

# MAIN STREET **PRACTITIONER**

The Magazine for Tax and Accounting Professionals

**CONSIDERING AN  
ACQUISITION**

**WHY YOUR FIRM  
SHOULD BE ON  
YouTube**

**THE KEY TO  
ACCOUNTABILITY—*COMMITMENT***

**Succession Planning**

## **A New Chapter**

**An Interview with  
NSA's 50+ Year Members**  
*How Things Have **Changed**, Thoughts on the **New Rules**, and  
**Advice** They Would Give Today*

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Registration is OPEN for the  
NSA 67th Annual Meeting

Hyatt Regency Maui



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## PRESIDENT'S MESSAGE

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*By Sharon E. Cook*



I hope that everyone has had a prosperous and successful tax season.

I want to thank everyone for their prayers and support during the loss of my father. He was my mentor and helped me to get to where I am today. It made me realize the importance of helping others to reach their potential. Each one of us needs to be a mentor.

If you plan on attending the Hawaii convention and have not signed up yet, you need to do so quickly. What better place to have a vacation as well as taking care of NSA business.

June is a busy month for the ASOs with conventions and election of new officers and board meetings. Many states request an officer or representative of NSA to install their officers. I have enjoyed the visits to learn about their state and to personally interact with the members. It also provides an open forum between the ASO and NSA. If you are interested in having an NSA representative at your convention, please let me know as soon as possible.

At our October Board Meeting, I assigned a task force to look at every aspect of NSA to determine if any changes or improvements can be made that would be beneficial to NSA and the Affiliated State Organizations. Our first Board Meeting will be May 21st – 23rd in Savannah, GA and we will discuss recommendations from the task force report.

Respectfully,

A handwritten signature in black ink that reads "Sharon E. Cook".

Sharon E. Cook, EA, ABA, ATA, ATP, ARA  
*NSA President, 2011 - 2012*



## LEGISLATIVE LINK

### No Tax Advice by RTRPs?

When the IRS last year issued a proposed revision of Circular 230, NSA reviewed each proposed revision and testified at the IRS hearing about various items important to our members. However, when the IRS formally adopted the current version of Circular 230 in August, a new sentence had been mysteriously added, after the hearing and without notice, about the tax advice a registered tax return preparer could provide. The new sentence in §10.3(f)(3) states that “A registered tax return preparer’s authorization to practice under this part also does not include the authority to provide tax advice to a client or another person except as necessary to prepare a tax return, claim for refund, or other document intended to be submitted to the Internal Revenue Service.”

Say what?

We pointed out to IRS personnel that many clients come to our members precisely to receive tax advice and for tax planning for current and future periods. At best, this is a confusing sentence. At worst, it seriously affects the current business and tax practices many newly minted RTRPs have built up over the years. In any event, including this sentence after the hearing in the dead of night was a breach of faith with the tax professional community.

Fortunately, many in the IRS agreed this sentence is confusing, including David Williams, the Director of the Tax Preparer Office, who stated to NSA last fall that the IRS would clarify the meaning of the sentence.

In case you missed it, during tax season the IRS posted a clarification to this sentence and will, at some point this year we believe, formally propose a modification of this sentence in circular 230 along with other changes. The clarification essentially provides

that an RTRP can offer tax advice to taxpayers for current and future years, regardless of whether the RTRP has been engaged to prepare the tax return, if the advice relates to a matter or issue the tax consequences of which will ultimately be reflected on a tax return.

The text of the clarification is in the form of an FAQ and reads as follows:

How much tax advice can registered tax return preparers give to clients?

Section 10.3(f)(3) of Circular 230 provides that a registered tax return preparer’s authorization to practice “does not include the authority to provide tax advice to a client or another person except as necessary to prepare a tax return, claim for refund, or other document intended to be submitted to the Internal Revenue Service.” The IRS received comments after the final regulations were published suggesting that this language is ambiguous. To clarify, the IRS interprets this provision to permit registered tax return preparers to provide advice to a client that is reasonably necessary to prepare a tax return, claim for refund, or other document intended to be submitted to the Internal Revenue Service for a current or future tax period, regardless of whether the client has engaged the registered tax return preparer to prepare the tax return, claim for refund, or other document for the tax period.

This and other FAQs related to the RTRP credential can be found at <http://www.irs.gov/taxpros/article/0,,id=239685,00.html>.



*John G. Ams, CAE  
Executive Vice President  
National Society of Accountants  
Alexandria, VA*

# Considering an Acquisition

Smaller firms have the urge to merge — and the reason may surprise you.

“

**Say you have four partners. Two want to retire, the other two don't but can't afford to buy the first two out. They need to find a firm that will allow them to remain partners.”**

**Joel Sinkin**  
President  
Accounting Transition  
Advisors New York

**A**fter the death of his partner in Hevia Beagles & Co., Dan Hevia continued the practice as sole owner. As time passed, the St. Petersburg, Fla., CPA found that running a six-person firm on his own was daunting. It wasn't just the burden of carrying all decision-making responsibility. Hevia had no one to share the cost of long-term investments in equipment, marketing and training — investments he needed to keep the firm healthy until his planned retirement, still nearly a decade away. Besides, how could he plan that retirement with no partners to succeed him? Hevia found the solution in another St. Petersburg firm, Gregory, Sharer & Stuart (GSS). This January, GSS acquired Hevia Beagles, making Hevia the 13th shareholder in a 60-person practice. Later that month, Hevia and his staff moved into the GSS offices in downtown St. Petersburg.

The accounting industry is facing a groundswell of mergers and acquisitions among smaller firms — more, some say, than the profession has ever seen. The economy, of course, plays a role. As firms look to grow, they may consider a merger as an efficient way to establish or strengthen market share in a particular geographic region, or to expand into new lines of business. More often than not, though, the accounting industry's urge to merge is being driven by an even more powerful trend, and one unlikely to reverse soon: aging.

## Joining Forces

Accounting is a graying profession. The average American Institute of CPAs member is 55, but despite their increasing proximity to retirement, only 32 percent of members have written succession plans, says Jim Metzler, AICPA vice president for small firm interests. “Most people wait far too long to start their planning,” he notes. “I probably get two calls a week from

[partners] somewhere in the U.S. who say they're ready to start thinking about it, and when I ask them how old they are, they say they're 70.” Joel Sinkin, president of Accounting Transition Advisors, hears similar stories. His New York-based consulting company helps accounting firms buy, sell and merge. Of the 40 to 70 deals Sinkin brokers each year, he says a significant number involve smaller firms with no capacity to pull off an internal succession.

“Say you have four partners. Two want to retire, the other two don't but can't afford to buy the first two out,” Sinkin says. “They need to find a firm that will allow them to remain partners.” In addition, Metzler points out, firms that survived the recession by minimizing expenses now need



to invest in growth. Aging partners don't necessarily want to sink more money into their firms instead of their retirement accounts. Age issues aside, technology has made it easier than ever to operate multiple offices cost effectively, even across long distances.

### **Making a Solid Match**

If your firm is considering a merger, assess potential suitors by the three C's: chemistry, culture and consistency. A merger is much like a good marriage.

Chemistry is the trust factor. You must be comfortable with the other firm's reputation. You have to believe, and persuade your clients to see, that the merger is not the loss of your firm, but the gain of more resources.

Culture is, in part, about operational compatibility in areas such as due diligence, quality control, technology, client acceptance criteria and client retention practices. It also includes intangibles like values and personalities.

Consistency is the ability to maintain, even after the acquisition, the reasons your clients came to you in the first place. "If you're a small firm charging clients \$150 an hour and billing quarterly, you aren't going to be acquired by—and your clients aren't going to be comfortable with—a large firm that charges three times as much, bills monthly and sends them to staff members instead of partners," Sinkin says.

