



The National Conference of CPA Practitioners

Nassau/Suffolk Chapter

Volume 7, Issue 5

AUGUST 2010

Date **Thursday, AUGUST 19, 2010**
Topic **ETHICS UPDATE**
Credits **4 CPE/ETHICS**
Location Holiday Inn @ Plainview
Time Registration: 7:30 AM, Program: 8:00 - 12 NOON
Cost Members On or before Friday, August 13 - \$150.00
Non Members After Friday, August 13 - \$175.00, At the Door - \$200.00
On or before Friday, August 13 - \$225.00
After Friday, August 13 - \$300.00, At the Door - \$325.00

Date **Wednesday, AUGUST 25, 2010 - MAP Meeting**
Topic **HOW TO IMPROVE PROFIT MARGINS IN YOUR PRACTICE**
Credits **2 CPE/MAP/ADVISORY SERVICES**
Location On Parade Diner, Woodbury
Time Registration: 7:30 AM, Program: 8:00 - 10:00 AM
Cost On or before Friday, Aug. 20 - \$25.00, After Friday, Aug. 20 - \$35.00

Date **Thursday, SEPTEMBER 2, 2010 - CHAPTER Meeting**
Topic **NYS UPDATE AND TAXPAYER ADVOCATE SERVICE**
Credits **2 CPE/TAX**
Location Holiday Inn @ Plainview
Time Dinner/Networking: 5:30 - 7:00 PM, Program: 7:00 - 9:00 PM
Cost Members On or before Friday, Aug. 27 - \$50.00, After Friday, Aug. 27 - \$60.00
Non Members On or before Friday, Aug. 27 - \$75.00, After Friday, Aug. 27 - \$85.00

NOTE: CHANGES

Date **Wednesday, SEPTEMBER 22, 2010 - Joint Mtg**
Topics **HEALTH CARE LAWS AND "HIRE ACT" REVISITED**
SPECIAL JOINT MEETING OF
THE EDUCATION & MAP COMMITTEE
Credits **0.5 CPE/MAP/ADVISORY SERVICES and 2 CPE/TAX**
Location On Parade Diner, Woodbury
Time Registration: 7:30 AM, Program: 8:00 - 10:30 AM
Cost On or before Friday, Sept., 17 - \$25.00, After Friday, Sept., 17 - \$35.00

N/S NCCPAP IS ALWAYS STRIVING TO MEET THE NEEDS OF OUR MEMBERS

To register for any of our
meetings, please visit

<http://www.ns-nccpap.org/index.php/Register-Online.html>



PRESIDENT'S MESSAGE

This month's President's message isn't a message from the President. It's a message from one of our directors, Harlan Kahn. Not only is Harlan a member of our board of directors but he is also on our tax committee where he is always keeping us up to date on what's new in Washington DC and Albany. He is also a member of our budget committee, which taught me recently that preparing a budget is alot more complicated than taking last year's income statement and changing the title to "proposed budget".

I hope you enjoy his words as much as I did.

We will be sending out a request for proposals to prepare our organization's 10/31/10 audits and respective 990's. If you would like your firm to be on our distribution list, please submit your company's info to our office.

Bruce Berkowitz, CPA

Interesting Times

May you live in interesting times, often referred to as the Chinese curse, is reputed to be the english translation of an ancient Chinese proverb and curse. It seems we have been cursed with interesting times.

Today we live with Americans at war in Iraq and Afghanistan, the BP/Horizon oil spill still spewing at the bottom of the Gulf, financial upheaval in the market has reduced many retirement funds substantially, and the political turmoil in both the US Congress and in the NYS Senate. We hear daily about job losses. Turn any local corner in your community and count the store vacancies.

So how do we get out from under?

A few good men and women need to step forward. It is unfair to complain about one's circumstances if you are unwilling to do something to change them. You not only have to come forward, but you have to commit and follow through.

Is it a good time to build an accounting practice? Maybe. Certainly when finances are good it seems easier. But it is never easy to build from the ground up. I didn't say it's hard, it just takes perseverance. In "Star Trek TNG" there is a Ferengi expression, "Even in the worst of times, someone always seems to turn a profit."

