

How to tell your customers are in financial trouble... can be more easily determined if you look at a few warning systems. Are past due receivables beyond those you have routinely been having? What are the average number of days receivables are outstanding? Are there delaying tactics such as disagreements on quality and quantity of product with the customer refusing to pay unless adjustments are made? Are there irregular or partial payments on the account when the customer use to pay regularly in full? Better check also if you get a new customer, is it because he has exceeded his credit with his previous supplier?

Compensation to airline passengers... who are bumped off a flight for which they had reservations, will again be eligible to receive face value of the one-way ticket (up to \$200) plus free flight to original destination. Payment is doubled up to \$400 if delayed more than two hours for domestic flight or four hours for international. Civil Aeronautics Board has reinstated this rule as of October 1st, citing the country's air-traffic system has returned to almost normal following last year's air controllers' strike.

Tips for business survival in tight times... be more concerned with collecting receivables and controlling inventory turnover...resist the tendency to focus all effort on increasing sales.

Reasonable cost and variety of computer design make computer power within the reach of smaller companies... they serve a vital role in effectively reducing inventories, maintaining accurate inventory records, and preventing hidden costs from adversely affecting the business.

Involuntary bankruptcy proceeding may not be commenced against a farmer... as stated in the federal bankruptcy law, 11 U.S.C. §303 (a). A farmer is defined, in 11 U.S.C. §101(17), as a person receiving more than 80 percent of gross income during the taxable year immediately preceding the filing of a bankruptcy proceeding from a farming operation owned or operated by such person.

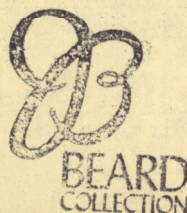
A farming operation is defined (11 U.S.C. §101(18) to include the following:

Farming, tillage of the soil, dairy farming, ranching, production or raising of crops, poultry, or livestock and production of poultry or livestock products in an unmanufactured state.

ASPA Legal Council Bill Harding concludes that "since sod farms are listed under the category of agricultural crops in standard industrial classification industry number 0181, it would appear that sod producers would meet the definition of a farming operation referred to above". He further states that he has not researched reported bankruptcy act proceedings to determine whether this conclusion has been reached in litigation.

(OVER)

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Speaking of inflation...since the three-cent stamp in 1952, the price of a letter postage has risen 567 percent! That's more than twice the rise of the Consumer Price Index.

Political campaigns are supported more actively by small business people than ever before. A national magazine reports they are making contributions, working as fund raisers, contacting their fellow business men, signing endorsement letters and the like. Good advice...get involved and make your voice heard!

Do's and don'ts for employers who are discharging employees:

Do use consideration, tact, constructive comments, explanations...accept responsibility, be helpful. Make this into an opportunity to help the employee benefit from the experience as he moves on.

Don't discharge without thorough investigation and documentation...don't consider discharging based on employee's sex, age, race, etc. A termination handled poorly can result in the employee feeling revengful and possibly leading to a legal action.

U.S. taxpayers favor reductions in government spending as the preferred method of bringing down the size of federal budget deficits, according to a recent Gallup survey for the U.S. Chamber of Commerce. Based on a nationwide sample of 510 adults, the results showed as follows:

Raising taxes	4%
Reducing spending	50%
Both	22%
Neither..leave deficit as is	15%
Don't know	9%

TO MAKE FOR A SHORT WINTER, JUST BORROW MONEY THAT IS DUE FOR REPAYMENT  
COME NEXT SPRING!

*Note: This monthly newsletter is compiled and published under the auspices of the ASPA Business Management Committee to serve as a helpful business update for all ASPA members. We invite your comments and recommendations.*

AL GARDNER, Chairman  
Business Management Committee