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*Article written by Fawn Fitter*

*Originally published in CCH Partners, 2011*



# An Interview with NSA's 50+ Year Members

How Things Have **Changed**, Thoughts on the **New Rules**, and **Advice** They Would Give Today

By Julia Wilkinson

*Can you remember a time when the threshold for itemizing tax deductions was \$5000 of annual income or more? The year was 1949. Some of the National Society of Accountants members can. These are folks who have been a part of the society for over 50 years. Obviously, they have seen a tremendous amount of change in the industry over the years, and have much experience and wisdom to share. NSA interviewed several of these members to get their thoughts on a number of topics, including how things have changed, their succession plans, their thoughts on the new IRS regulations, as well as advice they would give to someone starting out today.*

## CHANGE FROM PAPER TO ELECTRONIC

**A**lmost all of the 50+-year members agreed that one of the biggest changes in the industry was the conversion to electronic filing of taxes and other computer automation.

"The most obvious earth-shaking change? The advent of automation," said member Philip Giacalone, EA, ATA. "Yes, I remember the (now almost forgotten) ten- to-twelve-column paper worksheets that housed the ever-present working-trail-balance sheet, which always seemed to be out-of-balance on the first look-see because of careless error in cross-adding the columns," he added. "Remember?" he reflected, "Opening TB, adjustments, closing TB, P&L, balance sheet." All of this was done with brain-power, he said, and now is done with computer power—"in digital 'quick-time,' and with no math errors."

Member Arnold Abrams agreed that the conversion to electronic filing of taxes was the biggest change over the years, but he quipped, "That would cover everybody but yours truly. I'm still old-fashioned."

"There's no way I can really tell you the changes in the years that I have been not only with the society, but [from] when I started," said Eugene Beacham, who practices in the Virginia Tidewater area. "It's been tremendous, it's been frustrating, and it's been quite often confusing."

Beacham feels that "electronic filing was the big, big letdown in the beginning. Virginia was a pilot state when electronic filing started," he said, and added that he was the fourth in the country to get in-house electronic filing. "Of course H&R Block was updating, and Western Union, and what have you," he said. "But in Virginia, I missed becoming third by about 40 minutes."

He says, "when electronic filing came into existence, we charged more in those days; but now it's all tied up in the fees." And electronic filing is a good thing in most cases for the Internal Revenue Service, he says, because it means they don't have to keep a lot of papers. "But electronic filing created a big difference in filing tax returns, there's no getting around that."

Beacham said the most frustrating thing is the AMT. (Alternative Minimum Tax). "With the AMT, now, if you rely strictly on the computer, you're gambling, but most software will carry the rate on through," he said.

"In the 50 years, we used to type our tax returns...and now with the setup that we have it is much, much easier; less work, so to speak, but we do quite a bit of tax returns," said Beacham. He said he also does accounting as well, and he's been with the society since 1956. "My oldest tax return in the office is 1949, 1948. I'm still with them, and I'm still doing tax returns."

Larry Gardner agrees that computers have been the biggest single change over the years. And with all the work required now for taxes, accounting, and auditing, "I'm not sure you could do it by hand today," he said.

But perhaps member Joseph Solomon sums up the changes over the years the most succinctly: "the computers."



Arnold Abrams, EA, ATA  
Queensbury, NY  
NSA Member since 1955

## THE NEW IRS REGULATIONS & COMPETENCY TESTS

We asked the 50+-year members what their thoughts were on the new IRS regulations that all tax practitioners preparing returns have to be registered, take a competency test, pay for PTINs (ID numbers), and complete CPE [Continuing Education] every three years. All of them agreed the changes were a good idea.

"It's the best thing that could happen to the IRS relationship with tax preparers," said Abrams. "Because too many people have prepared returns, but they don't know what they're talking about." Abrams said when he was practicing in Illinois, his state association gave a course, and he used to volunteer one night a week. He said the people who had the hardest time passing the test were those "who had been practicing for years, because they do all the shortcuts and the exams are a straight yes-or-no type basis."

Beacham agreed the registration and other criteria were positive changes. "Yes. It has to come. It must come. You have too many people out there at this point with Turbo Tax, and they say, 'well if I can do mine, I can do my neighbor's. I could go and stick a sign out.' They don't have the knowledge; they're just relying on their computer." He says his organization has "straightened out a lot of people.

**"  
LICENSING ALL TAX  
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**- PHILIP GIACALONE**

They do their own and they get a rejection. Then, it costs them more to get it fixed than it does to get it done in the first place!"

Gardner said he supposes the changes are good, but that taxes being as they are, "there are still going to be those accountants out there who are going to be something less than ethical. You don't see as many of them today as you used to, because it's gotten so expensive to do tax returns, and so complicated that even when they want to cheat, it's hard for them to do so." Gardner said he probably will take the test, but that, "I might not really ever use it."

"Licensing all tax professionals is a good idea—if a long-time coming," said Giacalone. "Good luck to the newly admitted to the club."



*Larry Gardner, ABA (Ret), ATP (Ret)  
Kirksville, MO  
NSA Member since 1957*

## WHO'S STILL PRACTICING AND SUCCESSION PLANS

Some of the 50+-year NSA members were retired, but others were actively practicing. "I have a retired status from NSA but I still do, oh, at least 15-20 tax returns," said Abrams. "They're the same tax people I've had for years and years," he added.

Although Abrams now lives in upstate New York, he says most of the tax returns he does are from the clients that were with him since back when he lived in Illinois. He says those clients now live in places all over, including Florida, Illinois, and Indiana. Abrams says he has no succession plans.

Beacham is still practicing, but says though he currently has no retirement/succession plans, "it plays on my mind constantly. When you get five years older, you know something's got to give. Eventually in this past tax season, working five nights a week and 14 hours a day...during tax season, the crew that I have, we're accustomed to working seven days a week" to get everything out on time."

Gardner says he's still practicing but that he "brought a young man on board" who is ultimately going to be a successor. "He said he'd keep me around," he quipped.

## NSA MEMBERSHIP AND ITS BENEFITS

Almost all members agreed one of the key benefits of NSA membership was to be able to call on someone in the event they needed help.

Abrams said that at one point he considered the society for the insurance, "but over the years there have been a number of times I called to get tax help. Not recently but, they have been very helpful with tax questions."

Gardner said there wasn't one specific benefit he could point to as the most important, but "it's got multiple advantages, it really does...and it provides a lot of good information," he said. "It's kind of nice to know you can call on somebody if you need a little bit of help."

"NSA is the original non-CPA national accounting organization which encouraged and helped with the growth of other similarly-aimed groups, developing their own areas of expertise—related, but different from NSA's; thus expanding the whole general area of the business world with their emphases on accounting and subjects associated with it," said Giacalone.

Solomon agreed he likes the work NSA is doing. And, "I like the magazine, and I used to like all the meetings."

## ADVICE TO THOSE JUST STARTING OUT

These experienced professionals had plenty of advice for new practitioners just starting out.

"If he or she doesn't have patience, don't get in," quipped Beacham. He stressed that a lot of his customers are repeat business, and "that's what you have to build your practice on, repeat

business, because if you don't keep your clients, you just won't keep food on the table."

"It's fascinating for me they come in here year after year, and many people have been coming for over 50 years," he said. "Every year they all come in. For most of them, I get a refund." He says he gets business not only from his own area in Virginia, but mailed-in business from Florida, South Carolina, and "even as far away as Turkey."

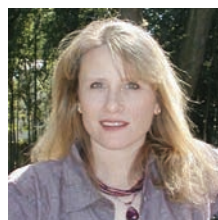
Abrams says he would advise someone new "to join a state association and a national association. The other organization, NATP, is a tax organization; NSA is the only accounting and tax organization."

"Continue education, because the tax laws change every day and it's very difficult to keep up," advised Solomon.

Gardner's counsel is "be prepared to work a lot of long hours." There can be a lot of work even in the off season, because, he joked, "You can straighten out all the messes the rest of the year." He added, "You've got more and more people that are extending for various reasons: for example, we've got roughly 200 snowbirds, so they come in May [through September] and get their returns done. There are a lot of things that have caused tax season not to end on April 15."