I decided to take some time during these interesting times to refocus. To think about what really makes a difference in my life: To stop taking crap from anyone trying to dump on me. To spend more time with family. To spend less time working. To bring in new clients. To release not so profitable clients. These are some of the priorities I have set up for this year.

NCCPAP is an organization that has helped me over many years to become a better accountant. One of my priorities now is to give back to the organization that has given me so much. If you have the same feeling about NCCPAP as I do, I think you should come forward and join a committee. There is a lot to be said for the personal satisfaction of volunteering. With the work of volunteering comes friendships and relationships that help your practice grow.

Harlan Kahn CPA

Disclaimer

IRS Circular 230 Legend: Any advice contained herein was not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. Unless otherwise specifically indicated above, you should assume that any statement in this newsletter relating to any U. S. federal, state, or local tax matter was written in connection with the promotion or marketing by other parties of the transaction(s) or matter(s) addressed in this newsletter. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor. Any opinion is solely that of the author and is not necessarily the opinion of NCCPAP.

POLICY

THE FEES FOR REGISTRATIONS ARE:

CHAPTER MEETING: \$50.00 WITH *PRE-REGISTRATION AND \$60.00 REGULAR REGISTRATION, OR AT THE DOOR REGISTRATION.

MAP MEETING: \$20.00 WITH *PRE-REGISTRATION AND \$30.00 REGULAR REGISTRATION, OR AT THE DOOR REGISTRATION.

SEMINARS: TBD

*PRE-REGISTRATION MEANS: A COMPLETED REGISTRATION FORM WITH PAYMENT AND POSTMARKED, FAXED OR E-MAILED TO THE N/S CHAPTER OFFICE THE FRIDAY PROCEEDING (Unless otherwise noted) THE CHAPTER MEETING, MAP MEETING AND/OR SEMINAR WHICH YOU ARE PLANNING TO ATTEND.

CANCELLATION AND REFUND POLICY

A PRE-PAID REGISTRANT WHO CANNOT ATTEND THE CHAPTER MEETING, MAP MEETING AND/OR SEMINAR WILL BE ISSUED A CREDIT TO BE USED BY THE REGISTRANT ONLY FOR A FUTURE MEETING (OF EQUAL VALUE) HELD WITHIN ONE YEAR OF THE MISSED MEETING. CANCELLATION NOTICE MUST BE GIVEN TO N/S NCCPAP CHAPTER OFFICE BY THE END OF THE CHAPTER MEETING, MAP MEETING AND/OR SEMINAR DAY.

MEETING SCHEDULE FOR 2010

Please note

Materials will be emailed to paid registrants the week of the meetings

Holiday Inn @ Plainview
215 Sunnyside Blvd
Plainview, NY 11803

On Parade Diner
7980 Jericho Turnpike
Woodbury, NY 11797

August 19, 2010	Ethics	4 CPE/ETHICS	Holiday Inn
August 25, 2010	How To Improve Profit Margins In Your Practice	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
September 2, 2010*	NYS Tax Update and Taxpayer Advocate Service	2 CPE/Tax	Holiday Inn
September 22, 2010**	Health Care Laws and "Hire Act" Revisited Special Joint Meeting of the Education and Map Committee	0.5 CPE/MAP/ADVISORY SERVICES 2 CPE/TAX	On Parade Diner
October 7, 2010*	Compilation and Review	2 CPE/A&A	Holiday Inn
October 27, 2010	MAP - TBD	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner
November 17, 18 & 19, 2010	Long Island Tax Professionals Symposium		Crest Hollow Country Club
December 2, 2010*	TBD	2 CPE/Tax	Holiday Inn
December 15, 2010**	MAP - TBD	2 CPE/MAP/ADVISORY SERVICES	On Parade Diner

* Chapter Meeting

** Date Changed

All Meeting Subject to Change

**The Long Island Tax Professionals Symposium
and
our remaining meetings during 2010
together will be offering a total of
18 Accounting and Auditing credits
out of the 40 credits needed
by December 31, 2010**



“LIFE” FROM THE PERSPECTIVE OF MAP

Our July meeting was in character with our mission as we reviewed various tips and ideas regarding the work-flow process, and simply organizing ourselves more efficiently... Our frequent speaker Armando of CMIT solutions offered many different ways in which to use the computer as an asset to our lives.

