



The Accountant

Official Publication

of the North Carolina Society of Accountants

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September 2004

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A Message From The President

Rhonda H. Marsh



Rhonda H. Marsh

The 59th Annual Convention of the National Society of Accountants was held at San Antonio, TX. This was my first National Convention, another door of opportunity opened for me by NCSA. Thank you for allowing me to be one of your representatives of our Society this year.

It was my first time to attend, but I still knew there was a large void among us. Many people asked about the Helgreen family; they were truly missed.

Every time I have the opportunity to go outside of NC to visit with other Societies, I am very pleased to be from NCSA. We are a great Society, and we have a lot to be proud of!

Once again we were honored to receive the Legislative Award for monitoring the CPA Board and Legislative activities. Many thanks go to Jan Allison, President 2003-2004, and her committee—Curt Lee, James Holmes, and others—that attended and sent in the reports as required by National. Way to go! You make all of us proud!

Sometimes we ask ourselves why are we members of the North Carolina Society of Accountants; then further we ask, why do I need to be a member of the National Society of Accountants? This is hard to explain. It's that intangible thing again. Sometimes you can't see it or touch it, but you know it's there. We are an Affiliated State Organization of the NSA (ASO). They **do** care about our rights and needs. Whether it is in education, research, publications, credentials, legislative support, benefits, or just what is it we're looking for. It's up to us to tell them what we need.

As I attend the different programs or meetings for NCSA, I continue to learn, I'm challenged, I'm inspired, and I realize how fortunate we are to have these freedoms of choice. Over the following months we have choices to make. Where should I or where do I want to go for CPE? I hope that you elect to support your Society.

Denise Rollins, Co-Education Chair has prepared a great seminar for our Fall PAS in Wilmington, NC. If you have not signed up, please come join us for great education and fellowship. The dates are September 20th & 21st 2004. Early registration ends September 7th, 2004.

Ron Powell, Chairman of Tax Forum is working hard to have an informative meeting with the Internal Revenue Service and NC DOR this year. Come join us and learn what new is going on this year with audits, tax law changes, reporting requirements, electronic filing information, and much more. The meeting will include 4 hours of CPE, morning donuts, coffee, sodas, and a good hot meal at the hotel restaurant for lunch. This will be a one-on-one with the IRS agents from the different areas of the IRS. It will be held Monday, October 25, at the Ramada Inn Airport in Greensboro, NC.

Registrations for both events are in this newsletter and on-line at www.ncsainc.org. We look forward to seeing you.

Please review the NCSA Schedule of Events and mark your calendar. Your participation in the different events is very important. Help your Society to be the best in the Nation. We want you to be well prepared in all respects of our profession.

Thank you again for allowing me to represent our Great Society and to serve you.

Mark Your Calendars

October 25, 2004

[NCSA Tax Forum](#)

[Meeting with IRS](#)

Ramada Inn

Airport

Chapter News

Hickory

The August meeting of the Hickory Chapter was held on August 30, at 6:30 p.m. at Prime Sirloin of Hickory. Present were 8 members and 1 guest. Marty Sohovich of Edward D. Jones spoke on issues that impact (or do not impact) investing such as the economy, terrorism, the Iraq War, oil prices, and the Presidential elections.

The next meeting will be September 27, at Prime Sirloin in Hickory.

Cape Fear

The chapter meeting was held August 16 with Glenn Capps as speaker. There were 14 members and 1 guest present. Mr. Capps spoke on Check 21, a process in which all checks are imaged and automatically deducted from an account. It will prevent floating or kiting checks. This program will begin on October 28 as a voluntary plan. The Federal Reserve is expected to put pressure on banks to adopt it.

The next meeting will be held on September 13 at the Barn Restaurant of Fayetteville. The speaker will be North Carolina Representative Rick Glazier (Democrat, Cumberland County).

Charlotte

The July meeting was held on Tuesday, July 27, with 15 members and 3 guests present. Valerie Reeves of Columbia, SC, a supervisor of thirteen years with the IRS's CID was the speaker. The CID's current focus is on offshore trusts that evade tax, tax preparers who abuse the rules, and non-filers.

The August meeting will be held on Tuesday, August 24 at China House Restaurant, 3720 East Independence Blvd. David Hooker of High Point Chapter will speak on QAR.

Central

Central Chapter met on August 23 with 9 members and 1 guest present. David Rollins spoke on Chapter Promotions. He discussed procedures and the point system for NCSA's Chapter Cup. He also discussed how to obtain and retain Chapter members.

The next meeting will be September 27.