He predicted that "you'll see a day when they'll extend that April 15. Might even [make] the fiscal years based on the alphabet, or the social security numbers, or something."

This shift would no doubt surprise the 50+ year members; the one thing they've seen that is constant, is change.



*Julia L. Wilkinson  
Freelance Writer and Author  
Alexandria, VA*





# Navigating the RTRP

NSA is Your **RESOURCE** for  
**SUCCESS!**

## STUDY GUIDE

Written by subject matter experts, John O. Everett, Ph.D., CPA and Cherie J. Hennig, Ph.D., CPA, the NSA Registered Tax Return Preparer Exam Review Course is aimed at providing a thorough review of all the federal taxation topics and subjects outlined by the IRS.

## PTIN

Visit the NSA webpage on PTIN information for the very latest information from the IRS, as well as everything you need to know about PTINs and keeping up to date. Find out more about obtaining a PTIN, renewing, and important deadline dates.

## EXAM

NSA's website has a page dedicated to the latest information, to help you take the IRS competency exam...and pass. The Frequently Asked Questions is a great place to start. Watch the short webinar aimed at helping you dust off your test taking skills. A 5-Part RTRP Exam Review webinar series starts in May.

## CPE

As an IRS Approved Continuing Education Provider, NSA has all the tools you need to remain in compliance with the new requirements. The upcoming RTRP Exam Review webinar series provides a total of 10 CPE hours. Visit the RTRP Exam webpage for all the latest tips.

<http://connect.nsacct.org/RTRP/>



## YOUR CONNECTION TO WHAT IS HAPPENING AT NSA

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### WHAT IS HAPPENING ON MEMBERCONNECT THIS MONTH? *CONNECT, COLLABORATE, COMMUNICATE*

<http://connect.nsacct.org>

#### *Discussions*

NSA members have been busy contributing to the discussions on Tax Talk. Here are a few of the topics covered recently:

- Identify theft
- Tax implications on temporary job assignments
- Energy credits
- 8829 and capital improvements
- Extensions
- 529 plans
- Royalty income

#### *Blogs*

Share your insight and knowledge with fellow members by creating a blog on the new NSA member site. Or stop in to read the posts. Some recent topics include:

- Portability and estate tax
- 2011 Scholarship award recipients-where are they now?
- State withholding disallowed

[Visit MemberConnect Today!](#)

#### *Documents*

There are over 140 client letters in the Document Library. Topics range from 2012 planning to required minimum distribution rules.

Separate libraries house sample tools and forms, such as engagement letters, and articles on practice management, tax, and accounting topics, as well as new technology information.

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### NSA LAUNCHES NEW MENTOR PROGRAM

*Mentoring Program Launch, May 15, 2012*

On May 15, NSA is pleased to launch a mentoring program with the purpose of elevating the success of practitioners through positive mentoring relationships. Mentoring creates an opportunity for an experienced tax and accounting practitioner to provide professional guidance and share

practical knowledge and skills with someone just beginning their career, expanding their practice, or someone simply looking to benefit from the expertise of their colleagues.

The mentor program is a convenient online system that connects willing mentors with mentees. We ask that

you consider being a mentor or signing up to be a mentee.

Stay tuned for much more information, including a wealth of resources to help you take part in a fulfilling, valuable mentoring relationship.

## MARK YOUR CALENDARS TODAY FOR THE 2012 LEADERSHIP NETWORKING CONFERENCE!

The 2012 LNC will be held at the Crown Plaza St. Louis-Clayton Hotel on October 24 - 28, 2012.

Presentations include general sessions and workshops. Workshop sessions will run concurrently and will be offered twice giving attendees more choices. Don't miss this opportunity to

learn from fellow NSA and ASO members and leaders!

As always, you will earn CPE credit while learning valuable leadership skills to help you in your ASO and in your profession. This conference focuses on topics that are important to you and the success of your ASO: Leadership

Networking, Leadership Training and Legislative Strategy.

Watch for more details to follow on [www.nsacct.org](http://www.nsacct.org). Registration forms will be available by July 2012. Contact Michelle at [mpanek@nsacct.org](mailto:mpanek@nsacct.org) with questions.

October 24–28 • St. Louis, MO

## ACAT ACCEPTING REGISTRATIONS FOR THE NEXT TESTING SESSION

2012 Exam Dates: June 16–July 7

### Test Dates are June 16–July 7

The Accreditation Council for Accountancy and Taxation (ACAT) is now accepting exam applications for the next testing period from professionals seeking to earn the following three credentials:

- 2012 ABA Accredited Business Accountant/Advisor®
- Accredited Tax Advisor® (ATA)
- Accredited Retirement Advisor® (ARA)

Test sites are open to take all three examinations throughout the country during the testing windows. The exams are offered at more than 700 computer-based testing centers throughout the United States. Also, students attending colleges and universities where ACAT offers its “Capstone” accounting program courses can take the exams at their college or university.

### ABA Exam

The Comprehensive Examination for Accreditation in Accountancy is a two-part, 200-question exam that tests proficiency in financial accounting, financial reporting, financial statement preparation, taxation, managerial accounting, business law, and ethics.

### ATA Exam

The ATA examination is a three-and-a-half-hour, 100-multiple-choice question exam, for practitioners who handle sophisticated tax planning issues, including ownership of closely held businesses, qualified retirement plans, and complex estates.

### ARA Exam

The ARA examination is a three-and-a-half-hour, 100-multiple-choice question exam for professionals who have a thorough knowledge of topics relevant to retirement planning and the special issues of senior citizens, including tax planning and tax preparation for decedents, estates, and trusts.

The ABA, ATA, and ARA exam blueprints, resources for study aids, and registration information are on the ACAT website at [www.acatcredentials.org](http://www.acatcredentials.org). Click on “credentials” at the top of the page. Questions? Call ACAT toll-free at (888) 289-7763.

[Click here to find a PSI Testing Center near you.](#)

## 2012 ASO SURVEY TO BEGIN IN MAY

ASO Survey

The Leadership Development Committee will be conducting the ASO Survey this year. It is scheduled to be sent through email to all of the ASO contacts sometime in May. This year, as in the past, we are looking for 100% participation.

The purpose of the ASO survey is

to collect information on topics related to ASO leadership such as use of technology, the development and providing of educational programs, monitoring state boards and membership retention. By collecting this data we can learn best practices for running our ASOs. In this ever changing environ-

ment it is important to collect this data regularly. The ASO Survey was last completed in 2009.

If you have questions regarding the survey you may contact Michelle at [mpanek@nsacct.org](mailto:mpanek@nsacct.org).



## 2012 MEMBER NEEDS ASSESSMENT

*Member Needs Assessment*

By now, you should have received an email inviting you to participate in the 2012 NSA Member Needs Assessment Survey.

NSA is continually striving to serve our members the best we can in the ways that our members value. Why is it so essential for you to participate? We need to know what our members find

most and least valuable with their membership. We need input from as many of our members as possible to be able to discern our current benefits and make changes and additions where needed. This is vital to our continuing effort in being the best tax and accounting organization out there.

HELP US! Spread the word that participating in the survey, and having your voice heard, is one of the greatest member benefits you have!

## HAVE YOU TAKEN THE RTRP EXAM YET?

*RTRP Exam Survey*

If the answer is yes, we welcome you to share your experiences with us as we compile a checklist to help others who are preparing to take the exam. What advice would you give to others that would help them to calm nerves, bring what is needed to the exam, and to be prepared? Obvi-

ously, no specific content from the exam should be shared. What we are looking for are tips to include in our checklist.

If you have something to share, please fill out this very brief survey, with your Top 3 Takeaways.

Click here to go to the survey: <http://www.zoomerang.com/Survey/WEB-22FL8RBUH4W>

## NSA OFFERS MEMBER DISCOUNT FOR 2012 IRS TAX FORUMS

*[www.irstaxforum.com](http://www.irstaxforum.com)*

NSA is pleased to continue its partnership with the IRS in offering NSA members a special savings of \$10 off the *pre-registration* fees for the 2012 IRS Tax Forums. The NSA Member Discount Rate is \$196 in any of the six cities. Use the discount code **\$10OFF+NSA+2012** when registering to receive the discount.

