


MICHIGAN STATE UNIVERSITY Broad College of Business



Eye COMMUNICATION CENTER
Helping you make a look and sound professional

Writing Professional Memos

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Agenda

- I. Characteristics
- II. Format
- III. Clarity
- IV. Concision

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Characteristics of Memos

- ✓ Internal Communication
- ✓ First Person
- ✓ One Topic
- ✓ Concise
- ✓ One to Two Pages

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Format: Heading

One inch margins

MEMORANDUM

TO: Tony Smith, Senior Tax Advisor
 FROM: Sparty Spartan, Tax Specialist -SS
 DATE: October 5, 2017
 SUBJECT: Recommendations for Ryan Levy's Potential Real Estate Purchase

Two blank lines

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Format: Introduction

- ✓ Relevance Statement
 - First contact and issue/s
- ✓ Thesis Statement
 - Your recommendation
- ✓ Preview Statement
 - Organization of your memo

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Format: Body

- ✓ Standard Organization
 - Issue
 - Rule/s
 - Analysis
 - Conclusion (Recommendation)
- ✓ Topic sentences
- ✓ Transitions

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Clarity

- ✓ Word choice
 - Conjured up
 - A lot, very, great
- ✓ Document design
 - White space and margins
 - Headers
 - Bulleted and numbered lists

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Clarity: List Format

- ✓ Numbered lists represent sequences.
- ✓ Bulleted lists highlight items that may not show a sequence or chronology.
- ✓ Tips for listing items vertically:
 - Capitalize the word at the beginning of each line.
 - Add end punctuation if the statements are complete sentences.
 - Do not overuse list format.
 - Use parallel construction.

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Clarity: List Format

No Parallel Construction

1. The company should sell excess inventory.
2. Accounts receivable -- reduce
3. Limiting bank's exposure

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Concision

To improve concision in your writing, do not...

- Write two sentences where one will do.
- Overuse adjectives.
- Use qualifiers to enhance a claim.
- Share redundant information.

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Concision: Wordy Phrases

<u>Instead of this...</u>	<u>Write this...</u>
For the sum of	For
In the event that	If
On the occasion of	On
Prior to the start of	Before
In the near future	Soon
At this point in time	Now
Due to the fact that	Because
With reference to	About

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Concision: Exercise

Can you reduce wordiness in this sentence?

The subjects that are considered most important by students are those that have been shown to be useful to them after graduation.

Word count: 22

Example taken from the Purdue Owl on October 1, 2014 at <https://owl.english.purdue.edu/exercises/6/9/24>

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Concision

More tips for concise writing...


- If your sentence is three lines of text or more, it is likely unclear.
- Look for places to eliminate "that" from your sentence.

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

Conclusion

- ✓ Characteristics
- ✓ Format
- ✓ Clarity
- ✓ Concision



WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

MICHIGAN STATE UNIVERSITY Broad College of Business

You are invited to visit the
EY Communication Center.

www.msu.mywconline.com
N210 Business College Complex

WHO WILL MAKE BUSINESS HAPPEN? SPARTANS WILL.

SAMPLE PERSUASIVE MEMO

MEMORANDUM

TO: Tony Smith, Senior Tax Advisor
FROM: Sparty Spartan, Tax Specialist SS ← Relevance statement
DATE: January 20, 2015 ← Initial your memo in pen to indicate your approval of the contents.
SUBJECT: Recommendations for Ryan Levy's Potential Real Estate Purchase

Our client, Ryan Levy, has expressed concern about tax implications of a venture he is considering, a joint purchase of real estate in Lansing, Michigan, with Sarah Thomas. The issue is whether Mr. Levy will be subject to a deduction limitation because Ms. Thomas will use the property as a residence. Based on my analysis, Mr. Levy should not be subject to a deduction limitation because the venture is part of a shared equity financing agreement. This memo includes relevant background information, a description of the tax issue, and a recommendation for proper accounting of the real estate purchase.

Preview statement

Thesis statement

Note: The purpose of this memo is to persuade. Therefore, the thesis provides an argument and states the conclusion.

Background

On February 1, 2013, Ms. Thomas and Mr. Levy plan to purchase rental real estate, where Ms. Thomas will live. Mr. Levy will provide the down payment and one-half of the monthly mortgage payment. Ms. Thomas will pay the following monthly expenses:

- The remaining mortgage
- Rental payments to Mr. Levy
- The energy bill

They will split the property taxes evenly. Mr. Levy will receive one-half of the appreciation value of the home, if sold, and has the option to request receipt of his property interest after five years.

Tax Issue

The tax issue is whether Mr. Levy is subject to the deduction limitation in 280A(c)(5) because the taxpayer used the rental property as a residence.

Tax Implications

The agreement between Mr. Levy and Ms. Thomas qualifies as a shared equity financing agreement under 280A(d)(3)(c). As such, 280A(c)(5) will not apply and cannot limit the deductions attributable to the rental of Mr. Levy's share of the property. The IRS also reached this conclusion in Private Letter Ruling 8410038.

Recommendation

Note: This persuasive memo provides a recommendation; therefore, omit a summary. This strategy will reduce unnecessary repetition in your writing.

To override the limitation of 280A(c)(5), Mr. Levy and Ms. Thomas must have qualified ownership interest in the property. Also, the rent Ms. Thomas pays to Mr. Levy must be a fair amount at the time of the agreement. Because Mr. Levy is being allowed the deductions, payment of expenses should be his responsibility. The agreement between Mr. Levy and Ms. Thomas will not have unfavorable tax implications for Mr. Levy should he follow these suggestions.

Statement of implication

Please review the agreement, and approve the above recommendations. I will inform Mr. Levy of our progress by January 24.

Action steps

Adapted from May, C. B. and May, G. S. (2008). *Effective writing: A handbook for accountants* (8th ed.). Prentice Hall: Upper Saddle River, New Jersey.



EY COMMUNICATION CENTER
Helping you make it look and sound professional

ACC 331 MEMO EVALUATION

Student: _____

Score: _____/10

Professor: _____

Evaluator Initials: _____

Areas of Strength:

1.

2.

Areas for Improvement:

1.

2.

Grading Guidelines

9 – 10 **Exceeds Expectations** - Document is clear, coherent, and concise. Argument structure is logical and easy to follow. Supporting evidence is relevant and clear. Tone is appropriate for audience. Grammar is error free. Organizational pattern is professional - includes introduction, body, conclusion, and transitions. Writer understands audience and document's purpose.

8 – 7 **Meets Expectations** - Some areas of the documents are unclear, confusing, or wordy. Argument structure needs some tweaks to increase clarity. Some evidence needs further development to support argument. Overall, tone is appropriate for audience. However, some words should be changed to accurately reflect the meaning the writer is trying to convey. Organizational pattern exists but needs refinement. For example, each paragraph has a main point; however, main points may need more development to accurately reflect all the content in the paragraph. As another example, the document may have a purpose statement rather than a thesis.

6 and below **Fails to Meet Expectations** - Unclear, confusing, and wordy document. Argument structure should be reworked to increase reader comprehension. Need more, appropriate, and/or relevant supporting evidence. Wording should be changed to make the tone more professional. Several grammatical errors should be corrected. Organizational pattern is difficult to follow and/or needs specific components added, such as an introduction, body, conclusion, or transitions.