Please be sure to reserve now for our next two very special meetings...

On August 25th, we will feature Robert Fligel, CPA of RF Resources LLC.

Robert will convey his many years of various experiences in leading a discussion of how to create more profitability within our practices with some small “tweaks”... He will explain that profitability and expansion can easily come from within our existing practices . As we said above... belief in what we can do..will show there is no limit in what we can do!



September 22nd will be a special joint meeting of our Education and MAP committees.

We will be reviewing implementation of the new regulations affecting health care for our firms and clients integrating the health care changes and new tax laws being implemented over the next several years. Our education committee will be presenting the tax and legal aspects....and our map committee will be using case examples to illustrate implementation...

In addition, Michael and Gary will have a special tribute to map at their last meeting as co-chairs!!

Please be aware that due to the relevancy of this topic, that we will not be able to accept any walk-in reservations....

This special joint meeting will have a time frame extending approximately until 10:30 am...

Please be sure to register early as the significance of the topics and the recognition of our August speaker will give us all very special opportunities that have always been the trademark of MAP....

Believe in yourself...believe in your friends at MAP...and come on down!

Michael Rubinstein, CPA & Gary Sanders, CPA



MESSAGE FROM THE EDUCATION CHAIR

As we are in the midst of a hot summer heat wave, it is nice to reflect upon some of our meetings held in cooler times, and look forward to upcoming chapter meetings.

Our last few meetings included a Worker’s Compensation update with Mr. Steven Carbone, from the New York State Compensation Board. Mr. Carbone traveled all the way from Albany to present for us, and he did not disappoint. Many technical and practical pointers were discussed, and he received very positive feedback. Our accounting & auditing update with Mr. Paul Sanchez was a smash hit. If numbers say anything, the importance of accounting and auditing will certainly be reflected in our meeting presentations. Our early July presentation on asset protection by Mr. Daniel Rubin was extremely valuable and well presented. It is always a pleasure to hear Dan speak about this important topic, and we could not have found a more feedback presenter.

By the time you read this newsletter, we will have had our FIN48 presentation, discussing accounting rules for uncertain tax positions. Mr. Paul Glotzer will be our guide through these new provisions, and we are looking forward to his presentation.

As members are surely aware, everyone needs their accounting and auditing credits, and our chapter and tax symposium will help you accomplish your needs. I look forward to seeing you at our upcoming events.

Enjoy the rest of the summer,

Robert Barnett, CPA, Esq.

GOOD & WELFARE

Our get well wishes to

Robert Misthal of Phil Weinper, CPA on a speedy recovery

Leon Alpern, CPA on a speedy recovery from surgery

Congratulations to

Richard & Sherry Glass of Glass & Blum P.C. on the birth of their grandson, Zachary Ryan Glass, born June 21st to Evan & Erica Glass.

Evan is a new CPA working for Glass & Blum P.C. CPA's and will be moving to Plainview and joining NCCPAP.

George & Helene Bosworth on the birth of their granddaughter, Sarah Skye, born on July 27th to Andrew & Jessica Bosworth.

Our Good & Welfare Chairman is Stephen Sternlieb ssternliebcpa@attg.net

WE NEED YOUR HELP!!

PLEASE REGISTER AND SIGN UP TO HELP MAKE THIS YEAR'S EVENT EVEN BETTER THAN LAST YEAR'S

Please send your replies to: Etta Gelbien: egelbien@ns-nccpap.org or Fax to: (516) 997-5155

Re: **2010 Long Island Tax Professionals Symposium Volunteers**

As always, we need volunteers to help run the Event

Dates: November 17, 18 & 19, 2010

Time: 7:00 AM to 5:00 PM

Please volunteer!!!!