***Note: The NSA member discount is not available after the IRS pre-registration deadlines, so register soon.***

NSA speakers will be presenting two sessions at each of the 2012 IRS Tax Forums:

The New Schedule D – In the Real World!

The New Schedule E – In the Real World!

Presented by: Robert Cross, PA, ABA, ATA; Kathy Hettick, EA, ABA, ATP; Tina Lee, EA, ABA, ATP, ARA; and Gene Bell, EA, ATP, CFP

### 2012 IRS TAX FORUM SCHEDULE

Preregistration deadlines are in parentheses

ORLANDO, FL  
June 19 - 21, 2012  
(June 5th)

ATLANTA, GA  
July 10 - 12, 2012  
(June 26th)

SAN DIEGO, CA  
July 17 - 19, 2012  
(July 3rd)

LAS VEGAS, NV  
July 31 - August 2, 2012  
(July 12th)

CHICAGO, IL  
August 21 - 23, 2012  
(August 7th)

NY, NY  
August 28 - 30, 2012  
(August 14th)

Be sure to visit the NSA Tax Forum Webpages for all the latest information on the 2012 Forums, including:

- Speaker bios and session information
- Complete schedule and preregistration dates
- Discount information for NSA members
- Follow @NSATax on Twitter for changes to win prizes and to find the NSA booth
- Video footage from the 2011 forum
- *Coming Soon!* Speaker blogs

Go to: <http://connect.nsacct.org/NSACCT/Events/2012IRSTaxForums/>

To register, go to the IRS Tax Forum website: <https://www.irstaxforum.com/index>



## UPCOMING NSA CONNECTED WEBINARS

<http://webinars.nsacct.org/>

NSA ConnectED webinars provide a cost-effective way for you to get CPE at your convenience. NSA is approved by NASBA, the IRS Director of Practice, ACAT, and CTEC as a provider of continuing professional education. [Click Here to Register](#)

### IRS Collection Division Representation

May 22, 2012 2:00 - 4:00 PM EDT (11:00 PT)

In recent years there has been a dramatic jump in IRS enforced collection actions. This class will discuss the methods the IRS is using in this new enforcement environment. Representatives now need a wide array of skills to protect their clients. This class is for the experienced IRS collection representative. You will learn: new IRS collection priorities and procedures, representing taxpayers with income tax liabilities, the latest ways to conquer IRS barriers to offers in compromise, and the newest IRS initiatives and the best way to protect your client.

CPE: 2 Hours/Taxes

Presented by Robert E. McKenzie, EA, Attorney

### Successful Financial and Estate Planning in 2012 - Essential Estate Planning Considerations

June 5, 2012 2:00 - 4:00 PM EDT (11:00 PT)

This program addresses planning considerations that need to be made in the 2012 window of opportunity, including: Current rules with respect to the law regarding gift, generation-skipping transfer tax, and estate tax, flexible estate planning: QTIPs, using disclaimers and planning for reduced opportunity in the future, understanding issues with formula clauses in wills, pros and cons of portability, and what to do if you live in a state with a death tax.

CPE: 2 Hours/Taxes

Presented by Steven G. Siegel, JD, LLM

### Specific Estate Planning Techniques to Consider in 2012

June 7, 2012 2:00 - 4:00 PM EDT (11:00 PT)

Take advantage of gifting opportunities with the increased transfer tax exemption afforded by: outright gifts, gifts in trust, gifts to education and medical care providers, generation-skipping gifts, and spousal estate reduction trusts.

CPE: 2 Hours/Taxes

Presented by Steven G. Siegel, JD, LLM

### 2012 Representation Update

June 12, 2012 2:00 - 4:00 PM EDT (11:00 PT)

Recently, the IRS has dramatically increased its enforcement efforts. This class will discuss the methods the IRS is using in this new enforcement environment. You will learn: new IRS examination priorities and procedures, registration of tax preparers, new IRS collection priorities and procedures, new IRS criminal investigation initiatives, recent important developments for practitioners, taxpayer advocate services report on problems in the tax system, new procedures at IRS campuses and which campuses are closing, and the impact of new IRS leadership.

CPE: 2 Hours/Taxes

Presented by Robert E. McKenzie, EA, Attorney

### Penalty Games: Reducing IRS Penalties

June 26, 2012 2:00 - 4:00 PM EDT (11:00 PT)

Each day the Internal Revenue Service asserts millions of dollars in tax penalties against taxpayers. Many of those penalties are subsequently abated because of quality representation by experienced practitioners. This class will cover the basics of supporting reduction of IRS tax penalties.

CPE: 2 Hours/Taxes

Presented by Robert E. McKenzie, EA, Attorney

### Money Laundering and Foreign Bank Accounts

July 11, 2012 2:00 - 4:00 PM EDT (11:00 PT)

Did we forget anything? Our organizers are out and we covered Schedule A and Schedule C. Did we remind clients about sending their 1099s with all attachments? What other tricks can we use to minimize our work for the next 3 months?

CPE: 2 Hours/Taxes

Presented by Robert E. McKenzie, EA, Attorney

*Can't make it to a live webinar? Get CPE on your schedule. NSA offers many previously recorded ConnectED Webinars located on our website, <http://webinars.nsacct.org/archived.php>*



AVAILABLE IN MAY

## NSA PRESENTS A 5-PART ON-DEMAND WEBINAR PROGRAM FOR THE RTRP EXAM REVIEW



This new webinar series is designed to help practitioners study for the IRS RTRP exam. Each webinar has comprehensive PowerPoint slides available for download with the presentation. They focus on the basic rules and offer numerous review questions on each topic, with answers.

A set of learning handouts, diagrams, and case studies will be included with each webinar, which prove the old adage that a picture is worth a thousand words.

The authors will provide their email addresses and will be happy to answer any questions that participants may have after completing each of the webinars.

### 1. Planning for, Studying for, Taking, and Surviving the RTRP Exam

This webinar covers all aspects of getting ready for the RTRP Exam and actually taking the exam. Topics covered include adopting the right attitude, budgeting study time, "how to study" tips for each of the seven domains tested on the exam, strategies for final reviews right before the exam, and tips for surviving and thriving in the actual exam.

CPE: 2 Hours

### 2. RTRP Exam Review: Filing Basics, Gross Income and Exclusions

This webinar reviews the basics of filing the individual return, including an intensive review of the individual tax format, determining filing status and exemption deductions, working with the standard deduction, computing the tax, and requirements to file. The emphasis then shifts to gross income as defined by the Code and concepts that are central to understanding the definition of gross income, such as the wherewithal-to-pay and claim of right doctrines. The major types of income are covered in detail, including wages, interest, dividends, social security, and other topics. The webinar includes an intensive review of Code exclusions to income (statutorily exempt income), special computations for certain exclusions, and exceptions to the various exclusion rules.

CPE: 2 Hours

### 3. RTRP Exam Review: Deductions

This webinar offers an intensive review of the myriad rules for deductions under the Code. Deductions for adjusted gross income are examined in detail; these include such items as rent-related expenses, IRAs, moving expenses, and other items. Then the emphasis shifts to an intensive examination of deductions from adjusted gross income, the itemized deductions. Detailed rules for determining deductible medical expenses, taxes, interest, contributions, casualty and theft losses, and various miscellaneous deductions are covered, including study tips and memory devices for many of these items.

