



# The Accountant

Official Publication

of the North Carolina Society of Accountants

Post Office Box 1126, Conover, NC 28613

828-695-2520 or 866-755-NCSA FAX: 828-695-2522

June 2007

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**Mark  
Your  
Calendars**

**NCSA  
Fall PAS**

**September  
21-22, 2007**

**Marriott Durham  
at the  
Civic Center  
Durham, NC**

## A Message From The President

*Wayne O. Parker*

Time flies, however it does not feel like it has been a year since I started my journey as your President. I hope I have served our Society well, for it has served me well.

I want to thank all of the Line Officers, Board of Directors, Parliamentarians, Committee Chairs, Committee Members, my Piedmont Chapter, my staff, and my wife for all the assistance provided to me during my year as President, and say thank you for a job well done. It has been a privilege to serve as your President this past year. A special thank you to our E. D. Candace Cansler, for all she has done for me this year. I hope all of you know how much I appreciate your help and encouragement this year.

Please remember the upcoming Summer PAS and the State Convention in Winston-Salem at the Embassy Suites Hotel June 21<sup>st</sup> to 24<sup>th</sup>. I hope you registered early and don't forget the Embassy provides a full breakfast and Manager's Reception daily, included in your room rate. The convention hotel is located in the Arts district with 65 galleries out the back door, Restaurant Row out the front door and Street festivals within one block every Thursday, Friday, and Saturday. Embassy has a Starbucks, WS Prime Chop House and the Grille Restaurant.

I want to extend my best wishes to our incoming President Stephen Metelits. He has been hard at work planning for his year. Please continue to give him your support.

"The best and most beautiful things in the world cannot be seen, nor touched...but are felt in the heart." Helen Keller.

Sue and I have had the opportunity to travel around the State the past five years and see a lot of our friends, and make many new friends for our NCSA extended family. I look forward to seeing each of you at the convention. God bless you all.

To the NCSA Members, thank you for the honor and privilege of serving as your President. Thank all of you for your support.



**Wayne O. Parker**

### Archer Medical Savings Accounts

In Announcement A-2007-44, the IRS reviews the cut-off data for Archer Medical Savings Accounts (Archer MSAs). Sections 220 (i) and (j) of the Internal Revenue Code provides that if the number of Archer MSA returns filed for 2005 or 2006 exceeds 750,000, April 19, 2007, is the end of the Archer MSA pilot project.

The IRS has determined that the maximum number has not been attained. Consequently, April 19, 2007, is not a cut-off date and 2006 is not a cut-off year for the Archer MSA pilot project.

## Chapter News

### Sanford

The May 22 meeting was held with 7 members in attendance. The group discussed the filing season and education and software for the coming year.

Two members have passed away since the last meeting—Clinton E. Bryan, Jr. and Merritt Robinson.

The June meeting will be held at the office of Elizabeth C. Kelly, 217 Steele St, Sanford, on Tuesday, June 26, at 6:00 pm.

### Burlington

The April 26<sup>th</sup> meeting was held at Kimber's Restaurant in Gibsonville at 6:30 pm, with 5 members present. There was a discussion of problems encountered during tax season and their resolution.

New officers were elected:

President - Garland Steele

Vice President - Margie Scott

Treasurer - Joyce Padmos

Secretary - Susie Helton

The new officers will be installed at the May 24 meeting.

### Charlotte

The Charlotte chapter met on May 21, at Captain's Galley Restaurant in Matthews. There were 11 members and 1 guest present.

The speaker for the evening was Brannon Poe, CPA. He spoke on valuing and selling an accounting practice.

It was decided to drop any members whose dues were one year past due.

Officers will be elected at the June 25 meeting. The following people were placed in nomination:

President – Lee Ezell

Vice President – Pat Wiley

Secretary – Ann Dilley

Treasurer – George Caesar

### Central

Central Chapter met on April 23, with 5 chapter members and 1 guest. The speaker for the evening was Jan Humble, a representative of American Benefits Corporation. She spoke on retirement options for teachers and others.

James H. Brank, 79, passed away on April 15, 2007.

The May 21<sup>st</sup> meeting was held at Stephanie's Restaurant, 2507 Randleman Rd., Greensboro, at 6:00 pm with 3 chapter members present. Lottie Neal, President of Central Chapter, led a round table discussion concerning the 2006 tax filing season.

The next meeting will be June 25 at 6:00 pm at Stephanie's Restaurant.

### Cape Fear

The April meeting was held April 23 at 6:30 pm at the Brass Lantern in Dunn with 11 members and 9 guests in attendance. There was a special "light and entertaining" presentation by Norman Thomas, a business owner in Fayetteville.

