

The Realities About the IRS Offer in Compromise Program



Why Should Accountants Specialize?

Smarter Uses of Technology
to Build Your Practice and
Increase Revenues

The Realities About the IRS Offer in Compromise Program

Latest Tax News

Show Me the Margins

Why Do Accountants
Get Paid Last?

AICPA Proposes Changes
to Peer Review Standards

2014 NSA Scholarship
Foundation Winners

Financial Planning not just for your Clients

Get your FREE Long-Term Care planning kit today!

A recent survey by AARP revealed that most Americans over age 45 believe they have long term care coverage when they probably don't.

The average cost of a private nursing home stay is now **\$87,000** per year. In major cities like Boston & New York, it can be as high as **\$100,000**.

The rising cost of long term care is alarming. Social Security, Medicare or Medicaid may not be enough to cover the expenses of long term care – and the longer you wait to plan, the more it may cost you.

Your first critical step is to get the facts! Long term care insurance is not the answer for everyone, but information is your best weapon in the fight against the high cost of long term care and advanced planning

is the best approach in determining if it's right for you.

Don't wait to plan for your future! To order your LTC planning kit call (800) 821-7303, ext. 1134.



Forrest T. Jones & Company
3130 Broadway • P.O. Box 418131
Kansas City, MO 64141
(800) 821-7303 • www.ftj.com/nsa



WHY DO ACCOUNTANTS GET PAID LAST?



SHOW ME THE MARGINS



WHY SHOULD ACCOUNTANTS SPECIALIZE?



Main Street Practitioner

Publisher
National Society of Accountants

Executive Vice President
John G. Ams

Vice President and Director,
Marketing and Member Services
Jodi L. Goldberg

Editor
Julene Joy

Ad Sales Managers
Diane Griffin, dgriffin@associationvision.com

NSA Officers 2013-2014

President
Steven J. Hanson, CPA
Cokato, MN

First Vice President
Marilyn Niwao CPA, ATA, JD
Wailuku, HI

Second Vice President
Kathy Hettick, EA, ABA, ATP, RTRP
Enumclaw, WA

Secretary-Treasurer
Brian Thompson, CPA
Little Rock, AR

Main Street Practitioner is published six times per year in digital and print formats by the National Society of Accountants, 1010 N. Fairfax Street, Alexandria, VA 22314-1574. Subscriptions are available. Questions or requests can be directed to Editor, Julene Joy, at jjoy@nsacct.org.
©2014 All Rights Reserved National Society of Accountants. Provided in digital format. Printed in the USA.

CONTENTS

July - August 2014 / Volume 5, Number 3

FEATURES

3 AICPA PROPOSES CHANGES TO PEER REVIEW STANDARDS

By Gregg Taketa

8 WHY DO ACCOUNTANTS GET PAID LAST?

By Hugh Duffy

10 THE REALITIES ABOUT THE IRS OFFER IN COMPROMISE PROGRAM

By Jim Buttonow

14 SHOW ME THE MARGINS

By Sandi Smith Leyva

20 SMARTER USES OF TECHNOLOGY TO BUILD YOUR PRACTICE AND INCREASE REVENUES

By Andrew Poulos

23 WHY SHOULD ACCOUNTANTS SPECIALIZE?

By Mary Ellen Biery

DEPARTMENTS

2 PRESIDENT'S MESSAGE

By Steven Hanson

4 TAX NEWS

16 NSA SCHOLARSHIP FOUNDATION 2014 WINNERS

19 FROM THE NSA BLOG

24 NSA'S 69TH ANNUAL MEETING

28 IRS TAX FORUMS

NSA Scholarship Foundation



2014 Winners
Announced

See page 16

PRESIDENT'S MESSAGE

By Steven J. Hanson, CPA, EA

July 2014

As I sit down to write my final NSA Presidents message, I cannot help but feel a bit of gladness and a bit of sadness. Yes, glad, that we were able to accomplish some things for NSA this past year, but certainly sad that my term will come to an end in August.

Much has happened in the world of tax and accounting this past year. The Registered Tax Return Preparer program was struck down by the court system only to be replaced by the IRS with the Annual Filing Season Program. We don't yet know how this will play out, but it certainly will affect many of us. We are learning more and more about the Affordable Care Act and its myriad of details affecting taxpayers and preparers. Talk is strong of another late year Federal income tax law that is sure to add stress to the next tax season.

On the accounting side, there is a new definition of the attest function and the AICPA has a Framework for Small- and Medium-Sized Entities issued to provide an alternative to GAAP financial statements for smaller private companies. There is a new financial statement presentation (white paper) that may replace compilation reports for many of our clients. From a regulation side, Peer Review continues to evolve from more educational to more punitive in nature.


And this is only a very brief list of what has been happening in our profession. Does it make you want to get out? Possibly. But think of the opportunities. Baby Boomers need retirement and long term care planning. How many of them have a business to sell? What about that new entrepreneur getting into business? With increased financing regulations, ACA concerns, and business planning, our clients

need us more than ever. What a great time to be in the tax and accounting profession! Surveys continue to rate accountants as one of the most trusted advisors. Use that trust to expand your practice.

It has truly been my pleasure to represent NSA as your president this past year. I have had the opportunity to meet many main street accountants from all around the country and can honestly say that we all share that common bond of wanting to do the best for our clients. I also discovered that we all share the same challenges. Let NSA help you with those challenges. Take a look at our website, try just one more resource that we have to offer. I am sure that you will be impressed with what we have to offer.

I want to take this opportunity to thank my fellow NSA Officers, Board of Governors, Admin Chairs, Committee Chairs, and all committee members for all of their hard work for our organization this past year. Their ideas and work will continue to lead this organization into the future. Of course, nothing could be accomplished without the guidance and efforts of EVP John Ams and our dedicated staff at NSA headquarters. I thank each and every one of you for your dedication to the goals of NSA.

I wish you my very best.



Steven J Hanson
President
National Society of Accountants



AICPA PROPOSES CHANGES TO PEER REVIEW STANDARDS

On May 20, 2014, the AICPA issued an exposure draft on proposed changes to its standards for performing and reporting on peer reviews. The changes apply to engagement reviews of CPA firms that perform reviews, compilations, and agreed-upon procedures but do not perform audits or examination-level engagements.

The exposure draft proposes to eliminate an exception that allowed reviewers performing engagement reviews to issue a report with a “pass with deficiency(ies)” rating rather than a fail rating. The exception applied if more than one engagement was submitted for review, the exact same deficiency occurred on each of the engagements, and there were no other deficiencies.

The AICPA is requesting comments by July 5, 2014. The proposed changes will be effective for peer reviews with a report date on or after September 1, 2014.

The change could affect up to 2,100 CPA firms across the country. According to the AICPA, approximately 15,000 firms have an engagement review once every three years that includes a sample of engagements selected for compliance with professional standards. For engagement reviews performed from 2010-2012, approximately 14% of the firms received reports with a rating of “pass with deficiency(ies).”

The exposure draft is one of the measures that the AICPA is taking in response to concerns about substandard attest work performed by CPAs. In particular, substandard work was reported by Department of Labor inspectors for audits of employee benefit plans and by the GAO for Single Audits.

Other possible measures may include closer monitoring of peer reviewer performance and better screening of the qualifications of peer reviewers by the AICPA and State Societies of CPAs. The accounting profession must also address the fact that a large number of peer reviewers are over the age of 50 and will soon reach retirement age. Consequently, the AICPA is developing strategies to recruit and train new reviewers.

*Gregg Taketa, CPA
Accounting Standards Committee
National Society of Accountants*



IRS Releases New Streamlined Application for 501(c)(3) Organizations

The Internal Revenue Service recently introduced a new, shorter application form to help small charities apply for 501(c)(3) tax-exempt status more easily.

“This is a common-sense approach that will help reduce lengthy processing delays for small tax-exempt groups and ultimately larger organizations as well,” said IRS Commissioner John Koskinen. “The change cuts paperwork for these charitable groups and speeds application processing so they can focus on their important work.”

The new Form 1023-EZ, available today on IRS.gov, is three pages long, compared with the standard 26-page Form 1023. Most small organizations, including as many as 70 percent of all applicants, qualify to use the new streamlined form. Most organizations with gross receipts of \$50,000 or less and assets of \$250,000 or less are eligible.