Volunteers are needed for:

1) Before the Event:

Monday, November 15, 2010

to set up and prepare from 5:00 p.m. – 10:00 p.m. Dinner will be provided

2) Registration & Sign-In Tables: starting at 7:00 AM Daily

3) Course Sign In: for attendance and handouts in the rooms: Daily

We will try our very best to assign people to the session (Course) which they will be attending.

PLEASE MAKE SURE YOUR SYMPOSIUM REGISTRATION HAS BEEN RECEIVED BY THE N/S CHAPTER OFFICE IN ORDER FOR US TO ASSIGN YOU!

Please email Etta Gelbien egelbien@ns-nccpap.org Fax to: (516) 997-5155 with your:

Name: _____

E-Mail Address: _____

Phone Numbers: _____

Please check off what you would like to volunteer for:

Registration Desk _____ Table Sign-In Desk _____ Course Sign-In _____

Before the Event: Monday, Nov. 15 _____

Other: (Please List): _____

MAXIMIZE YOUR SYMPOSIUM EXPERIENCE

The following contains suggestions on how to help satisfy your professional educational needs at this year's Symposium. Please take the time to look it over and give us your feedback on what we can do to make your experience more enjoyable.

Planning Your Symposium Schedule

- Register early to take advantage of the discounted fees and to be sure your seat is reserved for the sessions you want before they are closed out!
- There's the possibility of unforeseen changes to the program from the point of printing the brochure to the actual event. We recommend you visit the website for updates and print out your registration and bring it with you.
- Too many significant seminar choices and you can't attend them all? No worries! Each attendee will receive a complete set of available courses of the 2010 LITPS audio-recorded on MP3 CDs available after the event.

Lunch Sessions – Back by Popular Demand!!

A great way to enhance your Symposium learning experience and earn extra credit! These special hour-long lunch sessions provide the opportunity to further augment the seminar's education experience and earn extra credit over lunch. Sessions are open to all on a first-come, first-served basis and are fully described in the program and on the website. *Don't miss out-register early!*

Networking Opportunities

One of the benefits of the Symposium is the planned networking opportunities. Breaks, meals and **two** cocktail receptions are ideal times to get to know your colleagues and exhibitors. Many exhibitors sponsor special events. Please be sure to explore the exhibit area and take advantage of the opportunity to assess their products. Pass along your business cards and introduce yourself to at least ONE new person this year. Remember, networking is a major benefit of this Symposium!

We have gone GREEN! Like most industry meetings and seminars, we are reducing our negative impact on the environment by eliminating hard copy handouts and the notebooks!

Evaluation feedback from previous years tell us that:

- The notebooks are too large/heavy
- Most handouts are not viewed on-site
- The seminar should go green and deliver handouts electronically
- We can pass the cost savings that we obtain by not printing the materials on to you!

To ensure your learning experience will **NOT** be adversely impacted, we will provide you pre-seminar electronic access to **ALL** of the handouts that will have been received to-date.

Our goal in going green is not to transfer the print burden to attendees but to significantly cut down the amount of paper used overall. Therefore, we urge you to print only the necessary materials that you feel you need as you will have full electronic access to ALL materials available before, during and after the event.



***SPECIAL NOTICE/SPECIAL OFFER
LIMITED TIME ONLY!!!***

2010 Long Island Tax Professionals Symposium

November 17, 18 & 19, 2010

NCCPAP Members

&

Members of Sponsoring Partner Organizations ONLY

PREPAY NOW ONLINE

<http://www.ns-nccpap.org/index.php/Register-Online.html>

&

AVOID A PRICE INCREASE!!

Three Day Fee \$675

By Midnight August 31, 2010

ABSOLUTELY NO INVOICING, NO REMINDERS, NO EXCEPTIONS- this is a one-time offer.

Fee after THIS DATE will be no less than \$750.00 for the three days.

GUIDELINES FOR PRACTICE EVALUATION AND SUCCESSION PLANNING

With the possible exception of your home, your practice is probably your largest single asset. It's very important to be aware of its value as a guide to deciding whether you want to hold it, grow it, merge it or sell it.