Piedmont

The August meeting of the Piedmont Chapter was held at the Sage Brush Restaurant in Kernersville on August 26 at 6:30 p.m. There were 15 members and 1 guest present. Speakers were Tracy McFee and Beth Ward of the Internal Revenue Service. They spoke on Ethics, Circular 230- *Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries and Appraisers before the Internal Revenue Service*, and e-services registration.

Burlington

The August meeting of the Burlington Chapter was held at the Passion Grill in Burlington on August 26 at 6:30 p.m. Seven members were present. The program was an open discussion. Topics included the upcoming Tax Forum and various tax problems.

The next meeting will be at the Passion Grill on September 23. Mayor Lenny Williams of Gibsonville will speak on Ethics.

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 lsheehan@hci.net or fax to 828-438-8111.

IRS Eases “Labor Days” for Small Businesses

In recognition of Labor Day, the IRS reminds small business owners that free publications, Internet resources, and business e-file is available to ease their burden. Small business owners and the self-employed are the focus of IRS outreach to help business taxpayers understand and meet their unique tax responsibilities.

On the "small business" section of [IRS.gov](http://www.irs.gov), taxpayers can, for example, learn how the tax code treats different business structures, apply for an Employer Identification Number, or make tax payments—even watch a streaming video of a small business workshop. Here is a sample of the resources and services that small businesses can find on IRS.gov:

- **Starting a Business** — Everything from a new business checklist to selecting a business structure.
- **Operating a Business** — Find out about various expenses associated with a business and business taxes that may apply. Also lists requirements for small businesses with employees and information on how to structure a retirement plan.
- **Closing a Business** — More than shutting the door, procedures are provided for getting out of business, including forms to file.
- **The Self-Employed Community** — This one-stop shop for the self-employed was built with the help of taxpayer feedback.
- **Industries and Professions** — Advice on how to avoid problems in construction, cosmetology, and more. Information on more than a dozen industries in all.
- **International Taxpayers** — Addresses the special tax requirements of the international community.
- **Where to File** — Filing addresses, by return type, for self-filers and tax professionals. Includes the top filing errors made by type of form.
- **Order Free Products** — This is a partial listing of products developed for the small business or self-employed. Check out the various products at IRS.gov. They can be viewed online or ordered by calling 1-800-TAX-3676:
 1. *The Tax Calendar*, Publication 509
 2. *Small Business Resource Guide*, Publication 3207, on CD ROM
 3. *Introduction to Federal Taxes for Small Business/Self-Employed*, Publication 3693, on CD ROM
 4. *A Virtual Small Business Workshop*, Publication 3700 on CD ROM
- **Small Business Online Classroom** — IRS courses, self-directed learning, and access to streaming video of IRS small business workshops.

State Links — A collection of links to state government and commercial web sites.

IRS.gov also is the gateway to a host of electronic services for small businesses:

- **e-file** — Filing options for employment taxes, information returns, partnerships, corporations, and estates and trusts can all be found here.
- **Employer Identification Number (EIN)** — Small businesses may apply for one online.
- **Electronic Federal Tax Payment System (EFTPS)** — EFTPS is an alternative to paying taxes by check or money order. Small businesses can make payments 24 hours a day, seven days a week. (Publication 3959 on CD ROM)

Over the past few years, the Internet has opened up vast new possibilities for communication between the IRS and small business. But IRS employees are still available by phone to speak with small business owners and the self-employed. For telephone assistance with tax issues, small businesses may call 1-800-TAX-4933.

Links on IRS.gov:

Small Business and Self-Employed One-Stop Resource, <http://www.irs.gov/smallbiz>

Alternate Methods of Signing

Notice 2004-54 authorizes income tax preparers to sign original returns, amended returns, and requests for filing extensions by means of a rubber stamp, mechanical device, or computer program. These alternative methods of signing must include either a facsimile of the individual preparer's signature or the individual preparer's printed name.

This notice does not alter the signature requirements for any other type of document currently required to be signed manually. In addition, this notice does not alter the requirement that tax returns or requests for filing extensions be signed by the taxpayer making the return or the request by handwritten signature or other authorized means.

This notice applies to any original return, amended return, or request for filing extensions filed after December 31, 2003.

Filing 1099s

In Rev. Proc. 2004-50, the IRS/MCC announces that it offers an Internet connection at fire.irs.gov for electronic filing. The FIRE System is used for magnetic filing of Form 1099s. Beginning in tax year 2006 (processing year 2007), IRS/MCC no longer will accept 3½ inch diskettes for filing information returns.