“Previously, all of these groups went through the same lengthy application process—regardless of size,” Koskinen said. “It didn’t matter if you were a small soccer or gardening club or a major research organization. This process created needlessly long delays for groups, which didn’t help the groups, the tax-paying public or the IRS.”

The change will allow the IRS to speed the approval process for smaller groups and free up resources to review applications from larger, more complex organizations while reducing the application backlog. Currently, the IRS has more than 60,000 501(c)(3) applications in its backlog, with many of them pending for nine months.

Following feedback this spring from the tax community and those working with charitable groups, the IRS refined the 1023-EZ proposal for today’s announcement, including revising the \$50,000 gross receipts threshold down from an earlier figure of \$200,000.

“We believe that many small organizations will be able to complete this form without creating major compliance risks,” Koskinen said. “Rather than using large amounts of IRS resources up front reviewing complex applications during a lengthy process, we believe the streamlined form will allow us to devote more compliance activity on the back end to ensure groups are actually doing the charitable work they apply to do.”

The new EZ form must be filed online. The instructions include an eligibility checklist that organizations must complete before filing the form.

The Form 1023-EZ must be filed using pay.gov, and a \$400 user fee is due at the time the form is submitted. Further details on the new Form 1023-EZ application process can be found in Revenue Procedure 2014-40, posted on IRS.gov.

[Read more about the Form 1023-EZ](#)

IRS E-SERVICES: POA TAX INFORMATION AUTHORIZATION

As you may recall, the IRS announced last year that the online Disclosure Authorization (DA) and Electronic Account Resolution (EAR) options would no longer be in use beginning August 11, 2013. All users would instead have to use paper or telephone to process their applications, the IRS said.

The IRS recently let us know that they are committed to restoring online services for authorization processes. They are developing a new online system that is secure, more user-friendly, and offers additional functionality. The goal is for the new system to:

- Align with overall IRS online strategy and products (3rd part, Account, Taxpayer Digital Communication, e-Authentication)
- Reduce or eliminate paper processing of Forms 2848 and 8821 in the long-term

- Provide a better user experience, improve functionality and enhance the security of user information

The IRS has already reviewed feedback previously provided by tax professionals, as well as the functionality offered by the old DA system. However, they want our help to ensure that the online service is set up in a way to provide DA information in as efficient and easy to understand an online process as possible.

How should the system be set up? What would work best for you? Please send your comments, suggestions, and questions to members@nsacct.org and we will pass along to the IRS.

Read more about the new system [here](#).

U.S. SUPREME COURT RULING OFFERS WIN FOR TAXPAYERS

The U.S. Supreme Court ruled unanimously that taxpayers have a right to challenge an Internal Revenue Service summons enforcement proceedings when they can show the tax agency might have issued the summons in bad faith.

United States v. Clarke arose from the case of Michael Clarke of West Palm Beach, Florida, who accused the IRS of issuing a summons as retribution against him and his business partners for resisting an audit. In its ruling, the Supreme Court said Clarke can seek an evidentiary hearing regarding the motives of IRS officials. The IRS argued taxpayers already have opportunities to challenge a summons and that an evidentiary hearing would be an unnecessary “fishing expedition.”

The Court vacated and remanded the case, so although this was a small win in limiting the ability to be unfairly targeted by the IRS, Mr. Clarke’s challenges are not over.

The nine justices sent the case back to the 11th U.S. Circuit Court of Appeals and said that court had wrongly decided that IRS agents could be examined at an evidentiary hearing based on a taxpayer’s mere “conclusory allegations.”

In a nine-page opinion, written by Justice Elena Kagan, the Supreme Court said: “A taxpayer has a right to conduct an examination of IRS officials regarding their reasons for issuing a summons when he points to specific facts or circumstances plausibly raising an inference of bad faith.”

The opinion further explained what is perceived as proper evidence, “The balance struck in this Court’s prior cases supports a requirement that a summons objector offer not just naked allegations, but some credible evidence to support his claim of improper motive. Circumstantial evidence can suffice to meet that burden, and a fleshed out case is not demanded: The taxpayer need only present a plausible basis for his charge.”

But the opinion also said that the appeals court “applied a categorical rule, demanding the examination of IRS agents even when a taxpayer made only conclusory allegations. That was error.”

The Supreme Court’s decision is seen as a taxpayer victory by many, since they have the right to challenge an IRS summons. However, it is viewed as an IRS win as well, since the court agreed with IRS arguments that a lower-court ruling made it too easy for taxpayers to obtain court hearings to examine IRS motivations for examining a taxpayer.

The Supreme Court’s ruling didn’t fully resolve this dispute. The justices sent the case back and directed the lower court to apply the new legal standard to determine whether the challengers were entitled to a court hearing to explore their allegations against the IRS.

Read the Supreme Court ruling [here](#).



VOLUNTARY PROGRAM TO FOCUS ON CONTINUING EDUCATION FOR UNENROLLED PREPARERS

The Internal Revenue Service recently issued guidance outlining a new voluntary program designed to encourage education and filing season readiness for paid tax return preparers. With guidance detailed in Revenue Procedure 2014-42, the voluntary Annual Filing Season Program (AFSP) is designed to encourage tax return preparers who are not attorneys, certified public accountants (CPAs), or enrolled agents (EAs) to complete continuing education courses for the purpose of increasing their knowledge of the law relevant to federal tax returns. In addition, this revenue procedure modifies and supersedes Revenue Procedure 81-38, 1981-2 C.B. 592, regarding limited practice before the IRS by individuals who are not attorneys, CPAs, or EAs.

“This voluntary program will be a step to help protect taxpayers during the 2015 filing season,” said IRS Commissioner John Koskinen. “About 60 percent of tax return preparers operate without any type of oversight or education requirements. Our program will give unenrolled return preparers a way to stay up to date on tax laws and changes, which we believe will improve service to taxpayers.”

Tax return preparers who elect to participate in the program and receive a record of completion from the IRS will be included in a database on IRS.gov that will be available by January 2015 to help taxpayers determine return preparer qualifications.

The database will also contain information about practitioners with recognized credentials and higher levels of qualification and practice rights. These include attorneys, certified public accountants (CPAs), enrolled agents, enrolled retirement plan agents (ERPAs), and enrolled actuaries who are registered with the IRS.

“It’s also important to note this program is not to replace the important tax work done by certified public accountants, enrolled agents, and attorneys,” Koskinen said. “Tax professionals with recognized credentials will be publicly listed on IRS.gov, and we plan to help inform taxpayers about the professional options available.”

Anyone who prepares all, or substantially all, of any federal tax return or refund claim for compensation is required to obtain a preparer tax identification number (PTIN). The pending guidance will also explain that tax return preparers with a valid PTIN who do not obtain a record of completion as part of the Annual Filing Season Program, or are not an

attorney, CPA, enrolled agent, ERPA, or enrolled actuary, may still prepare tax returns, but will not be included in the public directory.

In 2011, the Treasury Department and the IRS issued regulations that mandated testing and CE for paid tax return preparers and created a Registered Tax Return Preparer (RTRP) credential. The RTRP designation was for preparers with valid PTINs who passed an IRS competency test and completed 15 hours of CE.

Earlier this year, the Court of Appeals for the D.C. Circuit upheld the lower court’s determination that the IRS regulations from 2011 mandating competency testing and CE for paid tax return preparers were invalid. The IRS continues to believe regulation of paid tax return preparers is important for the proper functioning of the U.S. tax system. To that end, the Administration’s Fiscal Year 2015 Budget includes a proposal to explicitly authorize the IRS to regulate all paid tax return preparers.

Prior to the 2013 court decision, over 62,000 return preparers passed an IRS-administered competency test and completed the requirements to become Registered Tax Return Preparers. The Annual Filing Season Program will exempt RTRPs and others who have successfully completed certain recognized national or state tests from the filing season refresher course that will be required for other participants.

ANNUAL FILING SEASON PROGRAM – RECORD OF COMPLETION REQUIREMENTS

In general, non-exempt return preparers with a valid PTIN for the program year will need to complete 18 hours of CE annually from IRS-approved CE providers to obtain an IRS record of completion. The hours will need to include:

- 6 hours of a federal tax filing season refresher course (with a required comprehension test at completion)
- 10 hours of federal tax law topics
- 2 hours of ethics

For the first year, a transition rule will apply to prorate the required hours. For a return preparer to obtain a record of completion for the 2015 filing season, a total of 11 hours will need to be earned in 2014, including the six-hour refresher course, three hours of other federal tax law topics, and two hours of ethics.

