copy of their newsletter, John E. Tate Attorneys, P. C., reissue a warning concerning wage and hour practices that can create tremendous problems for employers who fail to follow the strict guidelines issued by the U. S. federal authorities.

According to the newsletter, "big and small companies continue to violate these laws and subject themselves to huge backpay awards under the FLSA/Wage-Hour provisions (by doing the following): failing to recognize that each work week must stand on its own and carry over extra hours in one week to the next; failing to keep accurate, timely records each day and each week of the actual starting and quitting times of the non-exempt employees; allowing, and in some cases even encouraging, work off the clock; not paying for time when meetings are called and employees are required to attend; requiring the purchase of shoes, tools, uniforms or other items that might bring an individual's pay in one work week below the minimum wage; thinking that a notice on the bulletin board will save a company from having to pay overtime when such work is performed without authorization; or paying people on salary who work more than forty hours and feeling totally safe because they are highly paid, e.g., maintenance, bookkeepers, etc."

Enforcement officials of the Wage-Hour requirements have a job to do and once they start, they usually examine the past two year's records, assessing backpay and penalty charges along the way.

Business owners and employers are encouraged to periodically review the actual practices in this area and immediately correct any deficiencies, even the seemingly minor ones. Supervisors permitting a violation of the rules should be told in very clear and certain terms what is required and how he or she must enforce the regulations.

TAX CUT EFFECTS...A VIEW FROM THE CHAMBER

Richard L. Leshner, the outspoken president of the Chamber of Commerce of the United States, recently took critics of the 1981 tax cut to task by examining the actual results. The following are excerpts of his comments:

"Those who opposed the 1981 tax cut began their attack by claiming that the Economic Recovery Act would be wildly inflationary. As the tax cut was phased in over three years, however, inflation fell from its double-digit levels of 1979 and 1980 to less than 4 percent.

"The 'tax cuts cause inflation' argument was replaced by the assertion that 'it won't work,' meaning that the tax cut would not generate economic growth. This argument fell apart when the recovery dropped unemployment rates from 10.8 percent to 7.8 percent and more than 5.4 million new jobs were created in 16 months.

"Let's take a look at how the tax burden shifted as a result of the 1981 tax cuts. Examining the federal income tax returns for 1982, we find that the proportion of the tax burden shouldered by those individuals earning less than \$50,000 fell, and the share of the tax load shouldered by those earning more than \$50,000 increased. Interestingly, the increase was greatest among those earning more than \$1 million; their share of the tax burden increased by more than 40 percent."

HOW TO GET THEM OUT ON THE FARM...AND WHY

Selling sod is different than most other items we know. It is not the typical farm crop that is harvested, trucked to an elevator and sold. It is not like other perishables because its harvest can be delayed for a considerable period without loss. It is not like hard-goods that can be shelved, displayed for long periods and gradually sold. Sod presents its own unique set of sales needs, but successful concepts from other industries can be used. An educational tour is one you may want to try.

First, consider the potential benefits. You can arrange for a "captive" audience who will listen to what you have to say in very pleasant surroundings. You control the "agenda" and offer information specifically geared to the audience's needs. You easily distinguish your product from those who do not offer tours.

Next, examine the various audiences you might consider. Every school or children's organization is always looking for new and unusual places to take the kids. While this audience won't buy much sod right away, the education you give them will carryover to their adulthood. Auto dealers provide complimentary driver's education cars because they want to sell their brand when the student is ready. You can do the same in your operation...precondition the prospective purchaser for your benefit.

In addition to children, many communities have garden clubs, home owner's associations, service clubs for men and women, and they too could look forward to an educational tour of your operation. In this case, they might be encouraged to bring checkbooks or charge cards for special pricing, although you shouldn't intermingle education and sales too strongly.

A few phone calls, with follow-ups, will get the word out initially that you are willing to open your farm to groups and then word-of-mouth will take it from there.

Once you have made arrangements with a group, the serious planning begins. What will you show and tell them? Who will do what when they arrive?

Here are a few suggestions that have worked in similar situations:

- *wait for all of the tour group to gather before starting your talk
- *avoid memorized presentations, consider the age and interests of your audience and tailor your talk accordingly
- *plan to show as much as possible of the entire process...show fallow ground and the equipment needed for preparation and seeding; tour a portion of the shop area where equipment is being repaired; encourage them to walk on a fully mature field to appreciate the quality, texture and beauty of a field (their new lawn); demonstrate sod harvesting and, if possible, send them home with a few square inches of sample; talk about the need for chemicals and the precautions taken in their use.
- *invite questions, but avoid one person monopolizing the group
- *have signs and displays in place around some items of interest, but avoid potentially hazardous areas such as chemical applications or close-up views of a sod cutter in operation
- *never appear to be in a hurry. They are giving you their time and that should be important.
- *follow-up with the group. If possible, have a "guest register" to obtain the names and addresses to use in a mailing that thanks them for their time and interest, and reinforces your professional approach to sod production and marketing.
- *invite media coverage. Newspapers and television people are always on the alert for new and unusual (and for television, graphic) stories. It's free exposure for you and a lighter human interest story for them.