Depreciation

The IRS has issued temporary regulations to reflect changes to the law made by the *Jobs and Growth Tax Relief Reconciliation Act of 2003*. These regulations generally permit small business taxpayers to take a Section 179 deduction of up to \$100,000 for the cost of qualifying property purchased and placed in service in a taxable year beginning after 2002 and before 2006. Additionally, taxpayers are permitted to make or revoke an election on an amended return for those taxable years without IRS consent.

Form 8879

In a Quick Alert, the IRS thanked tax professionals for supporting e-file and submitting individual income tax returns with taxpayer PINs. However, they remind us that the instructions for Form 8879, *IRS e-file Signature Authorization*, state that we are not to send the form to the IRS; we are to keep the form for our records.

Unfortunately, the IRS Submission Processing Centers continue to receive Form 8879s from some tax professionals and some taxpayers. The IRS asks for your assistance in keeping these forms for your records, discontinue sending them to the IRS, and remind your clients they do not have to send Form 8879 to the IRS.

This is an opportunity to save time, supply costs, and postage. It allows the IRS to dedicate additional staff time to improve e-file products and services.

Form 4506

If you or a client wants to request a copy of a tax return from the IRS, make the request on Form 4506, *Request for Copy of Tax Return*. This can be used for a photo copy of all tax returns including 1040s, 1120s, 941s, etc. The fee for each return requested is \$39.

If all you need is a transcript, use the new Form 4506-T, *Request for Transcript of Tax Return*. With this you can request tax return transcripts, tax account information, W-2 information, 1099 information, verification of non-filing, and a record of the account.

NCSA FALL PROFESSIONAL ACCOUNTING SEMINAR SEPTEMBER 20th & 21st, 2004

The North Carolina Society of Accountant's will present their annual Fall Professional Accounting Seminar (PAS) on September 20th and 21st, 2004 at the Wilmington Hilton Riverside, 301 N Water Street, Wilmington, NC.

The speakers and their topics are:

Monday, September 20, 2004

Guido van der Hoeven—4 CPE Hours—Tobacco Settlements, Timber Tax, Farm Related issues

Mr. van der Hoeven is an Extension Specialist, Farm Management, Taxation, North Carolina State University, Raleigh, NC. Mr. van der Hoeven received his Bachelor of Science in Agriculture, and his Master of Science in Agricultural Economics from Kansas State University.

He was born in Richmond, New South Wales, Australia. He immigrated with his parents to Mount Airy, North Carolina. He has been involved with various aspects of agriculture through education and work experience. Crop consulting and contract research in Louisiana and personally farming and ranching in western and northeastern Kansas gave him an understanding of agricultural production. The past several years, as a Kansas Farm Management fieldman, he has focused on management issues of farm firms: sole proprietorships, partnerships and closely held corporations.

Previous experience includes: Extension Agricultural Economist, Income Tax Preparer, Graduate Research Assistant, Farming, and Agricultural Consultant/Research Associate.

Mr. van der Hoeven is married and has four children, two girls and two boys. The "men" in his family are not outnumbered, just "outgunned".

Jeffrey Barnhill—NCDOL—4 CPE Hours—NC Wage and Hour Act

Jeffrey Barnhill is a Senior Investigator with the North Carolina Department of Labor's Wage and Hour Bureau. The Wage and Hour Bureau administers and enforces the 1979 North Carolina Wage and Hour Act, which consolidates four previously separate state laws covering minimum wage, maximum hours, wage payment, and child labor or youth employment.

Mr. Barnhill received his BA degree from the University of North Carolina in Wilmington and is a National Certified Investigator with the council of Licensure Enforcement and Regulation.

A major law change is going into effect on August 1st, 2004 and Mr. Barnhill will be covering these changes that will effect small business employers and employees, accountants and payroll professionals.

Possibly assisting Mr. Barnhill in this presentation may be a representative from the USDL.

Tuesday, September 21, 2004

David G. Rollins—EA, ABA, ATA—4 CPE Hours—QuickBooks® - Reports, Tips & Tricks

Mr. David Glenn Rollins was born in Monroe, North Carolina where he still resides with his wife, NCSA Past President-Denise McBride.

David attended the University of Maryland, Appalachian State University, and Frostburg State University. Mr. Rollins started in public practice in 1987 and now has a small accounting and tax practice in Matthews, North Carolina.

Mr. Rollins is an Enrolled Agent and is an Accredited Business Accountant & Accredited Tax Advisor; he is also a Certified QuickBooks Professional Advisor.

David's work with QuickBooks has been extensive. He has used the product since it's inception in 1992 and has been training clients and assisting other accountants ever since.

