

NOVEMBER 2008

YOUR MONEY & DEPOSIT INSURANCE

Did You Know...

The United States Congress has **temporarily** increased deposit insurance through December 31, 2009. After an initial 30 day period, during which all FDIC insured institutions are covered, participation in the program



will be voluntary and banks may elect to 'opt-out' of the additional insurance coverage on deposits. In general, interest-bearing accounts will be covered to \$250,000. **Non-interest bearing accounts will have unlimited coverage** and participating banks will be subject to a 10 basis point annual surcharge for the additional FDIC deposit insurance coverage.

For more detailed information please visit the FDIC website at www.fdic.gov or ask a knowledgeable representative at a bank.

Non-Interest Bearing Transaction Accounts	Unlimited coverage at participating FDIC insured banks
Single Accounts (owned by one person)	\$250,000 per owner
Joint Accounts (two or more persons)	\$250,000 per co-owner
IRA's	\$250,000 per owner
Trust Accounts	\$250,000 per owner per beneficiary subject to specific limitations and requirements.
Corporation, Partnership, and Unincorporated Association Accounts	\$250,000 per corporation, partnership, and unincorporated association.
Employee Benefit Plan Accounts	\$250,000 for the non-contingent, ascertainable interest of each participant.

SECTION 179 OF THE INTERNAL REVENUE CODE & BONUS DEPRECIATION

2008 Maximum Annual Limit Increases To \$250,000



Business property which has a useful life of more than one year cannot be fully deducted as a business expense in the year it is acquired, the business must spread the cost across more than one tax year and deduct part of it each year. The 'Section 179 expense' is an election that allows the business to deduct a greater amount of assets than regular depreciation methods would allow, in the first year that the asset is placed into service.

Utilizing the Section 179 expense, a business may deduct the cost of new assets up to the annual limit and then proceed to depreciate the remaining basis of the asset in the usual fashion. The Section 179 election is an excellent method of reducing tax expense, however it is not automatic, a business must 'elect' to take the deduction in order to benefit from this write-off (IRS Form 4562).

Additionally, certain qualified property (off-the-shelf computer software, qualified leasehold improvements, tangible property depreciated under MACRS with a recovery period of 20 years or less) placed in service in 2008 may be eligible for 50% bonus depreciation. Consult your accountant, tax preparer, or the [Internal Revenue Service](#) for more information.

- **Andy Leikin, V.P., CPA, First Sound Bank**

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REGIONAL GLIMPSE



ON INVESTING

"I've found that when the market is going down and you buy funds wisely, at some point in the future you will be happy. You won't get there by reading 'Now is the time to buy.'"

- **Peter Lynch**
Fund Manager and Author

ON BUSINESS

"In the end, all business operations can be reduced to three words: PEOPLE, PRODUCT, and PROFITS. Unless you've got a good team, you can't do much with the other two."

- **Lee Iacocca**
Former Chrysler Chairman

ON CHARACTER

"The four cornerstones of character on which the structure of this nation were built are: Initiative, Imagination, Individuality, and Independence."

- **Eddie Rickenbacker**
American Fighter Ace World War I