Once the official guidance is issued, IRS-approved CE

providers will begin to offer qualifying federal tax filing season refresher courses. A list of all IRS-approved CE providers is available and includes a new column to indicate which providers are planning to offer the qualifying courses. Visit <https://ssl.kinsail.com/partners/irs/publicListing.asp> for the list. The list is updated daily. For 2015, qualifying courses will be offered through December 31, 2014.

The IRS will begin issuing records of completion to those who have met the requirements in mid-October 2014 after the 2015 PTIN renewal season starts.

CONSENT TO CIRCULAR 230 RESTRICTIONS

As a prerequisite to receiving a record of completion, an individual will be required to consent to the duties and restrictions relating to practice before the IRS in subpart B and section 10.51 of Treasury Department Circular No. 230.

MODIFICATION TO LIMITED PRACTICE PERMISSIONS

The pending guidance will also announce that effective for tax returns and claims for refunds prepared or signed after December 31, 2015, only unenrolled tax return prepar-

ers who have a record of completion under the Annual Filing Season Program for the calendar year of preparation and the calendar year of representation will be permitted to represent taxpayers before the IRS during an examination of a return that they signed or prepared.

Attorneys, CPAs, and enrolled agents will continue to have unlimited representation rights and can represent clients before any office of the IRS.

Helpful Links:

- Revenue Procedure 2014-42
- Revenue Procedure 81-38
- PTIN Registration



Selling Your Practice? Start selling right now.

Unparalleled resources. Marketing superiority. Ready to Start Now.

We are North America's largest marketer of accounting and tax practices because we understand the value of your firm, know how to advertise it and have thousands of buyers who want a practice. Therefore our brokers, with proven success in the industry, can bring this marketing and resource advantage to your own unique situation. We are different because we can produce the best results for YOU.

Give us a call today so that we can start working to remove your selling headache and to obtain the goal you desire.



888-847-1040

www.AccountingPracticeSales.com



Why Do Accountants Get Paid Last?

By Hugh Duffy

The relationship between the professional service provider and the client is built on trust, respect, and timeliness, so why do so many CPAs and accountants have a seemingly difficult time asking for, and receiving, payment for their services?

Do they push off back-office and operations-related matters so they can concentrate on more billable activities? Are they afraid they'll fracture the provider-client relationship and the client will go elsewhere when he or she is asked for payment?

Every firm is different, and while there's certainly not a definitive answer to these questions, the problem isn't necessarily why the accountant has a hard time coming to terms with payment; it's more about the process the firm uses to actually collect its money.

In most professional service businesses, such as legal and consulting firms, the client pays a significant portion of the estimated fee upfront as a retainer. It's not unusual for 50 percent of the projected cost to be paid when a project begins. Accountants, on the other hand, typically don't request payment until after the service has been rendered. The invoice is then mailed out and payment may not be received for 30 to 60 days—sometimes even longer. According to a study published by *Accounting Today*, 30 percent of invoices are paid

Professional service firms that elect to bill hourly create conflict and uncertainty in their billing practices and this makes it harder to process payments in a timely manner.

31-90 days after the service has been provided and another 5 percent take over 90 days. Essentially, 35 percent of invoices that go out will become aged.

WHAT PERCENTAGE OF YOUR INVOICES ARE PAID WITHIN THESE PERIODS?

Within 30 days	65%
45 days	15%
60 days	10%
90 days	5%
Over 90 days	5%

** Source – Accounting Today Executive Research Council, July 2013

In today's electronic age, the statistics above are absurd. Can you imagine ordering a book from Amazon and paying for it 35 to 60 days later? If not, then why should accounting firms wait to get paid? In other words, why does the accountant get paid only after a business owner covers payroll, overhead expenses, and miscellaneous expenses? Is it because businesses often know their accountant won't complain as loudly and won't ding their credit?

Discussions with accounting firms around the country, revealed the following three fundamental ways to obtain more control and speed up your payment processing system.

ADOPT VALUE BILLING

The impact of hourly billing on cash flow cannot be understated. Professional service firms that elect to bill hourly create conflict and uncertainty in their billing practices and this makes it harder to process payments in a timely manner. How many times have you received a bill from a professional



Just like there are technology applications to increase your efficiency for accounting, tax, and payroll tasks, there are also apps to process payments with more control and efficiency.

service firm and cringed at the hours billed and corresponding bill, sat on the bill, maybe even complained about it, and then taken your time requesting payment as a silent protest. It is common practice and is guaranteed to slow down your ability to get paid promptly.

By adopting a value billing (fixed fee) system, you make your accounting/tax fees easy to understand and part of the stack of bills that do not get scrutinized closely. They are budgeted in advance and paid regularly, like the rent payment.

ADDRESS BILLING PROCESSES UPFRONT

At the onset of each new business engagement, it's absolutely essential to discuss billing processes as part of any expectation of doing business. While many accountants are apprehensive to do this, this is the best time to agree upon the form of payment and the particulars, to avoid issues. Often, accountants that use ACH payment processing (eCheck) are surprised at how easy it is to obtain agreement from the business owner if this is addressed along with the engagement agreement. Small business owners realize that you are not performing your services gratis and are more than willing to provide their checking account information to their trusted accountant if the fee is fixed and known in advance. It will be one less bill they have to cut a check for.

USE PAYMENT TECHNOLOGIES

Just like there are technology applications to increase your efficiency for accounting, tax, and payroll tasks, there are also apps to process payments with more control and efficiency. Incorporating these apps into your payment processing will make it easier to receive payment and gain control over getting paid faster. For example, we have been advocating that our accounting clients incorporate ACH processing into their billing

system so they can get paid 3-5 business days after the invoice is generated, which increases cash flow and lowers accounts receivable.

Over the past six months, Build Your Firm (BYF) has developed a payment processing app that is designed to address this fundamental issue, which is vital to running any successful business. The app integrates ACH, credit card, and bank wire payments into one easy-to-use payment system so you can collect fees faster and less expensively while lowering accounts receivable. And, it's secure.

Since last November, BYF has been testing our new payment processing tool with long standing clients. This payment app was designed by Allan Ratafia, tested in his accounting practice, and will soon be ready for accounting firms around the United States. In fact, this payment processing tool is so innovative that a major vendor in the accounting space, with multi-billion dollars in sales, has tested it and wants to sell it to their clients as well.

GET MORE CONTROL OVER ACCOUNTS RECEIVABLE

These are just three fundamental ways to get more control over accounts receivable and dramatically reduce the amount of time it takes to get paid.

Looking back, it's easy to laugh at paper tax returns, dropping off and picking up write up work, hand written ledgers, and storing mountains of paper for years. It is, indeed, more than time to use a little more technology, along with best practices, to improve your cash flow and reduce the amount of time you spend chasing slow-paying clients. As Home Depot would say, "Let's Do This."



Hugh Duffy
Co-Founder and Chief Marketing Officer
Build Your Firm
buildyourfirm.com
hugh@buildyourfirm.com

The Realities About the IRS Offer in Compromise Program



By Jim Buttonow, CPA/CITP

Television and radio are filled with ads claiming that taxpayers can settle their tax balances owed to the IRS. This settlement program is known as the IRS offer in compromise (OIC). Clients who can't pay their taxes may certainly inquire about this overhyped settlement option; however, according to IRS statistics, it is highly unlikely that most taxpayers who have outstanding balances will obtain an OIC.

The Government Accountability Office reported that, in 2010, more than 16 million taxpayers owed taxes to the IRS, and these numbers have continued to increase. In 2013, despite the millions of taxpayers with debt, the IRS approved only 31,000 OIC applications. In contrast, the IRS had almost 4 million installment agreements in effect in 2013 for taxpayers to repay their balances owed to the IRS. OIC acceptance is rare for two main reasons: Either the taxpayer does not qualify for an OIC or, if the taxpayer does qualify, he or she can't pay the offer amount.

Does your client qualify for an OIC?

