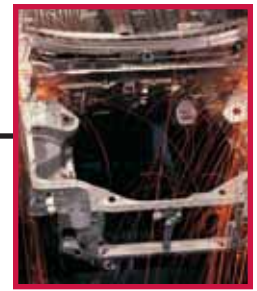




AMR's Sarbanes-Oxley Consulting for Corporate Fixed Assets



Sarbanes-Oxley Act

The Sarbanes-Oxley Act (SOX) is intended to ensure accurate financial reporting for publicly traded companies. This added fiduciary responsibility and burden on senior management and their auditing firms has created the need to redefine the Best Practices used to manage the business. SOX has made its presence felt and this SEC requirement has cost companies thousands, even millions of dollars to comply. The SOX 404 internal control assessment requirement is the primary reason corporations are incurring these additional costs.

It is recognized that compliance is more than revenue recognition policies, accurate statements of earnings, stockholder equity and SEC filings. While these are critical to SOX compliance requirements, the Balance Sheet, specifically Fixed Assets, is material for companies and should not be ignored.

Most companies already have policies and procedures in place for fixed asset management. Still others have established controls and audit procedures required by SOX as vital to mitigating management risk. Regardless, policies and controls do not address the historical nature of past practices and circumstances. Moreover, the ever changing landscape of Corporate America, with the commonality of acquisitions, reorganizations and divestitures, points to the need to establish a new baseline if any certainty is to be realized for SOX compliance for Fixed Assets.

The good news is that fixed asset data validation is not an extraordinary exercise costing millions of dollars. **In fact, the resulting reduction in operating costs, tax savings and other efficiencies far outweigh the fractional cost of fixed asset verification and reconciliation.** It delivers confidence for SOX compliance and data quality for better strategic decisions.

The Best Practice for data validation is an independently conducted wall-to-wall physical inventory and reconciliation of all fixed assets. This comprehensive approach can minimize uncertainty in the financial accuracy of fixed assets. This method establishes the baseline for business process improvements and the management of fixed assets throughout the life cycle. In short, this approach is the definitive method for attestation required for SOX compliance.

The AMR Consultative Approach

Review and analyze the fixed asset management process focusing on the fixed asset life cycle.

Address systemic issues by devising, documenting and implementing an overall fixed asset management strategy, involving all stakeholders in the process.

Document the current state.

Define the desired/future state.

Document a plan to bridge the gap between current and future practices.

Identify technology resources to support the future state.

Define metrics to measure results.

Implement strategy.

Measure results.

Modify and improve.

Select a department that will be responsible for ensuring that data is collected, captured and stored.

License or develop a fixed asset management system to enable the collection and use of data to manage fixed assets from acquisition to retirement.

Complement the documentation and testing of internal controls with a comprehensive fixed asset inventory and reconciliation of fixed asset balance sheet accounts.





Wall-to-Wall Fixed Asset Inventory & Reconciliation (FAIR)

Accurate independent validation of Fixed Assets.

Extensive Audit Trail facilitates SOX compliance.

Floor-to-Book; Book-to-Floor Reconciliation – Your physical inventory exactly matches the assets reported on your financial statements.

Barcode Tagging, Data Collection and Physical Inventory ensure identification and tracking of all assets.

Reduction in operating costs, e.g., taxes.

Superior Expertise in Large and Complex Environments – Our professional inventory team has expertise with a wide variety of machinery, equipment, and computer hardware to ensure assets are accurately categorized for SOX compliance and maximum tax benefits.

Personal Property Tax Consulting (PPT)

Classification Analysis supports reduced tax liability.

Cost Component Analysis maximizes exemption allowances.

Pollution Control Review can achieve additional tax exemptions.

About Asset Management Resources

Since 1990 AMR has inventoried millions of fixed assets with Gross Book Value (GBV) in excess of \$150 billion dollars. Our expertise encompasses project management and technological competencies necessary to collect information within a corporate operating environment with limited disruption and maximum efficiency. The process incorporates a variety of quality control mechanisms to ensure completeness, accuracy, and uniformity of data. Additionally, many companies enjoy personal property tax relief with confidence.

To learn more about how AMR can assist your inventory reconciliation, please contact:

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