

# SouthWestern Flash

November 24, 2003, Vol 1, No. 13



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## Dates to Remember

### SouthWestern Association Annual

**Conference** - Jan. 22-24, 2004,  
Adams Mark Hotel, San Antonio,  
Texas

### 2004 Western Farm Show

Feb. 21-23, Am. Royal Complex,  
Kansas City, Missouri

### SouthWestern Association

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attention via e-mail. Please register  
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email.htm](http://www.southwesternassn.com/register-email.htm)

## vShepherd Helps Police Recover Stolen Equipment

Recently, Texas equipment dealer, Brent Neuhaus, co-owner of Brazos Valley Equipment, had a feeling that his yard was about to be targeted by equipment thieves again. He had attended a SouthWestern Association area dealer meeting and heard about the vShepherd tracking devices. He called ATS Asset Tracking and ordered three tracking devices and they arrived at his dealership the next day. He installed them on three pieces of equipment and set the alarms without telling anybody.

Around midnight that same night, thieves broke into his yard and loaded the three pieces of equipment into a stolen rental truck. Upon receiving a cellular signal from the vShepherd devices, the Asset Tracking Alarm Center was able to track the units using the devices' GPS technology. The Alarm Center contacted the Waco Police Department and directed them to the exact location of the stolen equipment.

Brent was ecstatic with the performance of the vShepherd equipment and, of course, getting his equipment back, which included a compact tractor, gator utility vehicle, commercial mower, a four-wheeler, riding mower and a golf cart. "I was very impressed with the constant communication from both the Alarm Center and the police. I knew exactly what was going on and, for my safety, was advised not to go to the warehouse where they found our equipment. I was able to recover it Sunday afternoon, set the alarms of the vShepherds again, and felt very comfortable that my equipment was secure. I would recommend all dealers get this protection for this ever increasing crime problem," he commented.

For more information about the vShepherd device, dealers should contact SouthWestern Association at 1-800-762-5616.

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## Equipment Dealer Named Texas A&M Outstanding Alumni

Joseph Hlavinka, Hlavinka Equipment Co., East Bernard, Texas, is being recognized with the 2003 Outstanding Alumni Award from the College of Agriculture and Life Sciences at Texas A&M University. Hlavinka has been an avid supporter of Texas A&M. In recognition of that support, he and his wife were named Aggie Parents of the Year in 1985-86. Most recently, he donated a cotton picker for cotton research in the department of biological and agricultural engineering, which was used to evaluate and improve cotton yield mapping systems.

He was honored in October during an awards convocation in the Memorial Student Center on the Texas A&M campus. Hlavinka graduated from Texas A&M with a bachelor of science degree in animal husbandry in 1956.

# SouthWestern Association OPE Area Meetings

The OPE Area meetings planned for Oklahoma City on December 2 and Wichita on December 3 have been canceled. The meeting scheduled for Kansas City on Thursday evening December 4 will continue as planned. The meeting will be held at the Clarion Hotel KCI.

## OPE Area Meeting Agenda Thursday, Dec. 4 - 6:30 p.m. Clarion Hotel - KCI

- I. Welcome, introductions - Jeff Flora
- II. Purpose of Meeting - Flora
- III. Update on SouthWestern Association activities - Flora
  - a. Merger
  - b. SouthWestern Assoc. services and programs designed for OPE and equipment dealers
    - i. Hotline - legal & accounting assistance
    - ii. Fail Safe
    - iii. Computer/technology consulting
    - iv. General services - forms, lien and credit manuals
  - c. OPE industry update
  - d. NAEDA/OPE Council activities
    - i. Technician Employment Testing
  - e. Legislative activities, plans
  - f. Manufacturer Relations
  - g. Other
- IV. General Discussion – Open Forum
  - a. Dealer Concerns and issues
  - b. Dealer input to Association
  - c. Other
- V. Conclusion, next steps
- VI. Other Business
- VII. Adjournment

Dealers with questions concerning the upcoming meeting should contact Olivia Holcombe at SouthWestern Association 1-800-762-5616.

# Largest Crop Production In Years

If realized, recent crop production figures from USDA would give the U.S. the largest corn crop ever, beating out the record 1994 crop, and the smallest soybean crop since 1996, according to Agriculture Online. Corn production is forecast at a record 10.3 billion bushels, up 71 million bushels (1 percent) from last month and 14 percent above 2002. Soybean production is forecast at 2.45 billion bushels, down 16.6 million bushels (1 percent) from the October forecast and 11 percent below 2002.

*Source:* Farm Equipment Manufacturers Association, Nov. 19, 2003

## EDCO Today

Textron Financial continues to find ways to put technology to work for its customers. In June 2002, Textron Financial's Distribution Finance Group dramatically increased customer convenience by putting into production its automated floorcheck system into the EDCO Program. A floorcheck is basically a review of all financed inventory that a dealer or distributor has on its "floor." Floorchecks are conducted on a regular basis by field representatives to keep customers' accounts and inventory status as up to date as possible.

Prior to production of this system at Textron Financial, field representatives used paper reports to account for this inventory. With the automated system, current account information is provided to field representatives via a hand-held computer with a unique software application designed specifically for floorplan financing. In addition to providing customers with accurate and on-the-spot account information, the system enables field representatives to initiate electronic payment transactions at the time of the inventory inspections. This more timely processing of electronic payments makes it possible for customers to minimize interest expense on their account and better manage their available credit line.

Should you have any suggestions regarding processing improvements, please forward to Chad Corsi, Vice President of Marketing at [cccorsi@textronfinancial.com](mailto:cccorsi@textronfinancial.com).