The reality is, OIC qualification is based on a computation of the taxpayer's ability to pay his or her tax debt before the IRS runs out of time to collect the debt (called the collection statute expiration date). Contrary to popular perception, the IRS decision is not largely subjective and is instead based on computational formulas. That is why IRS.gov features an OIC pre-qualifier tool.

To qualify for an OIC, your client must prove that he or she can't pay the total balances owed before the collection

statute expires, using net equity in assets plus any future income. The IRS calculates future income as the amount it can collect on a monthly basis (monthly disposable income) before the collection statute expires.

Although the qualification formula is objective, the components of the computation of net equity in assets and monthly disposable income are often the subject of much debate and confusion. However, once the ability to pay amount is determined, the computation results are clear: Either your client cannot pay the taxes owed and qualifies for an OIC, or your client can pay the taxes owed and does not qualify.

Qualifying for an OIC does not mean your client will obtain an OIC. To obtain an OIC, your client must be able to pay the offer amount, which is the computed amount required to be paid to the IRS to settle the debt.

CONTRARY TO POPULAR PERCEPTION, THE IRS DECISION IS NOT LARGELY SUBJECTIVE AND IS INSTEAD BASED ON COMPUTATIONAL FORMULAS. THAT IS WHY IRS.GOV FEATURES AN OIC PRE-QUALIFIER TOOL.

Can your client pay the OIC offer amount?

The formula used to compute the offer amount differs from the formula used to determine qualification. The qualification formula and offer amount formulas use the same computation for net equity in assets. However, the offer amount formula requires only 12 or 24 months of future income, rather than the full amount that the IRS could collect before the collection statute expires.

When calculating the offer amount, it is imperative to conduct complete due diligence. In taxpayers' initial calculations, they often find that the offer amount is too high to consider an OIC as a viable option. In addition, during the IRS' OIC investigation process, taxpayers may discover that they incorrectly computed net equity in assets and monthly disposable income, resulting in an offer amount that is much larger than expected and too much to pay to settle the taxes owed. Tax professionals should exercise great care and diligence in properly computing the financial components of the OIC to avoid a potentially costly, long investigation process when there might be a better alternative, such as, currently not collectible status or an installment agreement.

Qualification and offer amount illustrated

To illustrate how the OIC qualification and offer amounts are computed, let's assume the following facts:

- The taxpayer owes \$50,000 on April 15, 2014, and submits an OIC application on that date.
- The collection statute expiration date is April 15, 2020 (six years, or 72 months, remain on the collection statute).
- The taxpayer has net equity in assets amounting to \$5,000 and monthly disposable income of \$500.

In this example, the taxpayer chooses the lump-sum OIC payment option, which uses a future income multiplier of 12 months. (There is also a periodic payment option that uses a future income multiplier of 24 months.) For this example, the qualification and offer amount are computed as follows:

EXAMPLE		Qualification	Offer amount
(1) Net equity in assets, plus		\$5,000	\$5,000
(2) Future Income:			
Future Income Calculation	Monthly Disposable Income	(\$500 times	(\$500 times
	Collection Statute (expires in 6 years)	72 months)	
	Future Income Multiplier (based on OIC payment option)		12 months)
	Total future income, as calculated	\$36,000	\$6,000
Ability to pay/future income for offer (1) + (2)		\$41,000	\$11,000
Tax balance owed		\$50,000	\$50,000
Qualification		YES (ATP < tax owed)	
Offer amount			\$11,000



CLOSELY EXAMINE YOUR CLIENT'S FINANCIAL SITUATION BEFORE YOU CONCLUDE THAT YOUR CLIENT QUALIFIES AND CAN OBTAIN AN OIC. YOUR CLIENT MAY BE BETTER OFF WITH A MORE SUITABLE COLLECTION ALTERNATIVE, SUCH AS CURRENTLY NOT COLLECTIBLE STATUS OR AN INSTALLMENT AGREEMENT.

In this example, the taxpayer qualifies for an OIC, because the amount that the taxpayer can pay before the collection statute expires (\$41,000) is less than the tax owed (\$50,000). The offer amount that would be required to be paid to settle all liabilities is \$11,000. This example illustrates the benefits of the OIC program for taxpayers who qualify. To provide the taxpayer with a fresh start, the U.S. Treasury would accept \$30,000 less in payments than it could otherwise receive.

2011 IRS Fresh Start Initiative

While the number of OICs accepted is small in comparison to the number of taxpayers who have outstanding balances, more taxpayers are qualifying for and obtaining OICs due to the 2011 IRS Fresh Start Initiative, which softened qualification criteria and allowed for lower offer amounts.

Prior to Fresh Start, the offer amount calculation generally produced a larger settlement payment, because the future income multiplier was significantly larger. In our example above, the taxpayer's offer amount was \$11,000 under Fresh Start rules. Under pre-Fresh Start rules, the same taxpayer would have had an offer amount of \$29,000—\$18,000 more—because the future income multiplier would have been 48 months, instead of 12 months.

IRS data shows much of the impact of Fresh Start changes: In 2013, the IRS received 30% more OIC applications compared with 2010, and the acceptance rate for OICs increased to 42%, up from 25% in 2010.

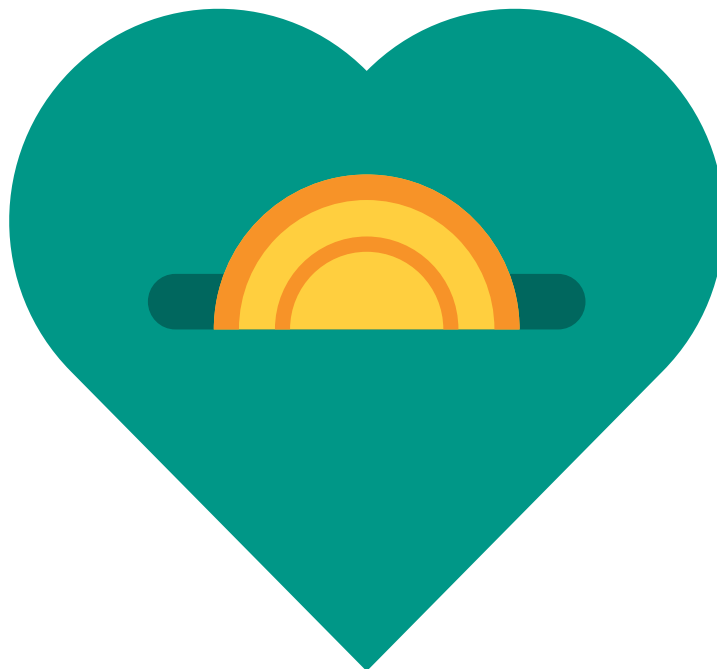
Do your due diligence first

An OIC should be considered when your client clearly has a financial hardship and there is no possibility that he or she will be able to pay the taxes in full before the collection statute expires. The qualification and offer amount computations are fairly straightforward and can easily answer your client's questions about whether he or she should pursue an OIC.

However, determining your client's net equity in assets and ability to pay can be complicated. Closely examine your client's financial situation before you conclude that your client qualifies and can obtain an OIC. Your client may be better off with a more suitable collection alternative, such as currently not collectible status or an installment agreement.



Jim Buttonow, CPA/CITP, is a software executive and instructor in the field of tax controversy. He has more than 26 years of experience in IRS practice and procedure.



**BECAUSE YOUR COMPANY RUNS
SMOOTHER AND EFFICIENTLY,
IT ULTIMATELY SAVES YOU MONEY.**

Put the new logistics to work for you.

Members of the National Society of Accountants receive special UPS discounts, including up to 30% on air and international services. For more information on UPS and to receive your special savings, visit **savewithups.com/nsa** or call 800.325.7000.



WE ♡ LOGISTICS™



Make
More
Money

Show Me the Margins

By Sandi Smith Leyva, CPA

Many entrepreneurs I'm currently working with are anxious to hit the golden \$100,000 mark this year. Others are interested in growing their revenues steadily and incrementally. Still others are focused on lowering costs, raising profits from that side of the equation.

These approaches are all well and good to help you keep more of what you make, but there are far more options to grow your take-home dollars besides raising revenue and lowering costs.

Here are six more ways to get more profit out of your business.