The May 21<sup>st</sup> meeting was held at the Barn Restaurant in Fayetteville at 6:30 pm. There were 14 members and 2 guests in attendance. Attorney Janet Downing spoke on Workers Compensation Insurance and Employment.

The next regular meeting is scheduled for June 18.

### Hickory

The chapter met on April 30, at the Boxcar Grille in Claremont with 9 members and 1 guest in attendance. Member Ron McGee gave a presentation on "Adding Value to Your Practice," touching on the advantages of a paperless office, and stressing the importance of offering additional services to our clients.

The chapter voted to keep the current slate of officers for another year. The new officers will be:

President - Alene Dale

Vice President - Joyce Reese

Secretary - Lynanne Gray

Treasurer - Susan Moore

Hickory Chapter met on May 28, at the Box Car Grille in Claremont with 7 members present. No program was presented.

Chapter officers will be installed at the next meeting on June 25. Location of the meeting will be announced.

### Raleigh

The Raleigh Chapter met on March 27, with 10 members and 1 guest. Jim Gundersdorff did a presentation on tax changes of note. This was followed by a spirited question and answer period.

The next meeting will be on April 24. Larry Grossman will speak on tax practice issues.

### Western

The May 29<sup>th</sup> meeting was held at Allison's Olympic Flame in Black Mountain with 12 members and 6 guests in attendance. Officers for 2007-2008 were elected:

President – Lafawn McKinney

Vice President/Secretary – Beth Evans

Treasurer – John McKinney

Officers will be installed at the July 31 meeting at Old Europe in downtown Asheville.

NEWS IS A FLEETING THING. WE CAN ONLY REPORT WHAT WE ARE TOLD. PLEASE MAKE SURE YOUR CHAPTER IS SHARING WITH [THE ACCOUNTANT](#).

Please e-mail information to [lfacct@bellsouth.net](mailto:lfacct@bellsouth.net) or fax to 828-438-8111.

## Message from the President-Elect

### Stephen Metelits

I want to make sure the new Chapter Officers and Committee Chairs know they are invited to the Leadership Conference and Committee Day. Ron Powell, from his feet or a wheel chair, will be conducting the Leadership Conference on July 21 at 9:00 am at the Holiday Inn Airport in Greensboro. We will be getting some educational materials as well as a discussion on how to get more people to attend Chapter Meetings and where to find new members and employees. Our membership is declining and we must address this. All ideas are welcome. After lunch, each Committee will have a few minutes to tell us what they will be doing in the coming year.

Also, remember to send your tax issues to Ron. He is working on the Practitioners' Forum to be held October 19 at the same hotel. If you have had a problem with the IRS, please let him know.

I look forward to seeing all of you at the Convention and the Leadership Conference and Committee Day.



Stephen Metelits

## Last Printed Issue

### Stephen Metelits, Editor

*The Accountant* is a newsletter, hopefully with news you can use. News is perishable; if you don't get it while it is new, it may not be in time for you.

It takes about a week from closing date to gather the articles, format the issue, and edit *The Accountant*. To then have it printed, stuffed into envelopes, and mailed can take another week. Now the "news" is not "new" anymore.

The printed issue is limited to eight pages. Any more than that raises the weight to over an ounce which means more postage. The e-mail only issues are not limited to any number of pages. Indeed, they often are more than eight pages. If there is more news, there are more pages.

Most of our readers have registered an e-mail address with the Society. With this in mind along with the recent increase in the cost of postage, and the fact that other publishers such as ACAT have stopped printing and mailing their newsletters, it was announced at the May 18 meeting of the Board of Directors that this would be the last issue of *The Accountant* to be printed and mailed.

*The Accountant* will continue to be issued every month. All members will receive an e-mail message with a link to the current issue. If you do not have your e-mail address registered with our Executive Director, you can register it on the form you send in with your dues in July. If you do not have access to the Internet, contact your local Chapter President who will find someone to print the issue for you and bring it to the Chapter meeting.

## Health Savings Accounts

In Rev. Proc. 2007-36, the IRS announced inflation adjustments for HSAs for 2007 and 2008. For 2007, the limitation on deductions for an individual with self-only coverage under a high deductible health plan is \$2,850. For calendar year 2007, an individual with family coverage under a high deductible health plan is \$5,650.

For calendar year 2008, the limitation on deductions for an individual with self-only coverage under a high deductible health plan is \$2,900. For 2008, an individual with family coverage under a high deductible health plan is \$5,800.