To inquire about the EDCO Program; the manufacturer programs available; or to obtain a dealer credit application, please call John Clark at the Textron Financial Corporation office in St. Louis, MO at 888-222-3836, ext 119 or <http://www.textronfinancial.com/edco/>.

# Federal Legislative News

**Focusing on Top Priorities** – Top legislative priorities come into sharp focus at the end of a Congressional session. With both House and Senate working toward a Nov. 21 adjournment date, government funding – the fiscal year 2004 appropriations bills – was the top priority.

As this was written, five of the 13 had been signed by President Bush and one more was on its way to him. Three were expected to be passed, while the remaining five were heading into an omnibus bill.

One major issue was out of the way – both houses passed and the president signed the \$87.5 billion funding bill for military action and reconstruction in Iraq and Afghanistan.

**Most Issues Will Wait** – Other top issues include Medicare prescription drug coverage, export tax reform and energy policy. Prescription drugs and energy were tied up in conference committees where controversial provisions made for slow going, but there seemed to be movement on export tax reform.

This issue involves tax benefits for companies with overseas business. Those benefits were deemed illegal subsidies by the World Trade Organization and the European Union's trade commission has threatened to impose tariffs on U.S. goods if Congress doesn't have acceptable legislation in place by March 1, 2004.

At press time, the House Ways & Means Committee and the Senate Finance Committee had approved bills to repeal the current system of export tax breaks and replace it with rate cuts for domestic manufacturers and smaller corporations and a range of tax relief measures for overseas operations of U.S. multinationals. The legislation would also extend the higher caps on small business equipment expensing for two more years.

**More Progress on Internet Sales Taxes** – A bill to allow states to require remote sellers – telephone, direct mail and online retailers – to collect sales taxes as long as the states agreed to simplify their sales tax rates and collection procedures had been introduced in the House.

As expected, Sens. Byron Dorgan (D-ND) and Michael Enzi (R-WY) introduced an almost identical bill in the Senate. Although advocates still think the legislation will eventually pass, it is not likely to see further action until next year.

**Pressure to Move Anti-Spam Bills** – With the fate of the federal do-not-call telemarketing registry still in the courts, the Senate is going after spam – unsolicited

commercial e-mails. It unanimously passed the Can-Spam Act (S 877) to require marketers to follow certain rules if they want to send unsolicited commercial e-mail messages, to create criminal penalties for violators and to authorize the Federal Trade Commission to create a do-not-spam registry. Although several similar bills had been introduced in the House, they were stalled in a committee.

Following action in the Senate, industry groups stepped up pressure on the House to vote on the Senate bill. They want a federal law which would pre-empt state laws, including a strong California law that goes into effect Jan. 1, 2004.

A major point of contention is the Senate provision on the do-not-spam registry. Consumer advocates say the registry is the only thing that gives the bill force; marketers say they will fight it.

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is devoted to marketing used equipment and has fast become the key Internet service which links farmers and dealers in the electronic marketplace.

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-Success story from Brian Edgar -  
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# More Than One Way to Give a Dollar

Americans with annual adjusted gross incomes between \$200,000 and \$500,000 are among the most steady givers to charitable causes. In fact, they give about \$8,400 a year on average.<sup>1</sup>

Regardless of whether you fall into this group, you might be interested to learn about various methods for charitable giving that benefit the donor as well as the recipient.<sup>2,3</sup>

## Charitable Remainder Trusts

When you set up a charitable remainder trust (CRT), you transfer ownership of your donation – whether it be cash, real estate, securities, or some other eligible type of asset – to an irrevocable trust and name a charitable organization as beneficiary. Throughout your lifetime, you receive regular income payments from the trust, and the charity receives the remaining balance upon your death.

In return for your philanthropy, you receive a tax deduction in the amount of your donation (subject to certain limits) in the year in which the trust is created. In addition, this type of giving removes the donated eligible assets from your taxable estate, which can help reduce your exposure to federal estate taxes.

## Charitable Lead Trusts

Charitable lead trusts (CLTs) are more or less the opposite of CRTs. During your lifetime, the charity receives regular income generated by the trust, and your heirs inherit the remaining principal when you die.

Because donated assets placed in a trust are generally not subject to immediate capital gains taxes, donating highly appreciated assets to either a CRT or a CLT may provide an extra layer of tax efficiency. This strategy may also enable you to contribute more than you could if you sold the assets, paid the capital gains taxes, and donated the remaining value to charity.

## Life Insurance

Most people don't think of life insurance as a method for giving, but it can be one of the most lucrative for the charities you support.<sup>4</sup> If you want to leave a sizable donation as a legacy to your favorite charity – but you're not prepared to give a lump sum today – you may want to consider taking out a life insurance policy and naming the charity as beneficiary.

Many people give to charity for the emotional satisfaction it brings. Yet there's nothing wrong with taking full advantage of the tax benefits the IRS can offer to donors.


1) *Christian Science Monitor*, November 25, 2002.

2) Bear in mind that not all charitable organizations are able to use all possible gifts. It is prudent to check first.

3) The use of trusts involves a complex web of tax rules and regulations. Be sure to consult with your legal, tax, and estate advisors before implementing these strategies.

4) The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased. Before implementing a strategy involving life insurance, it would be prudent to make sure that you are insurable by having the policy approved. As with most financial decisions, there are expenses associated with the purchase of life insurance.

*Source:* Tax Favored Benefits, SouthWestern Association's endorsed provider for employee benefit plans and services - 800-683-3440.



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