1. Change your revenue mix

If you offer more than one service, chances are one service or product is more profitable than another one that you offer. If possible, look at ways you can increase sales of the more profitable service while reducing sales on the less profitable

services. When you do, you'll instantly have more take home money than you do now.

2. Change your price

Interestingly, increasing your price doesn't always generate more revenue.

Rather than increasing your price, you might be able to actually lower your price, increase your volume, and make more overall revenue. This technique is more effective for product sales than service sales, but you never know until you try it. Experiment with this on a test basis to see whether lowering your price generates more profits for you.

If you're working too hard with long hours, your price may be too low. Raise your price to adjust demand, and you'll be able to stop working so hard but still have just as much revenue coming in.



BE SURE YOUR ACCOUNTING SYSTEM IS DELIVERING THE TYPE OF REPORTS YOU NEED IN ORDER TO TRACK YOUR REVENUES, YOUR COSTS, AND YOUR MARGINS FOR EACH SERVICE, EACH PRODUCT, AND EVEN EACH CUSTOMER.

3. Change your customers

If you have lots of different customers from varying industries and sizes of businesses, it might be fun for you but also exhausting. The more diverse your customers are, the harder it will be for you to get up to speed to serve them well.

To increase your profits, attract a very similar customer over and over again. For example, all lawyers or all hypnotists. You'll be better able to serve them because you already know their business and industry and the common problems they all have. You'll also become an expert and it will be easier to market to your new niche.

4. Change your volume

If you're constantly struggling to cover your overhead or reach your revenue goals, you might have a volume problem. This means you'll need to market more to get more customers or sell more to existing customers and increase your revenue per client.

5. Change your measures

Be sure your accounting system is delivering the type of reports you need in order to track your revenues, your costs, and your margins for each service, each product, and even each customer. That's the only way you'll have the detailed information you need to act in a fiscally responsible way and fine-tune your business profits.

6. Change your mind

If you haven't taken a look at where you are now and where you want to be so that you can have a plan to bridge the gap, then you might be in denial about your business. Taking action will get you out of "dream" mode where you might be wishing your take home pay were higher and into reality mode where you can make it happen. Take action by planning and executing your plan, one change at a time.

Those six ideas will "show you the margins" and help you find some more summer income in your business.

Ready for more ideas on how to make more and work less? Watch an NSA ConnectEd webinar on exactly that topic: the FREE on-demand webinar can be found at <http://webinars.nsacct.org/session.php?id=13377>.



Sandi Smith Leyva Sandi Smith Leyva, CPA, helps accountants in small practices boost their revenues in her Accountant's Accelerator program (<http://www.fillyouraccounting-practice.com>).

Sign up for her free newsletter at <http://www.accountantsaccelerator.com>.

NSA SCHOLARSHIP FOUNDATION ANNOUNCES 2014 WINNERS

NSA Scholarship Foundation

A total of 33 students are gaining a boost to their college educations in accounting by earning scholarships from the NSA Scholarship Foundation. Together, they will receive \$34,450 in scholarship awards. The Foundation, which began in 1969, has provided more than \$1 million to deserving undergraduate and graduate students who are committed to pursuing a career in accounting.

The scholarships range from \$500 to \$2,000. These recipients were selected on the basis of an overall outstanding academic record, demonstrated leadership and participation in school and community activities, honors, work experience, stated goals and aspirations, and financial need.

Congratulations to the following 2014 scholarship recipients:



Alana Ascanio
Florida International University
Florida Society of Accounting &
Tax Professionals: \$500



Rachel Chaney
University of North Carolina at
Greensboro
North Carolina Society of
Accountants: \$1,200



Emily Babski
Virginia Polytechnic Institute and
State University: \$500

Tiffany Chen
University of Portland
Oregon Association of Independent Accountants: \$1,000



Yvonne Clark
Eastern Washington University
Washington Association of
Accountants: \$1,000



Alessandra Baixeras
University of Miami
Florida Society of Accounting
& Tax Professionals Peace River
Chapter: \$500

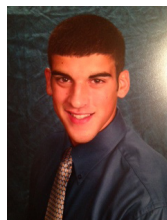
Travis Cortez
University of Alaska Fairbanks
Alaska Society of Independent Accountants: \$500



Adam Cebulla
University of Mary
Montana Society of Public
Accountants and the North Dakota
Society of Accountants: \$1,500



Mallory Coulombe
Southern New Hampshire University
New Hampshire Society of
Accountants: \$1,000



Matthew Daddario
Daemen College
New York Society of Independent
Accountants: \$500

Allison C. Carroll
Arizona State University
Arizona Society of Practicing Accountants Merit
Scholarship: \$2,000



Daniel Dunnigan
Saint Bonaventure University
Milton Brown Award: \$1,000

Allison Nelson
University of Wisconsin-Superior
Wisconsin Association of Accountants: \$500



Eric Nielsen
University of Nebraska-Lincoln
Nebraska Society of Independent Accountants: \$1,000

Rebecca Galindo
University of Southern California
Steven Desdier Memorial Award: \$1,000

Robert Gilmore
Southeast Missouri State University
Missouri Society of Accountants: \$1,000

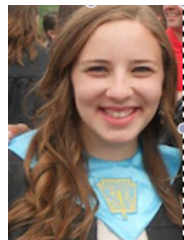


Ashley Ortiz
Arizona State University
Arizona Society of Practicing Accountants: \$2,000



Katelyn Goettl
University of Wisconsin-Eau Claire
Millard D. Ashley Memorial Award: \$1,000

Allison Richter
Drake University
Accountants Association of Iowa: \$1,000



Anna Hauer
University of Wisconsin-Madison
Wisconsin Association of Accountants: \$500



Kristen Rohrer
Eastern Illinois University
Independent Accountants Association of Illinois: \$1,750



Jordyn Herzog
Carroll University
Wisconsin Association of Accountants: \$500

Aaron Rosipajla
University of San Diego
Public Accountants Society of Colorado: \$1,000

Meredith Keeton
Belhaven College
Ronny Woods Memorial Award: \$1,000



Zoe Scheve
Iowa State University
Accountants Association of Iowa: \$1,000

Jessie Levno
Eastern Washington University
Stanley H. Stearman Award: \$2,000

Continued on Page 18 ►

◀ Scholarship recipients continued from page 17



Hannah Sick
Lock Haven University
Pennsylvania Society of Public
Accountants: \$1,000

Katrina Velasco
Washington State University
Washington Association of Accountants: \$1,000

Kendall Williams
Alabama State University
Alabama Association of Accountants: \$1,500



Samantha Sgroi
Lasell College
Maine Association of Accountants:
\$1,000

Zach Williams
University of South Alabama
Alabama Association of Accountants: \$1,500

Kyle Yasumiishi
University of Washington-Seattle Campus
Washington Association of Accountants: \$1,000

Jasper Stewart
University of Arkansas Main Campus
Arkansas Society of Accountants: \$1,000



To learn more about the NSA Scholarship Foundation program or to make contributions, visit www.nsacct.org and search under “About” for the “NSA Scholarship Foundation.”



From the NSA Blogs

The Latest: FASB and IASB Issue Converged Standard on Revenue Recognition

FASB and the IASB issued a converged standard on the recognition of revenue from contracts with customers. The new standard, an effort that took more than a decade, is intended to improve the financial reporting of revenue and improve comparability of the top line in financial statements.

FASB and IASB issued the following statement, “The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications), and improve guidance for multiple-element arrangements.”

“The successful conclusion of this project is a major achievement for both boards,” said IASB chairman Hans Hoogervorst in a statement. “Together, we have improved the revenue requirements of both IFRS and U.S. GAAP, while managing to achieve a fully converged standard. Our attention now turns to ensuring a successful transition to these new requirements.” [Read more](#)

NSA Blog: IRS Revised Circular 230 is Approved

The IRS has approved the final revised Circular 230 regulations governing practice before the Internal Revenue Service (IRS) and will be published by the Federal Registry shortly. They affect individuals who practice before the IRS and providers of continuing education programs.

In September 2012, Treasury and the IRS published in the Federal Register (77 FR 57055) a notice of proposed rulemaking (REG-138367-06) proposing to amend Circular 230 by revising the rules governing written tax advice and other related provisions of Circular 230. The new document, two years in the making, is available for review [here](#).