Mr. Rollins has now entered into the lecture series, offering several subjects to help manage your QuickBooks practice or your non-profit organization.

Dr. LeAnn Luna— 2 CPE Hours—529 Educational Savings Plans/ State Corporate Tax Avoidance Strategies. LeAnn Luna is an Assistant Professor of Accounting at the University of North Carolina—Wilmington. She received a Ph. D. in accounting from the University of Tennessee, a Masters in Taxation from The University of Denver College of Law, and a Bachelor of Business Administration from Southern Methodist University. LeAnn is a C.P.A. and has worked in both public and private accounting.

John Luna—2 CPE Hours—Estate and Gift Tax Update / Personal Financial Planning
John Luna is an Instructor of Accountancy at the University of North Carolina –Wilmington where he teaches estate, gift and trust taxation for the Master of Science in Accountancy program. He is also a certified public accountant and has a fee-only financial planning practice in Wilmington. He received his Masters of Accountancy from The University of Tennessee and a B.A. in economics from The University of Virginia.

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REGISTRATION (lunch not included)—Please complete and return to NCSA

	<u>Before September 7</u>	<u>After September 7</u>	___ Member	___ Non Member
Member	\$210.00	\$235.00		
Non-Member	\$270.00	\$295.00		

10% discount available for each additional registration from the same firm

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- American Express



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Wilmington Hilton Riverside, 301 N Water Street, Wilmington, NC 28401
Telephone: 910-763-5900 Fax: 910-343-6124 800 #: 1-888-324-8170



\$89.00 Rate plus tax, \$5.00 maximum per day parking, Check in 4:00 pm
Check out 11:00 am

Group Name: North Carolina Society of Accountants, Group Code: SAC
Call now for reservations * www.wilmingtonhilton.com



NCSA Tax Forum—Your Key to Improvement

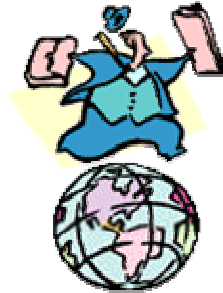
The Tax Forum is your opportunity to learn about the Internal Revenue Service processes and have a direct input on improving them. Over the last 10 years NCSA has made suggestions that have become reality. By having this meeting each year we continue to make the tax process better for the IRS, ourselves, and the public we serve. The panel to the right shows some recommendations NCSA was key in changing the process.



Tax season will be here before you know it. Take time now to recommend improvements!

Your input to Internal Revenue Service & NC Department of Revenue

North Carolina
Society of
Accountants, Inc.



*2004 Tax Forum
October 25, 2004
9:00am to 2:00pm
Ramada Inn, Airport
Greensboro, NC
NCSA Member \$50
Non-Member \$65
4 hours of CPE*

Representatives from IRS and NC DOR

Tax Forum Committee

Contact: Ronald D. Powell
Tel: (336) 625-1427

Success Stories

- *Third party designee on tax returns and forms*
- *eServices to include TIN matching, POA submission, verification of POA on file*
- *Practitioner's Priority Line*
- *Streamlined notice process*
- *Practitioner Identification Number*

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NCSA Schedule of Events

2004

September 19—**Board of Directors meeting**—
Wilmington Hilton Riverside

September 20-21—**Fall PAS**—Wilmington Hilton Riverside

September 22-23—**EA Exams**

September 27-28—**NSA National Accounting &
Tax Symposium**, Baltimore, MD

October 4—**Introductory Income Tax Workshop**
McKimmon Center, Raleigh, NC

October 12-24—**NSA Leadership Networking Conference**,
Minneapolis, MN

October 25—**Tax Forum meeting with IRS & NC DOR**—
Ramada Inn Airport, Greensboro

November 15—**Board of Directors meeting**—
Clarion Greensboro Airport

November 15-16—**National Practice Development Institute**—
Las Vegas, NV

November 16-17—**PTI**—Clarion Greensboro Airport

November 17-18—**PTI**—Four Points Sheraton Charlotte Uptown

November 18-19—**PTI**—Ocean Reef Resort Myrtle Beach, SC

November 20-21—**NSA Leadership Networking Conference**,
New Orleans, LA

November 29-30—**Intermediate & Advanced Tax Schools**—
Holiday Inn, Fayetteville

November 29-30—**Intermediate Tax School**—
Holiday Inn Airport, Asheville

December 1-2—**Intermediate & Advanced Tax Schools**—
Adam's Mark, Charlotte

December 1-2—**Intermediate Tax Schools**—
The Hawthorne Inn, Winston-Salem

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