Your practice's value is dependent upon a chain of personal relationships that can break in a flash if you do not plan wisely. Clients stay with you because they trust you to take care of their business competently. If they like you as well, that is a bonus, but to clients reliability and efficiency are generally more important than friendship.

Because business life depends on many factors, the wise practitioner plans succession long before it is necessary. When is the best time to begin? Right now. Should your need for a sale or other change become urgent, it may be too late to obtain the full value of your practice. Planning will increase the value of your practice.

This article discusses how a practice is evaluated for succession planning, and not for any other purpose. It is vital that you know how much you can get for your practice and also what you would pay for one. Those prices are a function of many factors, some of which are obvious; others may be subtle.

1. The major factor in determining the value of a practice is always its annual billings. However, the value of any firm also depends on the following:

- I. How long the practitioner continues to work with the successor after title passes.
- II. The closeness of the relationship of the successor to the seller prior to the sale.
- III. The profit structure of the successor.
- IV. The terms of payment.
- V. Other identifiable intangibles, such as the amount of added value to the successor.

2. Four variables involving the extent of the seller's continued participation also affect valuation:

- I. Working full time.
- II. Working on a phased down schedule.
- III. Rapid phase out and transition.
- IV. Sudden sale, without transition.

3. Another key modifier of a practice's selling price is the two-stage deal, in which the payout is deferred during Stage One while the seller continues to work full or part time.

I. An intelligent buyer/successor, when computing out of pocket cost for purchasing a practice, will also consider the profits it will collect during Stage One. These profits reduce the ultimate cost, paid during Stage Two, of the acquisition.

II. In addition, because the seller continues to work with the successor during Stage One, the parties usually achieve maximum retention of clients and staff. Normally, the longer the parties stay together, the higher the retention rate.

4. Another variable is the prior relationship between the seller and the Successor.

I. Partner to Partner Buyouts (a/k/a "internal deals"):

A. Because the buyer faces less risk, internal deals often are NOT based on collections. They are fixed price payments, often over 7-10 years to preserve the cash flow of the paying entity. The price multiple is generally .25 less than a stranger would receive, but the risk factor is much reduced to the selling partner. The presumption is that the clients will be familiar with the firm and remain.

B. The seller will also feel more secure because he/she knows his/her partner(s). The clients are also likely to be familiar with the partner's name and perhaps know him/her professionally. Sometimes the selling partner will accept a lower price from his/her partners because they have already pre-transitioned clients and he feels that his/her options as well as his/her risk of non-payment are limited.

II. Arms Length Buyouts:

A. All parties acknowledge the increased risk to retention in arms length buyouts. If the seller wants a high price, he/she can usually get it by taking the risk of being paid on collections. The longer the payout, the higher the multiple.

B. The buyer will pay a high price as long as his/her cash flow is protected by a payout based on his/her collections. If the Seller seeks more cash up front, a shorter payout, or fixed payments, it will reduce the multiple, sometimes by as much as 50%.

C. Unlike the internal deals, arms length buyouts provide a much larger market of potential successors because many people will pay a premium price for a collection deal since results are, in effect, guaranteed.

5. The size of the successor often determines the price and terms of a practice transfer.

I. Sales to a Small Practitioner (defined by staff size)

A. Normally fetches the highest relative price. Smaller firms can pay more because they generally operate with the highest profit percentage. They have that high profit percentage because the small practitioner normally does the bulk of the work himself /herself and therefore has the smallest labor cost.

B. Because the Small Practitioner usually has lower operating costs than does a larger firm, he/she will likely have a higher relative annual profit pool from which he/she can pay the seller, and still have positive cash flow.

Example: \$50,000 practice servicing 500 individual 1040s for \$100 each sells to a buyer with a similar set up. Both operate from their basements with no labor. After the acquisition, the buyer has \$50,000 in profits with which to pay the seller \$25,000 per year. If a big firm buys the practice it cannot pay \$25,000 because it pays 1/3 for labor and 1/3 for overhead, and retains only \$17,000 in total profit before payments to the seller.