CPE: 2 Hours

### 4. RTRP Exam Review: Property Transactions and Tax Credits

This webinar is divided evenly on two major topics tested on the exam; sales or exchanges of property and tax credits. Property transactions are reviewed in detail, including the concepts of amount realized, adjusted basis (including the various methods of acquiring property, such as purchase, gift, or inheritance), and recognized gain or loss. The concept of capital gains and losses is covered in detail, with several helpful examples and case studies that serve to simplify the otherwise complicated rules. The specific rules for reporting gain on the sale of a personal residence are also covered. The second half of the webinar includes a comprehensive review of tax credits, examining the Code requirements, computations, and reporting of all major credits. These include, among others, the child credit, the child and dependent care credit, the earned income credit, and the various education credits.

CPE: 2 Hours

### 5. RTRP Exam Review: Filing Issues, Special Taxes, Electronic Filing, and Circular 230 Requirements

This webinar covers basic filing issues, such as self-employment taxes, the "kiddie tax," the alternative minimum tax, estimated tax requirements, and refund claims and extensions. Electronic filing requirements are also covered in detail, including related ethical obligations. Finally, a comprehensive review of the recently-revised Circular 230 ethical and practice requirements is covered, with a focus on issues most likely to be included on the exam.

CPE: 2 Hours

[Click here to visit the RTRP Webinar webpage for more details.](#)



# 2012 Business Valuation and Certification Training Centers

**Chicago** May 7-12  
**Dallas** Jun 18-23  
**Online** Jul 10-Aug 9  
**Atlanta** Jul 16-21  
**Denver** Aug 6-11  
**Washington, DC** Aug 20-25  
**Boston** Sept 10-15  
**San Diego** Oct 1-6  
**Online** Oct 2-Nov 1  
**Atlanta** Oct 22-27  
**Chicago** Oct 29-Nov 3  
**Philadelphia** Nov 12-17  
**Fort Lauderdale** Dec 3-8  
**Las Vegas** Dec 10-15  
**Park City** Jan 28-Feb 2, 2013

dates & locations subject to change

Visit [www.theCTI.com](http://www.theCTI.com)—Call (800) 677-2009



## Keep NSA Heard in the Halls

Please help by submitting your donation along with this form via mail or fax to:

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☐ Capitol Club = \$150

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NSA PAC is a political action committee formed by the National Society of Accountants to help ensure that the voices of small practice independent accountants remain a force in the halls of Congress. The ability to participate fully in the electoral process is a hard-won freedom that should not be taken for granted. NSA PAC is here for the exclusive benefit of NSA members. Please join in support of your NSA PAC today. Here's how:

### Capitol Club Membership

Your \$150 contribution will make you a member of the prestigious Capitol Club. As a Capitol Club Member, you will receive a personalized certificate, the *Capitol Club Update*, an exclusive email publication just for Capitol Club members, and special recognition in NSA PAC publications.

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A voluntary contribution of \$50 or more will enable you to become a member of the NSA PAC Sustaining Members Club. Sustaining Members receive a personalized certificate and special recognition in NSA PAC publications.


Your payment must be individual (not corporate) according to Federal Election Law.

**Thank you for your support!**









*After many years in public accounting, having built successful practices as a sole practitioner as well as a partner, NSA member Irwin Pomerantz knew it was time for a change. Having an established career in accounting allowed for a myriad options as he contemplated his next career phase. Read about some questions he asked that can help you toward your own succession plan.*

# A New Chapter

*By Irwin Pomerantz, CPA  
Mark Fowler, CPA*

I am 82 years young and I still enjoy my job. Being in public accounting all of my professional life has been exciting and rewarding. I've been a sole practitioner, a partner with two other CPAs, and a partner with a non-CPA accounting professional. I've helped large clients, famous clients, and small clients. And I've been deeply involved with CalCPA.

A few years ago, I realized that I could no longer do it all. Being the positive sort, I focused on what I could do, instead of what I couldn't. I hired an advisor to help me clarify my value to other CPA firms. I wanted to know my options. What could I do for others? How could I fit into another organization?

It took a while to decide and execute a plan, and it wasn't simple. I had to understand the value of my client base and my practice—for myself and others. I needed to clarify the condition of my practice. How technologically sophisticated were we? How efficient were we? What was needed to become most attractive to other firms?

To continue my career, I knew I needed to change for myself—not just for new associates. I had to understand my value to clients, a different firm, and myself. As we progressed, I realized more changes were to come—within myself and my practice.



My learning process included three major advances:

- Put my personal house in order. I'd been a smaller practitioner for much of my life and I needed to revise my way of doing business as part of a larger firm.
- Make changes in the practice so that when we did transition it wouldn't be a shock to clients or staff. To help ease the transition, and ensure more clients and staff stayed with me as I moved, I involved them in the process.
- Understanding my options and the pros and cons of each. I had to look at whether I was combining with this new firm or being purchased. How was I going to be paid? What was I going to do for the firm? What was I going to learn? How would I contribute? What would the intangible benefits be, such as more intimate client time and additional value-added services, including estate and succession planning?

### **An Orderly House**

Putting my house in order was most important. I had to consider my financial needs and how much flexibility I had in my cash flow to explore new opportunities. What kind of deal did I need? What was I willing to give up for a new career?

Also, I had to address my key issues:

How strong were my client relationships? Would my clients follow me?

Had I been procrastinating too long? Could I create a new career for myself?

How well had I been maintaining my marketing and referral services? Could I continue as a revenue generator?

What new marketing approaches could I adopt in a different firm? What could I do to prepare for that?

How could I delegate my work to subordinates so I could take on different tasks, and make more profitable contributions to my clients and others?

How real was my connection with my team members? Would they follow me?

What would I take with me? How could I shrink office assets that I would not be moving?

### **Embracing Change**

Making changes to the practice to ensure the transition and the long-term viability of the move was essential. One of the first places I had to look was firm culture—mine as well as the buyers. The word “culture” took on a new meaning for me. I never had paid attention to my firm's culture or what made it unique and special for me, my clients and staff. I had to look at the landscape of my firm and ascertain whether I could fit into a new landscape.

Also, before I met with other firms, I realized I needed to make changes in my organization to be more attractive.

Our billing policies and procedures were lacking; we had become too accommodating with our clients. We put new policies, procedures, and disciplines in place, such as requiring retainers on special projects, billing when returns were completed and not at the end of the month, following up with clients at over 30 days and every 15 days thereafter, doing more client reviews and not just tax reviews, for instance asking if this is really a client for us, etc.

Client information was inconsistent and incomplete. We cleaned up gaps so that a new owner could use our information.

Though computerized, we were behind in our technology and it was time to modernize. We upgraded our computers and software, enhanced our policies and procedures. To come into the computer age, we got rid of files, prepared for paperless and cleaned up off-site storage.

Some clients were not going with me. I helped those clients transition to work with a team member who was not moving into the new environment with me.

### **Know Your Options**

Understanding my options, benefits, and what I needed to give up was a combined effort between myself, my adviser, my attorney and the firms I met with. For instance, most firms wanted my clients, not me. But it was imperative to understand what each firm could offer my clients and me. I was unique in that I wanted to stay and work. I needed to know:

What were their specialties? Could they help me sell or become a specialist?

Did they have any client concentration that could put them at risk? Would it be a secure place?

How were they growing and why? How could I help or assist with new clients?

What was the client history with the firm? Had clients been with the firm forever or were many of them new?

In particular, did they process returns off shore? Did they have other efficiencies and how did those impact clients?

What areas of service were they lacking and could I be of assistance?

In the end, I chose to merge with a much larger firm than my own. I thought I might be a small voice in a big hall, but I'd chosen my new way in the world and I positioned myself as unique.

I had more time in my new role. I reached out to new referral sources and new clients. I helped existing clients in way I couldn't have before. The first year was one big change after another. I had to learn to adjust or fail.





## Lessons Learned

As I experienced this adventure, I learned what was critical for success.

Engage an experienced team of professionals to help work through the process. I worked with my adviser/consultant and an attorney; both are knowledgeable in the merger/acquisition arena for CPAs. Their experience and guidance helped orchestrate all of this.

Conduct due diligence. I had to learn about other firms and about future associates to evaluate options.

Clarify organizational changes necessary for the transition. Who would stay and who would go? What would clients need to follow me? What did I need to do to get better organized?