Life & Taxes: Keep Your Records Safe in Case Disaster Strikes

Some natural disasters are more common in the summer, but major events like hurricanes, tornadoes and fires can strike any time. It's a good idea to plan for what to do in case of a disaster. You can help make your recovery easier by keeping your tax and financial records safe.

Here are some basic steps you can take now to prepare:

1. Back up Records Electronically. Many people receive bank statements by email. This is a good way to secure your records. You can also scan tax records and insurance policies onto an electronic format. You can use an external hard drive, CD, or DVD to store important records. Be sure you back up your files and keep them in a safe place. If a disaster strikes your home, it may also affect a wide area. If that happens you may not be able to retrieve your records. [Read more](#)



Main Street Tax News

By Andrew G. Poulos, EA

Smarter Uses of Technology to Build Your Practice and Increase Revenues

How much more efficient would your practice be if you could make technology work better for you and your clients? How much would your practice grow?

Just a few years ago, I was overwhelmed with new technology; there weren't enough hours in the day to learn what was new, let alone implement new technologies in my practice. However, once I made the commitment to follow through, my firm increased tax revenues by more than 64%, in 2012 and 2013! I now meet fewer than a dozen clients in person; in fact, 98% of my work is done through the Internet. This allows me great flexibility with managing my workload.

I'm not opposed to face-to-face meetings, but with better and constantly evolving technology, there's no reason why we should continue to operate the old fashioned way. Many people in our profession are reluctant to change and adapt to new technology in their business. Those who don't adapt to the new generation of technology will soon be left behind. Our clients, especially those of the younger generation, want to work with accounting and tax professionals who are in tune with technology. Forget about the days of waiting for your office phone to ring or waiting for the client who is running late for their appointment and putting you behind with your other work.

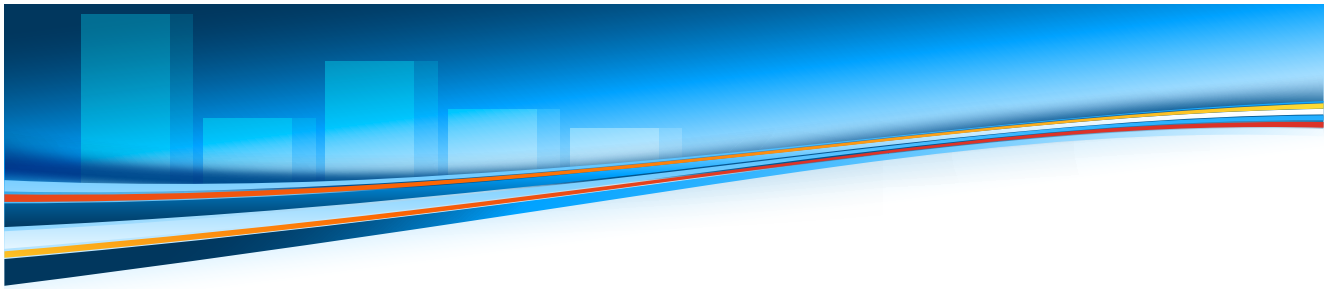
In my practice, I deal with clients of all ages and nationalities. Some are located across the United States, while others are dispersed internationally with a time zone difference up to 12 hours. Waiting for the phone to ring at midnight or trying to meet clients in person would put huge limitations

on the number of clients I work with. Operating the way I used to operate 19 years ago, when I first started my firm as a young 21-year-old college graduate, would be a lost cause.

Times have changed, and you must change, too! The various technologies I implemented have allowed me to work with clients all across the world. More often than not, I don't have to speak with my clients on the phone or see them in person. If I need to see a client, I use Skype, which works just as well as having the client in my office.

Here's what you need to do to operate more efficiently; I can tell you that it's not by having a paper fax machine, telephone line, or an ancient computer system:

- **e-fax** allows me to receive faxes on my computer through Outlook on the iPhone, iPad, or anywhere I have a computer with an Internet connection. This is a great way to receive important documents without having to stay in the office waiting for clients to fax paperwork.
- The next great technology is **Evernote**, an online service that allows you to upload all types of files and to access them on a secure remote server from any computer, iPhone or iPad app. Evernote is probably the single best piece of technology I have implemented in my firm. With Evernote, I can share files with clients, whether they are PDFs, Word or Excel documents, tax return files, QuickBooks files, or any other data that needs to be shared. Evernote can also be used as a filing cabinet by uploading files and labeling them, which enables me to access the files and easily search for them by name or description when I am out of the office.



BEING ABLE TO WORK REMOTELY, AND STILL TAKE CARE OF YOUR CLIENTS, IS THE NEW WAY OF DOING BUSINESS.

Imagine being out of the office and your client emails you, asking if you can provide them with a copy of their tax return because they need it urgently and aren't at home to access it on their computer. In the old days, you would have had to reply to your client to let them know that you were out of the office and didn't have access to your computer. With Evernote, you can access the files from your laptop or iPhone and email the file to your client with a simple touch of a button. This is how you can offer great customer service without being stuck in your office. Being able to work remotely, and still take care of your clients, is the new way of doing business.

- Another piece of technology that not only helps me be more efficient, but also allows me to market to my clients, is the use of my website with a **secure portal**. I can set up a portal for my clients from any computer, iPhone or iPad, as long as I have an Internet connection or WiFi. Clients access their secure portal to upload and download documents I send to them. The beauty is that I set the portal preferences to send email notifications to my clients each time I upload files for them, and receive emails when they upload files in their portal. It's an easy way to work, while still continuing to market to clients each time they go to the website to access their portal. Just as important is having a vanity domain, such as www.savvytaxguy.com or www.savvemefromirs.com, that you can link to your website and help clients remember how to access their portal.

- Another well-known subscription that I use is **Dropbox**. I'm not as big of a Dropbox fan as I am of Evernote, but I do use it to accommodate some of my clients. Just like Evernote, I have the Dropbox app so that I can access files remotely when I am not in the office.

- People may fear that being out of the office will limit their ability to be productive and service their clients' needs. With today's technology, this should no longer be a concern. Remote access services, such as www.logmein.com, allow me to access my office computer remotely from my laptop or any other computer. Although I can access many files through Evernote, the secure portal on my website, and Dropbox, there are times when it is necessary to access my office computer remotely. Having a low-cost and affordable remote access service allows for easy access to the office computer.

- I mentioned earlier that you no longer have to sit in the office waiting for the phones to ring. Technology has revolutionized the phone industry. Voice over IP (VoIP) is becoming the new standard for phone technology, while the old copper landlines are becoming obsolete. For example, I have a local and toll free number through Ring Central in my practice. With my Ring Central account, I have e-fax service and can route my telephone calls to either ring in my office or on any phone out of the office. When my clients dial my number, the call goes to whichever phone I have it set to dial. Best of all, my clients don't know if I am in the office or answering the phone while I am on vacation at the beach! With a simple touch of a button, I can access my Ring Central account from any computer or my iPhone and designate where I want to route the phone calls. I can listen to the voice mails on my iPhone or my laptop, instead of having to wait until I get back to the office to listen to voicemail.

For some, these types of technological changes may be a bit drastic. You have to analyze how your business operates to figure out what type of technology you should implement as part of your daily operations. If you have staff, some of

this technology might not be necessary. However, if you are a sole practitioner who wants to streamline your business, become more efficient and productive, and have more freedom in your life, these types of technological changes may be the best thing, ever!

Some practitioners will take action and adapt to the newest technology available; while others will be hesitant to change. Fear of the unknown can paralyze people. That's the reason why some are able to stay ahead of the competition, while others struggle to maintain the status quo. What kind of practice do you want?

© 2014 Copyright of Poulos Accounting & Consulting, Inc.



*Andrew Poulos, EA, ABA, ATP
Principal of Poulos Accounting & Consulting, Inc., Atlanta, Ga.
Author of QuickBooks Ultimate Lesson Guide© DVD
Columnist of "Main Street Tax News" - National Society of Accountants
Author for Intuit's ProLine Central Newsletter & Website
Producer & Host of The Savvy Money Show® – Weekly Radio Financial Talk Show
Exclusive Tax Software Reviewer for www.reviews.com*



Why Should Accountants Specialize?

By Mary Ellen Biery

Many accounting firms believe that in order to generate as much business as possible, they must be generalists.