II. Sales to a Large Practitioner may result in lower prices:

A. Larger practices carry a combined overhead and labor force factor of 55% to 65% generally. Therefore, they cannot pay as high a percentage of collections as an individual practitioner who may have cost factor of only 5 to 35%.

B. Larger practices can still pay multiples of 1.0 to 1.5 times a year's gross, but to do they must pay it over a longer period of time: 5-10 years.

C. However, the larger practice can often inspire sufficient confidence that it will remain in business and be able to make the payments over the long period of time. Sellers are reluctant to gamble on a small practitioner's health and longevity.

6. The Terms of the payout and the structure of the deal have a major effect on the price of the practice:

A. The highest price of a practice comes from a "collection" deal, also known as an "earn out." The reason for the higher value is simple. When the seller profits from the performance of the successor, he/she does everything in his/her power to maximize client retention and to raise fees wherever acceptable to the clients. The less the seller has at stake, the less likely he/she is to help the successor.

B. All-cash deals get the lowest price because all the risk is to the successor (and in the accounting world, buyers are "risk averse" by training). Therefore, the successor demands a substantial discount to protect his/her downside and the seller gains no benefit on the upside.

C. The longer the term and more the payout are tied to collections, the higher the price. The successors are willing to pay more when they are guaranteed cash flow.

D. The buyer will also be willing to pay a higher price for ordinary deductions and of course the seller will be willing to take a lower price for capital gains. Therefore, the structure of the deal will influence the price.

7. Hard assets are valued as follows:

A. The lease. Usually the "value" of the lease and the "address" are not separately paid for, but are a factor in computing the profitability of the practice and the clients.

B. The physical equipment—computers, phone systems, furniture, copiers, etc. Customarily the acquisition allocates zero value to the physical equipment. Sometimes exceptions arise for brand new "in the box" equipment. Hardware and real estate leases usually have little or no liquidation value.

C. The "paid-in" capital is almost never a factor in pricing.

D. The staff may be the most important asset of the practice, but seldom directly computes into the pricing. However, we have seen acquisitions of practices where the buyer paid for the clients primarily to obtain the seller's staff.

E. The net receivables. Usually the selling firm retains the value of its receivables, on an "as collected" basis. When the amounts are small, the seller often gets FIFO treatment. But when they are substantial, the successor firm may need to collect the receivables and then pay them out to the seller over 12-24 months in order to preserve cash flow.

8. Other factors which increase the value of a practice:

I. Niches: litigation support; international tax; mortgage banking; investment advice, etc. Niches are very attractive to larger firms, because they can be expanded to reach other contacts through which the larger firm can maximize growth that it could not otherwise exploit.

II. Rainmaking ability on the part of a retained person from the acquired firm, especially if the acquiring firm can handle work but lacks the ability to bring in new business.

III. Technology that the successor can use to increase the efficiency and profitability of the expanded firm.

IV. A retiring partner(s) who can be replaced by lower paid professionals.

V. A geographic location where the successor would like a foothold.

VI. Key staff or large group of good employees.

9. Evaluating the practice:

Now that we have an overview of the many variables in pricing a price, we are ready for the vital factor in evaluating the price of a practice, whether we are buying or selling: What will the successor firm net, gross, retain and gain from the acquisition? What terms will lead to a worthwhile cash flow?

The best way to understand the issues is to review this example in which you are the prospective buyer:

A practice grossing \$1,000,000 annually nets \$400,000 to 3 partners who are each near retirement age. It pays \$350,000 in wages, taxes and benefits to its staff. The partners are asking for \$1.2 million dollars based on collections from 7-10 years on a 2-year lock. Is this a fair deal?

The key to an accurate evaluation of how much the business is worth to YOU is whether you can replace the \$350,000 in staff labor and \$400,000 in partner packages with less than \$750,000 in labor. Whatever you can save in those costs will make the practice that much more valuable to you. If you can cut costs by \$120,000 for 10 years, and generate \$1.2 million or more, then the savings alone will cover the cost of the practice.