Be clear and forthright with associates and partners. It was important everyone knew about what we were doing and where we were going.

Define and document relevant plans. A business plan and a personal plan supported success for my new life. We are now creating the beginnings of succession plan so that, when I again transition the services, new services that I have developed will remain, thrive and be successful. Things that we needed to consider in developing my future included:

Define the types of clients I can help, in this case owners in their late 50s or older who have business or substantial wealth.

Collaborate with referral sources and help them understand how my new firm and I can be of unique value.

Create an expanded relationship with partners, senior management, and other personnel in charge of clients at my new firm so that I can build their trust and help them understand how we can help our clients.

Use many of the marketing tools I had in my previous firm, such as my personally written newsletter, and convert

them into activities more conducive to the new firm.

Identify how to work more effectively with outside professionals who can help in the succession and estate planning area, where I've chosen to work with my clients and my firm's clients. I have been working specifically with insurance investment management experts in how we can best assist clients together.

Finalize basic business details and considerations. Attention had to be given to leases, employees, "tail insurance" coverage, and transition planning so clients would be happy to follow, etc.

Stay connected to referral sources. We implemented a marketing plan that helped see this move as beneficial to them and to me.

Formalize a strong accounts receivable collections process. This ensured I got A/R from my old practice.

Now, five years later, I'm in a new place in a new environment with new career. My background as a generalist practitioner, my new insights and experience in my own succession/transition and my desire to create a new value point for my clients have allowed me to create my new future.

This was a job from the inside out—and it worked.



**AUTHOR** Irwin Pomerantz, CPA is an associate at Kellogg & Andelson and a member of the CalCPA MAP/MCS Committee. You can reach him at [ipomerantz@k-a.com](mailto:ipomerantz@k-a.com).

**CONTRIBUTOR** Mark H. Fowler, president of Stowe Management Corporation and member of the CalCPA MAP/MCS Committee, contributed to this article. You can reach him at [estowemanagement@aol.com](mailto:estowemanagement@aol.com).

# NSA 67th Annual Meeting & Expo in Maui

August 22 - 25, 2012

Registration for the next annual meeting, set in beautiful Maui, is now open!

**Headquarters Hotel**  
Hyatt Regency Maui  
200 Nohea Kai Drive  
Lahiana, Hawaii  
[Click here to view the hotel website](#)



NSA is pleased to offer exceptional hotel room rates for members attending the annual meeting. These rates are significantly below the rates otherwise available. Rooms in the NSA room block do not require an advance purchase or nonrefundable hotel deposit and include the mandatory \$25 daily resort fee per room. Our rates are as follows:

<i>Room type</i>	<i>Regular rate plus resort fee</i>	<i>NSA Convention Rate</i>
Resort view	\$314	\$169
Partial Oceanview	\$354	\$189
Oceanview	\$394	\$219
Oceanfront	\$434	\$230

In order to allow as many members as possible the opportunity to take advantage of the exceptional room rates at the Hyatt Maui, hotel reservations will be available only to members who register and pay the full early bird registration fee of \$579. Members will be initially limited to reserving two rooms. NSA may make additional rooms available at a later date, subject to availability.

Annual meeting registration and hotel reservations must be made online at [www.nsacct.org](http://www.nsacct.org). You will not be able to call the Hyatt Regency Maui and make reservations in NSA's room block. Follow the



Venice Falls, Maui

links on the NSA Annual Meeting web pages to register for the annual meeting. Once your registration is complete, you will receive a confirmation email. In that email is a link to follow to the hotel online reservations. Please note that members are limited to two rooms per reservation. If you decide to reserve two rooms, the reservation may be for two rooms of different types and with different arrival/departure dates. NSA rates are available for arrival beginning on August 16, 2012 and departure no later than August 30, 2012.

[Click here to register today!](#)

Register by  
July 1 and  
**SAVE  
\$100!**

# NSA'S 67<sup>TH</sup> ANNUAL MEETING & EXPO

**August 22-25, 2012**

**Hyatt Regency Maui**

## 2012 REGISTRATION FORM

*Please print legibly to avoid errors and delays on-site*

Name \_\_\_\_\_

Title \_\_\_\_\_

Name to Appear on Badge \_\_\_\_\_

Company \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

NSA Member ID# \_\_\_\_\_

CTEC Member ID# \_\_\_\_\_

- ☐ This is my first NSA Convention.  
☐ I am an ACAT credential holder.  
☐ Special meal request: \_\_\_\_\_  
☐ I have special needs and would like to be contacted by an NSA representative.

### 4 Easy Ways to Register



Fax form with credit card payment to: 703-549-2984



Mail this form with a check or credit card payment to:  
NSA, 1010 North Fairfax St., Alexandria, VA 22314



Call NSA toll-free: 800-966-6679



Online: www.nsacct.org

### Method of Payment

☐ Check ☐ American Express ☐ Discover ☐ MasterCard ☐ Visa

Credit Card # \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature \_\_\_\_\_

Check # \_\_\_\_\_

**Total Due: \$** \_\_\_\_\_

**Cancellation Policy:** In accordance with NSA policy, the NSA registration fee is refundable (less a \$75 per registration administration fee) until August 1, 2012 should someone's plans change. In that event, any room reservation you have made will also be cancelled.

**Questions?** Call NSA toll-free: **800-966-6679**

### REGISTRATION PACKAGES

**Early Bird Discount**  
by July 1\* After July 1  
(\*postmarked)

<b>Full Conference</b>	<b>Member:</b>	_____ \$579	_____ \$679
<b>Includes a full year NSA membership</b>	<b>Nonmember:</b>	_____ \$699	_____ \$799
	<b>Spouse/Guest:</b>	_____ \$259	_____ \$299
	<b>Each child 6-17:</b>	_____ \$139	_____ \$139

Spouse/Guest/Child Name \_\_\_\_\_

Spouse/Guest/Child Name \_\_\_\_\_

Spouse/Guest/Child Name \_\_\_\_\_

### Daily Rates (Please select option, and days you wish to attend.)

#### ☐ 1-Day

\_\_\_\_\_ Member: \$229

\_\_\_\_\_ Nonmember: \$259

#### Select 1 Day

\_\_\_\_\_ Thursday 8/23

\_\_\_\_\_ Friday 8/24

\_\_\_\_\_ Saturday 8/25

#### ☐ 2-Day

\_\_\_\_\_ Member: \$399

\_\_\_\_\_ Nonmember: \$429

#### Select 2 Days

\_\_\_\_\_ Thursday 8/23

\_\_\_\_\_ Friday 8/24

\_\_\_\_\_ Saturday 8/25

### Additional Tickets (order now, prices increase \$10 onsite)

*The Old Lahaina Luau is an optional event and is not included in the registration fee. before the rates for the luau.*

\_\_\_\_\_ Adults/Old Lahaina Luau 8/23: \$99 x \_\_\_\_\_ = \_\_\_\_\_

\_\_\_\_\_ Children 3-12/Luau\* \$72.50 x \_\_\_\_\_ = \_\_\_\_\_

\_\_\_\_\_ ACAT Reception 8/24 \$40 x \_\_\_\_\_ = \_\_\_\_\_

\_\_\_\_\_ Awards Breakfast 8/25: \$40 x \_\_\_\_\_ = \_\_\_\_\_

\_\_\_\_\_ Installation Banquet 8/25: \$90 x \_\_\_\_\_ = \_\_\_\_\_

\* Children age 2 and under are free if seated in lap or high chair. Luau rates include transportation.

### NSA PAC Suite Deal Raffle

Buy your NSA PAC Suite Deal Raffle ticket(s) and you'll be entered to win an upgrade from a standard room already purchased to a suite for up to 5 nights. Raffle ticket sales end on August 1st. The drawing will be held on August 10, 2011.