For calendar year 2008, a "high deductible health plan" is a health plan with an annual deductible that is not less than \$1,100 for self-only coverage or \$2,200 for family coverage, and the annual out-of-pocket expenses (not including premiums) do not exceed \$5,600 for self-only coverage or \$11,200 for family coverage.

## Annuity Exchanges

In Revenue Ruling 2007-24, the IRS addresses how not to exchange one annuity for another.

If the taxpayer receives a check from a life insurance company under a non-qualified annuity contract and endorses the check to a second insurance company for another annuity contract, it is a taxable exchange; the amount of the check is income.

If one annuity not yet having realized an actual gain is exchanged for a new annuity and the contracts exchanged relate to the same insured as the original contract, such an exchange is not taxable income.

## Kiddie Tax

Congress did it again. They messed with the kiddie tax. You thought it was bad enough when they raised the age for taxing children's income at the parents' rate to 17. Now they have raised the tax on investment income for full-time students under age 24 to their parents' rate. This starts in 2008.

## Personal Postings *Pat Pittillo*

Update on **Harold Hinton!** He is in an apartment in Garner and getting regular therapy after his heart bypass and valve replacement in April. He is beginning his marathon training by walking outdoors daily. Harold's biggest cheerleader is **Curt Lee** who has been covering all of Harold's accounting and business tax reporting. Bless you, Curt, for knowing that "actions speak louder than words"....**Danelle Hills** finished her term as president of the Chapel Hill chapter of Altrusa International and was then elected as District Three treasurer. She will be traveling in four states for this job....Congrats to **Alice Linville** in High Point for getting all those ACAT initials after her name....Our sympathy is extended to **Larry Grossman** on the death of his mother in April...Send your news items to [patacct@asheboro.com](mailto:patacct@asheboro.com) or fax to (336) 626-0072.

**60th Annual Convention  
Winston-Salem, NC  
June 22 - 23, 2007  
&  
Summer Professional  
Accounting Seminar  
June 21st, 2007**

**Hotel - Information**

**Address:**

460 North Cherry Street  
Winston Salem, North Carolina 27101

**Telephone:**

(336) 724-2300

**Fax:**

(336) 728-4020

**Reservations:**

(800) 696-6107

**Schedule**

**Wednesday, June 20th**

- 3:00 - 5:00 PM Registration
- 3:00 - 4:00 PM Officer's Meeting
- 4:00 - 5:00 PM Board of Director's Meeting

**Thursday, June 21st**

- 7:00 - 9:00 AM CPE & Convention Registration
- 8:00 - 4:40 PM PAS Seminar - (Separate Registration)
- 12:00 - 1:00 PM Lunch provided for PAS Attendees
- 3:00 - 5:00 PM Convention Registration
- Dinner** **On your own**
- 7:00 - 9:00 PM Nominating Committee Meets
- 7:00 - Until Bingo or Auction

**Friday, June 22nd**

- 7:00 AM Golfers meet in Lobby
- 8:00 - 12:00 PM Convention CPE (free)  
Pat Pittillo—Clergy Seminar  
Dell Computers—Updates
- Lunch** **On your own**
- 1:00 PM Tour Groups meet in Lobby
- 3:00 - 5:00 PM Convention Registration
- 2:00 - 7:00 PM Silent Auction
- 5:00 - 6:00 PM Vespers
- 6:30 - 7:00 PM Social Time — Cash Bar
- 7:00 - 9:00 PM President's Theme Dinner  
(Music by DJ from the Movie "Grease")
- 9:00—11:00 PM Nominating & Other Committees

**Saturday, June 23rd**

- 9:00 - 12:00 PM General Business Session
- 12:00 - 2:00 PM Past President's Lunch
- 2:15 - Until Business Session Resumes
- 6:00 - 7:00 PM President's Reception—Cash Bar
- 7:30 - 10:00 PM Installation Banquet
- 10:00 - Until Hospitality Suite Open

**Sunday, June 24th**

- 9:00 - 10:00 AM New Board of Directors meet

**Plan your family vacation now** in conjunction with the NC Society of Accountants Annual Convention!

Special group room rates are available as follows:

*All rooms in the group block are in the Embassy Suites Winston-Salem and are priced per night single or double.*

NCSA Group code for reservations is the **North Carolina Society of Accountants**. Each room is \$119 per night

Currently a **\$6 per day parking fee** will apply to all overnight guests and daily attendees  
**\$12.00 per day** available for valet parking

The above rates will only be available until **May 30, 2007. Make your reservations early, this room block is expected to sell out fast!** Once this block is sold regular rates will prevail *if* rooms are available.