In each case, value will be determined by how much it costs the successor firm to get the work done. If the selling partners weren't working many billable hours (say 1,000 hours each, annually), then 1 partner and a manager can replace the 3 partners and the acquiring firm's bottom line will be suitably enriched.

Here the bigger firm will have an advantage when buying a practice since it can stretch out the payments because the seller will have faith in the larger firm to make payments 10 years in the future.

The basic question is always: "What income will the practice generate for the successor buyer or successor merged firm?" That depends on the percentage of clients retained by the new firm and its cost to provide service. The greatest value of transactions whose price is determined by collections is that both buyer and seller profit from prosperity for the successor firm. Win/win—the best formula for success. May we all enjoy the benefits of such relationships in our personal, professional, and business lives.

Conclusion

These Guidelines provide a framework with which to approach an acquisition or sale. Each practice and each successor is unique and putting a good transaction together, involves fitting together the many pieces of the puzzle.

Article Submitted by Max T. Krotman, JD, He is Vice President and General Counsel at Globalforce International Inc., Melville, NY. He can be reached at mkrotman@globalforceintl.com or 1-800-261-7522.

NCCPAP IS INVOLVED IN **SENATE COMMITTEE ON FINANCE THANKS TO** **CAROL C. MARKMAN, NEIL FISHMAN AND MARK MEINBERG**

Carol Markman, CPA, a NCCPAP past president, testified Wednesday, July 14, 2010 at the Senate Committee on Finance hearing on "The Future of Individual Tax Rates: Effects on Economic Growth and Distribution." Her topic was on the impact of the phase-out of itemized deductions and personal exemptions on individual taxpayers. She was accompanied by Neil Fishman, Chair of the NCCPAP Tax Policy Committee and Mark Meinberg, President of the Nassau Chapter of NYSSCPA. Carol was invited to testify by Senator Charles Grassley (R-Iowa), ranking member of the Senate Finance Committee.

Senator Michael B. Enzi (R-Wyoming), the only CPA in the Senate, questioned Carol regarding the new 1099 form requirement that 1099s be sent to all businesses including corporations. Carol told the Senate committee that this requirement presents a hardship for small businesses, and business owners do not understand the paperwork burdens that enactment would necessitate. Senator Enzi is working with his colleagues on legislation to repeal Section 9006 of the health care law that includes this new requirement.

IRS Commissioner Shulman has announced that there will be an exemption from this new reporting requirement for business transactions conducted using payment cards such as credit and debit cards as these transactions will already be covered by reporting requirements on payment card processors, so there is no need for businesses to report them as well. So, whenever a business uses a credit or debit card, there will be no new burden under the new law.

Bring a Fellow CPA to any Chapter Meeting and you receive a \$25 gas card FREE

The only requirements are that he/she be a Partner or an Owner of a CPA practice, and not be a current NCCPAP Member!!!

It is a win-win all round.
"You will enable your friend to learn, first hand, about the tremendous benefits that NCCPAP membership can bring to his/her practice."

In addition,
he/she gets a Free Dinner and Free CPE Credits!!!

You get a \$25.00 gas card
and
the satisfaction of knowing that you may have helped improve his/her practice.

The Chapter may gain a new member!!!!

Call in advance
so that we can welcome your guest.

Help us to grow our Chapter.

Announcing the NEW Competency Regulations in New York State



Has your firm had a Peer Review lately?

If you issue financial statements, and have not previously needed a Peer Review, the new New York State accountancy regulations may require YOUR firm to have one completed by the **December 31, 2010** deadline.

If you are a New York State CPA and would like to have a Peer Review completed prior to December 31 2010 **ACT NOW**. Do not wait until the last minute to start the process. The Fuoco Groups' Peer Review Team, lead by nationally recognized authority Henry Krostich can help you determine if you need a review, and guide you through the process.

Don't wait. Prepare *now* so that you are ready for the December 31 deadline.

If you'd like more information regarding Peer Review or have questions about the New York State Regulations Contact the
Fuoco Group Peer Review Team today
(631) 870-3942

RETURN SERVICE REQUESTED



TM

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Nassau/Suffolk Chapter of NCCPAP
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