NSA PAC Suite Deal Raffle Tickets: \$50 each x \_\_\_\_\_ = \_\_\_\_\_

*The PAC can not accept corporate contributions.*

### Hotel Information: Hyatt Regency Maui Resort & Spa

Room rate: \$169-\$230 King/Double

Rooms at the NSA group rate, which includes the \$25 daily resort fee, will be available for arrival beginning on August 16, 2012 and departures no later than August 30, 2012. Cut-off Date: July 29, 2012 if rooms are still available in the room block.

**In order to allow as many members as possible the opportunity to take advantage of these exceptional room rates at the Hyatt Maui, hotel reservations will be available only to members who register and pay the full early bird registration fee of \$579. Even then, the member will be initially limited to reserving two rooms. NSA may make additional rooms available at a later date, subject to availability.**

**You will not be able to call the Hyatt Regency Maui and make reservations in NSA's room block. Once your annual meeting registration is complete, you will receive a confirmation email. In that email is a link to follow to the hotel online reservations.** Please note that members are limited to two rooms per reservation. If you decide to reserve two rooms, the reservation may be for two rooms of different types and with different arrival/departure dates.



# Why Your Firm Should be on YouTube and How to Get There

By Hugh Duffy



*If you thought YouTube only featured videos of cute babies and stupid pet tricks, think again. Did you know that YouTube is the third most popular website with more than 2 billion views each day compared to Google (#1) and Facebook (#2), and that the average YouTube user spends 15 minutes a day on the site? In fact, there is so much video on YouTube that it would take 1,700 years to watch it all!*

## HOW YOUTUBE RELATES TO ACCOUNTING

The same nay-sayers in your firm who oppose social media probably have their concerns about marketing the firm and its services on something like YouTube. While YouTube enables us to inexpensively post videos online and make them immediately available to the public, try putting yourself in the shoes of the average individual or business that goes to the Internet to find an answer to an accounting or tax question. At YouTube, the topics range from simple “How To” videos about using QuickBooks and other software to more complicated videos about business formation,

As an accounting firm, why wouldn't you want to be on YouTube? One of the most fascinating aspects of the site is its ability to recommend related or complementary videos to your search results. This provides a true value-added presence and makes YouTube even more attractive, especially if a prospect is searching for something in your local area.

## SUCCESS IS ONLY A VIDEO AWAY

Also recognize when it's useful to offer employee training. Some knowledge can be picked up on the job—for example, familiarities with common departmental procedures—but other skills are learned more efficiently through dedicated instruction. If your firm can't afford to provide formal training, consider using mentoring programs as a way to transfer expertise within the organization.

## RETHINK 'ALL-HANDS-ON-DECK' MEETINGS

Many people search YouTube for free information on how



**YOUTUBE VIDEOS ARE EASY TO WRAP INTO YOUR WEBSITE  
AND VERY EFFECTIVE AT ENGAGING PROSPECTS  
BY STARTING THE RELATIONSHIP BUILDING PROCESS.**

forensic accounting, succession planning for business owners and small business tax.

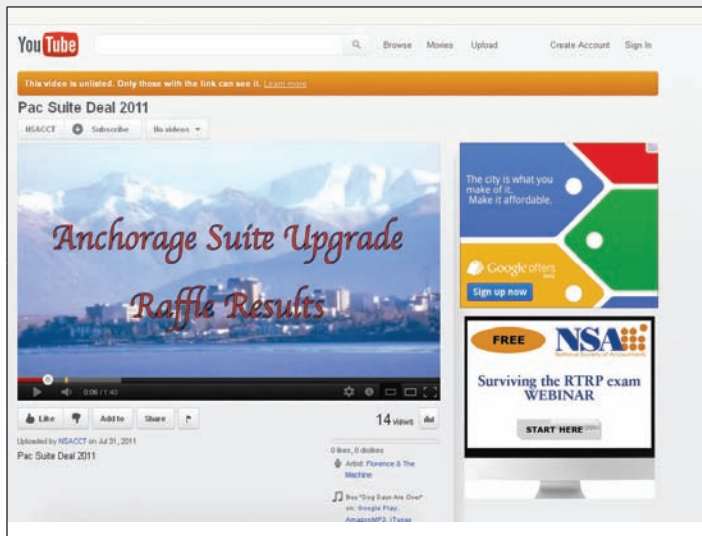
Accounting software providers, including Intuit's QuickBooks, have their own channels in which a company can store all its videos in order to maximize its visibility. Smaller companies like Build Your Firm, accounting firms, and many accounting associations also have YouTube channels, such as NSA's channel: <http://www.youtube.com/NSAacctmedia>.

Why create a channel? Channels are beneficial because they serve as a single repository of all your videos, making them easy to select by your audience and easy for you to maintain.

to solve a problem or to seek necessary advice on how to make more informed decisions – all without having to read. No one can deny the fact that many of us are “visual” learners, so watching a video is easier for many of us than reading paragraphs of gray text on a page.

YouTube videos are easy to wrap into your website and very effective at engaging prospects by starting the relationship building process. Once you establish yourself as an information provider, prospects will feel comfortable enough to investigate your firm's services further. More than that, videos help you and your firm establish yourself as subject matter experts. Can your audience find the information elsewhere? Possibly, but as we all know, individuals and business clients of all





*NSA's YouTube channel features videos such as this live drawing for a hotel suite upgrade at the Annual Meeting.*

kinds trust their accountants to give them the direction they need to operate their businesses more efficiently and, among other things, reduce their tax liability.

Remember that video is not new, and when it comes to playing videos via the Internet, you want to remain sensitive to your audience. As a result, when you incorporate YouTube videos into your website, never set the video to automatic play. People are annoyed when you push or force video on them. Allow your audience to self select the video and play it on their own.

Learn what people are searching for on YouTube before you decide to produce a video. YouTube provides a keyword research tool to analyze what topics are being frequently searched. To locate the keyword research tool, go to Google and type in "YouTube keyword tool."

## 5 TIPS FOR VIDEO MARKETING

It may be hard for some firms to get started producing their own videos. Firms do not have to spend their resources hiring professional crews unless the video might be too complicated to shoot with a handheld camera and tripod. Regardless of what you do or how you produce a video, here are some tips for marketing:

- 1** Create a YouTube channel if you plan to create multiple videos. There is no cost to do this.
- 2** For videos that you want played and watched on YouTube, make them short; 1-3 minutes is about right.
- 3** Incorporate the video into your website to generate more traffic to the video. When you want to play the video on your website, your audience is more captive and engaged. These videos can be more in-depth—let's say 4 to 10 minutes.
- 4** Learn how to optimize the video so it can be easier to locate in YouTube and Google searches.
- 5** Obtain links to the video so others can locate it and place the links on your blog, Facebook, Twitter, email messages, your email newsletter or your LinkedIn page. Try to spike traffic when the video is first posted on YouTube by promoting it as much as you can. Spiking your traffic when it is first posted onto YouTube will elevate it in YouTube search results.

The best advice of all is to get started—and start small. If you or your firm does not own a camera, borrow one and try producing your own short video. Show the video to a few colleagues and clients to get their opinions about its value and then begin marketing it by placing it on YouTube and promoting it in your own efforts. You'll be surprised by the attention and possible business you'll get!



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# The Key to Accountability—Commitment

By Sandra L. Wiley

**I**n a recent exchange with a partner group, we were discussing how to hold ourselves accountable for goals that were being set by each individual - outside of their compensation model. The word that leapt into my mind was commitment. The word commit comes from the Latin word *committere*, which means to connect, entrust. As leaders in the practice, we make commitments every day to our clients, our partners, and our staff. It might be a good practice to think deeply about what those commitments are and ensure that you are not taking them too lightly. Each com-

**PASSION:** This is the foundation of commitment! Passion is what some call the burning desire within us—the fire that motivates us to set and make progress in our life goals. When passion is missing, our actions lack meaning and we don't get the results we want. Without passion, our actions are meaningless and flat. Commitment is built from the passions in our lives. Think about your 2012 practice and personal goals, do they come from deep within your passions?