They may prefer to focus on a handful of industries or offer a narrower range of services, but they worry that doing so will cost them revenue and financial security.

As a result, when it comes time to tell prospects what sets the firm apart, these accountants may say, “We offer excellent, personalized service,” or “We have decades of experience in a variety of industries.”

These pitches may work for some clients, but imagine being able to say, “We’re the only accounting firm in this city that specializes in restaurants,” or “We specialize in providing succession planning to physicians.” In many cases, having an expertise can actually make it easier for you to generate leads.

Jean Caragher, contributing author of “Bull’s-Eye! The Ultimate How-To Marketing and Sales Guide for CPAs,” and president of Capstone Marketing, has identified several advantages in generating leads that can be tied to specialization, including the following:

- You can focus your marketing dollars on specific niches rather than taking a “shotgun” approach that spreads thin both you and your resources.
- You can use basic market-research techniques to identify prospects and potential niches (such as industry, sales or number of employees, geographic area), and figure out which is most attractive or attainable.
- You don’t have to let geography limit your practice, so you can leverage your skills and services to build your client base elsewhere. Even if your local community is having an economic downturn, certain industries may be bucking the trend, and you will be better able to follow that business.

Another advantage related to generating new business is that when you focus on a few industries, you can join trade groups for those industries and focus your networking efforts on meetings or conferences affiliated with those associations. If your specialty is providing accounting for chiropractors,

you may be able to meet and reach hundreds of prospects at one meeting.

Compare that to attending a local chamber of commerce function!

Specializing in an industry could also make it easier for you to secure word-of-mouth referrals. Having a specialty label generates a certain level of credibility by itself, and clients who are happy with your services will think of you first when the topic of financial planning comes up at social gatherings or professional events with their peers. You can be seen more as a provider of value-added advisory services and less as a number-cruncher whose services can be obtained from multiple sources.

Once you’ve chosen a particular industry that you’d like to pursue, you can use sample industry score cards to show prospects you understand their industry and will be able to help them identify where they may be lagging or leading peers. These summary reports can be pulled quickly and make excellent marketing materials to showcase your firm when marketing to prospects—even on short notice.

With access to industry data, accountants can analyze financial performance of an industry and compare it to previous years to identify insights around the industry environment and the challenges prospects in this industry might be facing. This can help you decide which industries might benefit most from your services or which might be more likely to be willing to pay premium prices.

For more information on this topic, [click here](#) to view the free webinar on refreshing your firm’s marketing program.



Mary Ellen Biery is a research specialist for [Sageworks](#), a financial information company that provides financial analysis and industry benchmarking solutions to accounting firms.



Don't miss NSA's Annual Meeting!

August 20 - 23, 2014 • Hyatt Regency Baltimore at Inner Harbor • Baltimore, MD

Your Full Registration Package is All-Inclusive!

Included with registration:

- 17 Hours of CPE
- Three Continental Breakfasts
- Two Lunches
- Welcome Crab Feast
- Industry Issues Panel
- Expo
- Aloha Dessert Reception
- ACAT Reception
- Closing Reception and Installation Banquet



**HURRY--Register by 7/15
and Save \$100!**

NSA Members: \$579

Nonmembers: \$699

The Spouse/Guest Registration Package Includes:

- Spouse/Guest Mix & Mingle Continental Breakfast
- Two Additional Continental Breakfasts
- Welcome Crab Feast
- Baltimore Inner Harbor Cruise
- Aloha Dessert Reception
- Expo
- Closing Reception and Installation Banquet

\$249 before July 15; \$299 after July 15

Hyatt Regency Baltimore at Inner Harbor
300 Light Street
Baltimore, MD 21202

Room rates begin at \$169 + taxes
Reservation Deadline: July 15, 2014
[Visit the hotel website here](#)

Choose from 17 HOURS OF HOT TOPIC CPE
Industry's Best Jennings Seminar Speakers

- Affordable Care Act
- Ethics
- Practice Management
- MD Tax Law
- Fraud
- Accounting
- Industry Panel

ATTENTION Maryland Preparers:
Friday, August 22 is MD Tax Preparer Day!
Fulfill Your 4-Hour MD CPE Requirement!

The business session will begin with a 1-hour CPE Industry Issues Panel. This panel discussion will feature NASBA president and CEO, Ken Bishop; NASBA Chair, Carlos Johnson; and others in the industry to discuss emerging issues affecting your practice.

PLUS

Welcome Crab Feast

In Baltimore, crab feasts are serious fun. See if you can master of the art of cracking the Chesapeake blue crab.

Inner Harbor Cruise

Step aboard the *Annapolitan II* for a 45-minute narrated cruise.

Aloha Dessert Reception

Welcome incoming President Marilyn Niwao by enjoying decadent ice cream sundaes, cakes, pies, fresh fruit and cheeses, and chocolates, with a touch of Hawaii, overlooking the beautiful Inner Harbor.

[Click here to view the Schedule](#)
REGISTER NOW!



NSA 69th Annual Meeting & Expo 2014 Registration Form

August 20–23, 2014 • Hyatt Regency Baltimore at Inner Harbor

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 _____

Email _____

NSA Member ID# _____

CTEC Member ID# _____

PTIN# _____

- ☐ This is my first NSA Annual Meeting
☐ 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

ONLINE www.nsabaltimore2014.org

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

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

CALL 800-966-6679



METHOD OF PAYMENT

☐ Check ☐ Discover ☐ MasterCard ☐ Visa ☐ AmEx

Credit Card # _____ Exp. Date _____

Signature _____

Total Due: \$ _____

Cancellation Policy: Registration fees are refundable (less a \$75 per registration administration fee) until August 1, 2014.

No refunds after August 2, 2014.

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

NSA Office Use Only:

___ ACAT ___ GG ___ SD ___ VIP ___ CC ___ FT ___ ASO

REGISTRATION PACKAGES Full Conference

Includes a full year
NSA Membership!

Early Bird Discount

Postmarked by:	July 15	After July 15
Member:	<input type="checkbox"/> \$579	<input type="checkbox"/> \$679
Nonmember:	<input type="checkbox"/> \$699	<input type="checkbox"/> \$799
Spouse/Guest:	<input type="checkbox"/> \$249	<input type="checkbox"/> \$299
Each child 6-17:	<input type="checkbox"/> \$99	<input type="checkbox"/> \$139

Spouse/Guest/Child Name _____

Spouse/Guest/Child Name _____

Spouse/Guest/Child Name _____

Daily Rates

Select option and day(s) you wish to attend:

1-Day	Thurs., 8/21	Fri., 8/22	Sat., 8/23
NSA Member	<input type="checkbox"/> \$209	<input type="checkbox"/> \$209	<input type="checkbox"/> \$239
Nonmember	<input type="checkbox"/> \$259	<input type="checkbox"/> \$259	<input type="checkbox"/> \$289

2-Day

SELECT TWO DAYS:

- ☐ NSA Member \$399 ___ Thurs., 8/21 ___ Fri., 8/22 ___ Sat., 8/23
☐ Nonmember \$439 ___ Thurs., 8/21 ___ Fri., 8/22 ___ Sat., 8/23

☐ **Friday MD & IRS CPE Day:** \$179 for 7-hours CPE, includes lunch

☐ **Saturday Practice Management Day:**
\$159 for 6-hours CPE, includes breakfast

Mix & Match Your CPE

Attending for just one day and want to catch a class on another day?
Add any two-hours of CPE for just \$60. Select your 2-hour course(s):

- ☐ Thursday: ___ Accounting ___ Fraud
☐ Friday: ___ MD Tax Update ___ ACA ___ Ethics

Enrolled Agent Exam Review: Mon., Aug. 18 – Wed., Aug. 20

☐ **Full Course-All 3 Parts:**
___ NSA Member Discount Rate: \$595 ___ Nonmember: \$699

☐ **Part 1:**
___ NSA Member Discount Rate: \$215 ___ Nonmember: \$250

☐ **Part 2:**
___ NSA Member Discount Rate: \$329 ___ Nonmember: \$375

☐ **Part 3:**
___ NSA Member Discount Rate: \$115 ___ Nonmember: \$150

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

Welcome to Baltimore Crab Feast 8/20:	\$85 x _____ = _____
ACAT Reception 8/21:	\$25 x _____ = _____
Installation Banquet 8/23:	\$85 x _____ = _____
Child Installation Banquet 8/23:	\$45 x _____ = _____

*Children age 2 and under are free if seated in lap.