Included in your room rate is free breakfast every morning and a Managers Reception every afternoon from 5:30—7:30 PM located on the 4th floor



**EMBASSY  
SUITES<sup>SM</sup>**



**For additional information or questions contact:**

Candace Cansler, Executive Director  
NC Society of Accountants, Inc.  
P.O. Box 1126, Conover, NC 28613  
866-755-6272 or candacecansler@bellsouth.net

**NCSA 2007 CONVENTION REGISTRATION FORM**

PLEASE PRINT LEGIBLY TO AVOID ERRORS AND DELAYS ON-SITE

Name (To appear on Badge) \_\_\_\_\_

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

Children's Names \_\_\_\_\_

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

Address should be the billing address of your credit card, if you decide to pay by credit card.

City/State/ZIP \_\_\_\_\_

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

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

**Registration Fees\***

|                                       | # Attending | Registration<br>(Prior to May 30th) | Registration<br>(After May 30th) | Total |
|---------------------------------------|-------------|-------------------------------------|----------------------------------|-------|
| Members                               | _____       | \$175.00                            | \$200.00                         | _____ |
| Spouse/Guest/Children<br>(16 & older) | _____       | \$125.00                            | \$145.00                         | _____ |
| Children Age 6 to 15                  | _____       | \$100.00                            | \$115.00                         | _____ |
| Children under 6 are free             | _____       | \$ 0.00                             | \$ 0.00                          | _____ |
| Golf                                  | _____       | \$ 50.00                            | \$ 50.00                         | _____ |

**Separately Paid Items**

|                                   |       |          |          |       |
|-----------------------------------|-------|----------|----------|-------|
| Business Session                  | _____ | \$ 35.00 | \$ 40.00 | _____ |
| Luncheon Honoring Past Presidents | _____ | \$ 35.00 | \$ 40.00 | _____ |
| Theme Dinner—Adult                | _____ | \$ 60.00 | \$ 65.00 | _____ |
| Theme Dinner—Child (6 to 15)      | _____ | \$ 35.00 | \$ 40.00 | _____ |

|                            |       |          |          |       |
|----------------------------|-------|----------|----------|-------|
| Installation Banquet—Adult | _____ | \$ 60.00 | \$ 65.00 | _____ |
| Installation Banquet—Child | _____ | \$ 35.00 | \$ 40.00 | _____ |

|                             |       |                        |                       |       |
|-----------------------------|-------|------------------------|-----------------------|-------|
|                             |       | <u>Before May 21st</u> | <u>After May 21st</u> |       |
| Include My Pas Registration | _____ | \$130.00               | \$165.00              | _____ |

**Total Amount being submitted** \$ \_\_\_\_\_**TOTAL FEES BEING SUBMITTED WITH THIS REGISTRATION FORM**

Amount \$ \_\_\_\_\_

**Method of Payment:**

Check # \_\_\_\_\_ Make checks payable to NCSA and return with this registration brochure to:

**NCSA, Post Office Box 1126, Conover, NC 28613**Or for your convenience credit cards are accepted (*indicate your preference below*)

Visa \_\_\_\_\_ MC \_\_\_\_\_ AE \_\_\_\_\_ Credit Card# \_\_\_\_\_

Exp. Date \_\_\_\_\_ **Signature** \_\_\_\_\_

## NCSA FALL PROFESSIONAL ACCOUNTING & TAX SEMINAR SEPTEMBER 21<sup>st</sup> & 22<sup>nd</sup>, 2007



Marriott Durham at the Civic Center  
201 Foster Street, Durham, NC 27701

Rooms must be reserved by August 21, 2007, for \$104.00 each night (Single or Double). Please make your reservations directly with the hotel. Call 1-800-909-8375 for reservations and tell them you are with the N C Society of Accountants.

*The North Carolina Society of Accountant's will present its Fall Professional Accounting & Tax Seminar on September 21<sup>st</sup> and 22<sup>nd</sup>, 2007, at the  
Marriott Durham at the Civic Center, 201 Foster Street, Durham, NC*

**Friday, September 21<sup>st</sup>, 2007, 8 a.m.**

**Randolph Bazemore, ESA – 2 CPE Hours – The Fair Labor Standards Act of 1938, as Amended**

Randy is a native of Lewiston-Woodville, North Carolina, and has been employed by the Wage and Hour Division of the U.S. Department of Labor since June of 1968. He presently serves as the Assistant District Director of the Wage and Hour Division District Office in Raleigh.