**COMMITMENT = PERSISTENCE:** Commitment = persistence. If there is true commitment, the support for the goals is uncompromising and unending. The people who set true commitments are willing to put their time, talent and dollars in the support of that commitment. Commitment drives us and anchors us

during challenging times. Think about our recent economic challenges, did your commitment to your firm anchor you and sustain you? Commitment helps us to maintain our integrity; we persist to that which we're committed. Many in our industry have experienced this commitment in the past few years, and it has served them well.

**COMMITMENT IS CONSCIOUS:** Commitments should not be made lightly. They require insight and self-awareness, meaning that you must know what your firm's values and ideals are in order to commit to them! Do you know someone in your firm who is a conscientious and productive worker but who's not happy? Such a person frequently lacks insight and self-awareness. Commitment is difficult for an individual or firm if there is no awareness of what is most important. Commitment requires an ability to observe, strategize and make conscious decisions.

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mitment is important and defines what and who is important to you. The demonstration of commitments is a reflection of your character and ultimately says more about you in action than in the words themselves.

Consider the following concepts as you reflect on the commitments that you make in your life:

**COMMITMENT IS CONNECTION:** Consider the connection between the goals that you set during strategic planning and the accomplishment of those goals. The connection between the meeting date you established with your mentee and showing up on time and prepared to have a coaching conversation. The connection between the signing of the partnership agreement and your active participation in the monthly partnership meetings. Commitment is the connection between our values, intentions and our actions. The connections we make generate our commitments, just as our commitments generate more profound connections.

#### **COMMITMENT IS PURPOSEFUL:**

Commitment involves choice—saying yes to our values and to our passions! Commitment is never haphazard or random. While we may lose our perspective from time to time, commitment always involves choice and intent. Commitment enables us to be purposeful. Great leaders in the firms we serve are purposeful in their pursuit of client service excellence, growth of their team's talent and increase in profits.

**COMMITMENT IS SELF-EXPRESSION:** Self-expression is the culmination of who we are and how we're being. When there's perfect alignment and congruency between who we are and how we're being, we are authentic and fully self-expressed. This is wonderfully fulfilling! If commitment is the ultimate expression of our values and who we are, self-expression is a core ingredient of commitment. Have you heard others say they are just "in the zone" or "in their groove"? This usually is a sign of self-expression and awareness.

#### **VISION BRINGS FORTH OUR COMMITMENT:**

Does commitment generate the envisioning process, or does vision generate commitment? Either way, commitment and vision are inexplicably tied together. Expand your vision while you deepen your commitment in order to produce powerful results! I would challenge you to read through your practice's vision and determine if it promotes vision within your team. If it does not, it might be time for a change.

#### **COMMITMENT INSPIRES US TO BE AND DO OUR BEST:**

We aim for the sky and shoot for the stars! We refuse to accept less than the best from ourselves and others. Our commitment inspires us to reach for quality and excellence. We continually enlarge and clarify our vision—this contributes to us living our personal best. This means every day, with

I WOULD CHALLENGE YOU TO READ  
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every client, and in every project. Do you live the commitment every day?

#### **COMMITMENT LIVES IN COMMUNICATION:**

Communication involves verbal and nonverbal interaction. While commitment lives in the declaration and words, evidence of commitment lives in the actions we take and don't take. Be attentive for evidence of commitment in communication. Our industry has a fairly bad reputation in the area of communication. If this is an area of your personal development that needs some attention, now is the time!

**COMMITMENT IS SURRENDER:** Commitment is the giving of ourselves to what we most believe and want. It is the merging of our ideals and our being. We surrender to our ideals and with commitment, live them. We create what we want when we surrender to our commitment.

When we stand behind our words, we demonstrate commitment. Commitment exists when our actions meet the expectation of our words—when there's a congruency between intent, words, and action.



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# HOT TOPICS AND TIPS FROM OUR TAX DESK

*By Deborah Aiken*

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## LOCATION OF TAXPAYERS PRINCIPAL RESIDENCE

If taxpayers have more than one residence, the principal residence is generally the place where they spend the most time. The IRS also will look at other factors, such as, their place of employment; the principal place where their family lives; the address used on tax returns, driver's license, automobile registration, and voter registration; the mailing address used for bills and correspondence; the location of their banks; and the location of their religious organizations and recreational clubs..

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## BANKRUPTCY AND ELECTING SHORT TAX YEAR

Individual debtors can elect to treat their tax year in which the bankruptcy case begins as two short tax years. The first short year begins on the first day of the regular tax year and ends on the day before the beginning date of the bankruptcy case. The second begins on the beginning date and ends on the last day of the regular year. If a debtor has taxable income for the tax year ending with the commencement of bankruptcy, it is generally advantageous to the debt to elect to terminate the tax year because the tax liability for the short tax year is payable out of the estate if the property in the bankruptcy estate is sufficient to satisfy the claim. If the debtor has a loss for the short tax year, the debtor generally should not make the election. If the debtor makes the election to close the tax year, the bankruptcy estate rather than the individual has the tax benefit of the loss..

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## CASUALTY LOSS VS. THEFT LOSS

The taxpayer takes a deduction for any casualty loss sustained during the taxable year and not compensated for by insurance or otherwise. However, any theft loss is treated as sustained during the taxable year in which the taxpayer discovers such loss..

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## DAMAGE FROM RIGHT OF WAYS

Payments for damage to crops as a result of granting a right of way or an easement results in ordinary income. Payment of severance damage, which is the over-all reduction in property value by the existence of the right of way, results in a property basis reduction.

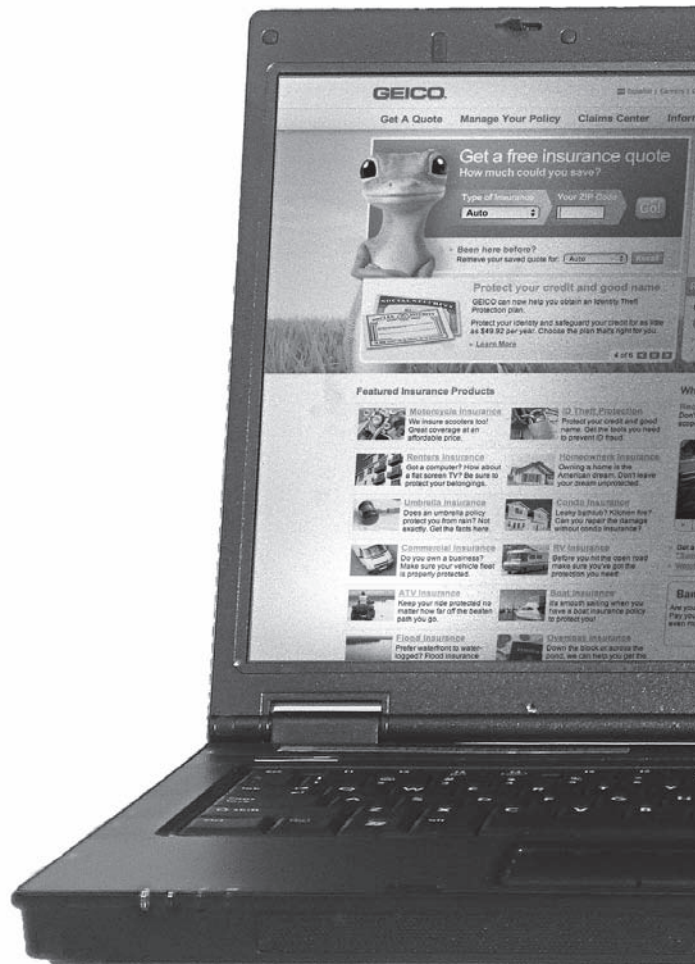
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## CONDEMNATION AND LEGAL FEES

The costs of fighting condemnation and similar actions are currently deductible if the suit is directly connected with or resulted to the taxpayer's business activities and does not result in the acquisition or disposition of a capital asset. Legal fees to perfect or defend title to property are not deductible..



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