NSA PAC Suite Deal Raffle

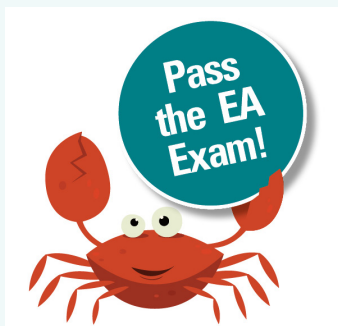
Buy your NSA PAC Suite Deal Raffle ticket(s) and you'll be entered to win an upgrade from a standard room already purchased to a Suite for up to 5 nights. Raffle ticket sales end on August 1st. The drawing will be held on August 8, 2014.

NSA PAC Suite Deal Raffle Tickets: \$50 each x _____ = _____
The PAC can not accept corporate contributions.

NSA Scholarship Walk Donation:

Pre-registration: \$35 per person x _____ = _____
Sleep in for Scholars \$50 per person x _____ = _____

NSA IS PLEASED TO OFFER A LIVE ENROLLED AGENT EXAM REVIEW COURSE, HELD PRIOR TO THE ANNUAL MEETING



Let NSA help you pass the Enrolled Agent (SEE) Exam!

August 18 - 20, 2014

Hyatt Baltimore at Inner Harbor, Baltimore, MD

The 24-hour course is a comprehensive and intensive review geared toward a single purpose: to help you master tax basics and pass the EA Exam.

Hundreds of past exam questions from the open-exam era and many more potential questions on newer topics are incorporated and each is reviewed in class so the real exam itself will look like an old friend. Study tips, tricks, and shortcuts are a staple of this course.

Sign up and you'll also receive:

- The 3-Volume NSA Enrolled Agent Review Course in online and PDF formats.
- Detailed handouts, notes, examples, and illustrations to follow the course step-by-step.
- 18 (6 per part) detailed study lessons and review questions to help you master each section of the materials.
- Proven exam-taking tips, tricks and strategy guides with tips for passing each part of the exam.
- Top 150 questions per part—essential questions on topics that you will absolutely need to master.
- Interactive online review and practice questions with explanations and analysis.
- Final Review Cards—super summaries for each part of the exam. The perfect last-minute memory jogger to review immediately before the exam.
- Weekly study guide with detailed assignments and time allocations.
- Comprehensive study aids that summarize the tax law related to a particular subject. Valuable for last-minute reviews prior to the exam.
- Access to an online EA study community to post your questions and comments, respond to other commenters, and interact with the presenters.
- A complete sample EA exam to help you gauge your progress prior to taking the exam.

Presented by John Everett, CPA, PhD and Bill Duncan, CPA, PhD

Schedule:

Monday, August 18
Part I: Individuals

Tuesday, August 19
Part II: Businesses

Wednesday, August 20
AM: Part II: Businesses

PM: Part III: Representation, Practices, and Procedures

Pricing:

Complete course (all three parts)
NSA Members: \$595; Nonmembers: \$699

Part I:
NSA Members: \$215; Nonmembers: \$250

Part II:
NSA Members: \$329; Nonmembers: \$375

Part III:
NSA Members: \$115; Nonmembers: \$150

REGISTER NOW!

MEET THE CANDIDATES FORUM WILL BE HELD DURING THE BUSINESS SESSION AT ANNUAL MEETING

Meet the Candidates Forum

Thursday, August 21, 2014
during the NSA Business Session
Hyatt Baltimore

You are invited to submit questions to be posed to the candidates.
Submit your question [online](#) by August 15 or via paper on site.

NSA Officer Candidates



President Elect
Marilyn Niwao, JD, CPA, ATA
Wailuku, HI



First Vice President
Kathy Hettick, EA, ABA, ATA
Enumclaw, WA



Second Vice President
Alfred Giovetti, CPA, ABA,
ATA, ARA
Catonsville, MD



Second Vice President
Curtis Lee, Jr., ATA, ATP
Raleigh, NC

NSA Board of Governor Candidates



Governor District II
Robert Genovese, ATA, ATP
Howard Beach, NY



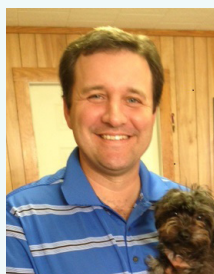
Governor District II
Ralph Walters, EA, ABA, ATA
Marlboro, NY



Governor District IV
Dave Rancourt, EA, ABA, ATA, ARA
Sarasota, FL



Governor District VI
Cynthia Hunt, EA, ATA
Huntsville, AL



Governor District VIII
Bradley Crain, CPA
Prescott, AR



Governor District X
Christine Freeland, CPA, ABA, ARA, CSA
Chandler, AZ

★ 2014 IRS TAX FORUM SCHEDULE ★

The 2014 IRS Nationwide Tax Forums are underway with the Chicago forum wrapping up July 3. NSA members can use the code **NSA-2014-\$10Disc*** during registration for a \$10 discount off the registration price. Click on the links below for more information or to register for the remaining 2014 Forums. To stay informed, follow us on Twitter (@NSATax), or click on this link to visit the [IRS Tax Forum webpage](#).

Five locations to choose from



San Diego
Town and Country Resort

July 15 - 17

(Preregistration deadline ended)

[See Hotel Details](#)
NSA Booth #664



New Orleans
Hyatt Regency New Orleans

July 22 - 24

(Preregistration deadline: 7/8)

[See Hotel Details](#)
NSA Booth #304

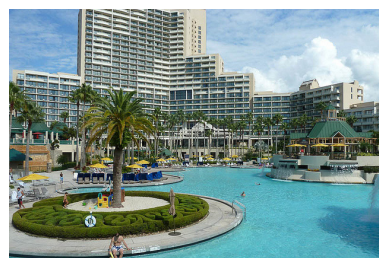


National Harbor (DC)
Gaylord National Resort &
Convention Center

August 19 - 21

(Preregistration deadline: 8/5)

[See Hotel Details](#)
NSA Booth #507



Orlando
Orlando World Center Marriott

August 26 - 28

(Preregistration deadline: 8/12)

[See Hotel Details](#)
NSA Booth #319

For more information and to register, visit www.irstaxforum.com

See you at the Forums!

★ 2014 IRS TAX FORUM * NSA SPEAKERS ★

The highly-rated speaker team of Kathy Hettick, EA, ABA, ATP, RTRP and Gene Bell, EA, ATP, CFP, RTRP returns to the IRS Tax Forums this year with brand new topics. The two sessions detailed below will be presented at each of the five Forums this summer. Click on the links in blue below to view Kathy's and Gene's profiles and to register.



Kathy Hettick, EA, ABA, ATP, RTRP



Gene Bell, EA, ATP, CFP, RTRP

Business Expenses and the S Corporation—What You Really Need To Know!

S Corporations continue to be the most popular business entity in the US today. In this hour, you will gain an understanding of business expenses related specifically to the preparation of the S Corporation tax return. We will discuss fringe benefits, depreciation, employee-shareholder compensation, the new reporting requirements for officer compensation on Form 1125-E, how to handle a home office, and more. This session will give you real answers, tips, and solutions to give you confidence in preparing the Form 1120-S.

Dealing With The S Corporation K-1 on the 1040—What You Really Need To Know!

Your client has just dropped off a Schedule K-1 for an S Corporation. Where do you begin? What questions do you ask, and what do you need to know? In this session, we will address how to take the K-1 items to the 1040 return, the huge issue of the new Net Investment Income Tax, and the always problematic basis issues. We will give you court cases you should be aware of, potential hazards, and real stories from tax season.

[Register here](#)

Benchmark training and certification in the accounting and financial consulting profession's hottest growth niches.



Consultants'
Training
Institute™



Free CTI Catalog!

- Business Valuation/ Appraisal
- Financial Forensics
- Litigation/ Expert Witnessing
- Mergers and Acquisitions/ Exit Planning
- Healthcare Valuation and Consulting

To receive a FREE copy of our 2014 Second Quarter CTI Catalog and view all of the training programs the CTI offers, please visit

www.NACVA.com/CTICatalogRequest

or call Member Services at **(800) 677-2009**.