**James W. Lea, Ph.D. – 4 CPE Hours – Adding Value to Professional Services to Family Owned Businesses**

Dr. Lea has applied his experience and his on-going research to serving as advisor to family and small businesses in the US and other countries since 1988. He helps to resolve human dynamics and performance issues affecting business planning and management. He provides situation-specific solutions to relationship and organizational problems.

**Wayne Goodwin - 2 CPE Hours - Assistant Commissioner of Insurance and Assistant State Fire Marshall - Recent DOI Legislation and DOI Functions of Interest to Accountants**

Wayne is a native of Hamlet, North Carolina, where he became the first Morehead Scholar and US Senate Scholar from Richmond Senior High School. He graduated from the University of North Carolina at Chapel Hill in Political Science, and he also graduated from their law school. Wayne worked in private practice for 13 years as a mediator and an arbitrator. In 1996, his district elected him to the NC House of Representatives, in which he served for eight years. Wayne went to work for Insurance Commissioner Jim Long as his Assistant General Counsel and Deputy State Fire Marshall in 2005. Within a few months, Commissioner Long promoted Wayne to his current position.

**Saturday, September 22<sup>nd</sup>, 2007, 8:00 a.m.**

**Bob Jennings – Jennings Seminars – 8 CPE Hours – 1120/1120S/LLC Updates**

Bob Jennings CPA, CFP, CITP, is a nationally renowned speaker, presenting continuing education classes to over 100,000 tax professionals over the last 10 years all over the world. This detailed oriented business tax seminar reviews all the Federal tax changes in the last year specifically affecting business tax returns as well as providing in-depth coverage of all the 2007 Tax Acts and Court Cases.

## REGISTRATION

Registration includes lunch, and breaks for both days.

Please complete and return this form to the NCSA office:

NCSA, Post Office Box 1126, Conover, NC 28613

Phone: 866-755-6272 Fax: 828-695-2522



|            | Before September 1 <sup>st</sup> | After September 1 <sup>st</sup> |
|------------|----------------------------------|---------------------------------|
| Member     | \$230.00                         | \$260.00                        |
| Non-Member | \$280.00                         | \$310.00                        |

10% discount available for each additional registration from the same firm if registration is received before September 1<sup>st</sup>

Name

Address

City, State, Zip

Telephone

Credit Card Number

Exp. Date

Billing Address for Card

Signature

**METHOD OF PAYMENT:**

Check (Make payable to NCSA)

Visa

MasterCard

American Express

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## NCSA Schedule of Events

### 2007

June 21-22—**Summer PAS**—Embassy Suites—  
Winston-Salem—8 a.m.

June 23—**Annual Convention**—  
Embassy Suites—Winston Salem—9 a.m.

June 24—**Board of Directors**—Embassy Suites—  
Winston Salem, 9 a.m.

July 21—**Leadership Conference & Committee Day**—  
Holiday Inn Airport—Greensboro, 9 a.m.

August 16-18—**NSA Convention**—Portland, OR

September 21—**Board of Directors**—  
Marriott Durham at the Civic Center, Durham—5 p.m.

September 21-22—**Fall PAS**—  
Marriott Durham at the Civic Center, Durham

September 28-30—**NSA Leadership**—Tampa/St Pete, FL

October 19—**Practitioners' Forum**—  
Holiday Inn Airport, Greensboro—9 a.m.

October 19—**Board of Directors**—  
Holiday Inn Airport, Greensboro—4 p.m.

October 20—**District IV**—  
Holiday Inn Airport, Greensboro—9 a.m.

November 13-14—**PTI**, Embassy Suites, Greensboro

November 15-16—**PTI**, Ocean Reef Resort, Myrtle Beach, SC

December 12-13—**PTI**, Holiday Inn Airport, Charlotte

### 2008

May 10—**Board of Directors Meeting**—  
Zoo—Asheboro, 10:30 a.m.

June 19—**Board of Directors Meeting**—  
Marriott Durham at the Civic Center, Durham—4 p.m.

## 2006-2007 OFFICERS

### **PRESIDENT – WAYNE O. PARKER**

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Winston Salem, NC 27107  
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Pittsboro, NC 27312  
919-933-0724

### **VICE-PRESIDENT – DENISE J. HAMMOND**

P.O. Box 938  
Morganton, NC 28680-0938  
828-437-7058

### **SECRETARY – RONALD D. POWELL**

350 South Cox Street, Suite A  
Asheboro, NC 27203-5715  
336-625-1427

### **TREASURER – SUSAN S. MCLEAN**

P.O. Box 1028  
Jamestown, NC 27282-1028  
336-454-3136

### **IMMEDIATE PAST PRESIDENT – FLORENCE W. BLACK**

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