

The MAPAN

Informing members about accounting, tax, and technology issues



"The MAPA assists its members in achieving success in the profession of accounting and taxation through the advocacy of practice rights and the promotion of high standards in ethics, education, and professionalism."

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In This Issue

- ♦ ATPs and ABAs Exempt From IRS Filing ... 4
- ♦ Calendar 10
- ♦ Executive Director Report 2
- ♦ In This Corner 6
- ♦ IRS News & Views 7
- ♦ MAPA Committee Chairs 12
- ♦ MAPA Regional Directors 11
- ♦ MAPA Scholarship Recipients 11
- ♦ NSA Convention Photos 8
- ♦ NSA State Director Report 5
- ♦ President's Message 1
- ♦ Quality Review 9
- ♦ Spotlight On ... Derik Brenny 3
- ♦ Welcome New Members 11
- ♦ What Is Independence? 4

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The MAPAN

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President's Message



Erin Nebben

Greetings, fellow MAPA members and friends. Last month I wrote you from Washington, DC, and Baltimore, where the NSA Annual Meeting was being held. It was an honor to meet and hear IRS Commissioner John Koskinen speak to convention attendees. The underlying message he relayed was that tax preparers, taxpayers and others who are frustrated with the IRS should, "Call your member of Congress". He was quoted as saying, "People don't vote for me — they vote for members of Congress. Congress needs to hear and understand the impact of the funding cuts. As I tell people on Capitol Hill, we are the only agency still operating at the post-sequester level." He relayed that 5,200 call center employees were cut due to budget constraints, and warned that wait times would increase due to lack of staff. He spoke about late tax law changes, voluntary education for tax preparers, and identity theft. A great

place to keep up to date on the latest IRS and tax news is the NSA Blog. I encourage you all to subscribe to the blog, and you will in return receive some great information and insight! Visit www.nsacct.org for more information.

Seminar season is upon us! We have an amazing schedule of events for October, starting with the Accounting and Auditing Student Conference on October 2. This is a great opportunity for students from around the state to network not only with MAPA members, but also prospective employers and colleagues. If you know of any students with an accounting major, or are looking for new young professionals, please check this event out!

Once we get past the extension deadline, our schedule ramps into full gear. We have regional meetings scheduled on October 21 in St. Cloud, October 27 in Alexandria, and October 28 in Duluth. Rita Wilczek of Wilczek, Inc., will be in St. Cloud to give attendees an update on retirement planning for individuals and small business owners. Rita has a wealth of knowledge to share! The meetings in Alexandria and Duluth will focus on the Affordable Care Act. This is something that we can't seem to get enough information on, and we hope to share with the attendees more information to prepare them for the upcoming filing season. We will also close the meetings with a valuable round table discussion, to sort out any questions, comments, or issues you, your clients, or colleagues are facing. Regional meetings are a great small group networking opportunity, and all MAPA members are welcome to attend! You will receive email notifications of the upcoming region meetings with more detailed information.

On October 23, you will have an opportunity to receive the required CPE for Ethics in the morning, and another 4 hours of CPE in the afternoon with a MN Estates and Trusts Update. Attorneys from Gray, Plant, Mooty will be with us to present the material on both subjects. And on October 31, please join us for an Accounting & Auditing Professional Standards Update. To get more information on seminars offered by MAPA, please visit our webpage at www.mapa-mn.com, and click on calendar. This will take you to a full schedule of events, and you are able to register from this page as well.

President's Message, continued on page 2



Eric Ewald

Executive Director Report

Eric Ewald, CAE

State Board of Accountancy News

The State Board is still looking for new members for its Quality Review Oversight Committee (QROC). If you have any experience performing quality reviews and are interested, please contact

the State Board of Accountancy directly or feel free to contact me if you have any questions.

There will be two open accountant positions on the SBOA in January 2015. MAPA will support candidates to fill those positions to help assure there is a good balance on the Board including small firm representation.

The SBOA is in the middle of a strategic planning process where it is discussing how the Board can continue to improve consumer protection and service to its licensees.

Student Conference

MAPA leadership and staff will represent MAPA at the Accounting and Auditing Student Conference October 2 at the Minneapolis Convention

Center. This is a fantastic event drawing hundreds of students from throughout the state and a good opportunity to introduce them to MAPA. We will share some stories and photos in next month's MAPAN.

Awards at NSA

We were happy to hear the news that MAPA won the award for best Affiliated State Organization (ASO) website at the recent NSA Annual Convention in Baltimore, MD. We hope that members are finding value in it; please let us know if you have any suggestions to improve usability. We upgraded the site late last year — but do not look at this as a project that simply gets completed, but more as something that can be continually improved. MAPA also received a recognition certificate for the organization's work in monitoring and reporting on the work of the Minnesota State Board of Accountancy. ❖



ASO Award

President's Message continued from page 1

Speaking of our website, I should share with you that MAPA won an award for the "Best ASO Website" at the NSA Annual Meeting. We received the award based upon the layout of the website, the calendar of events, the ease of registering online, the member directory, and the beginnings of Minnesota's "Tax Talk Forum." This was a great honor to receive, and I encourage you all to take a moment to check out the website, and subscribe to the "Tax Talk" feature. This is an excellent benefit for our members and I hope you all take advantage of it.

I would also like to recognize the Legislative Committee, Executive Director Eric Ewald and our lobbying staff for the constant monitoring of the State Board and legislative actions that directly affect us as practitioners. We were recognized at the NSA meeting as a state organization the monitors the State Board, and in effect protect our rights to practice as tax practitioners. Thank you, Kurt Juergensen, Al Maves, Eric Ewald, and staff!

Fall is upon us, the leaves are changing, and we are getting geared up for another tax season. I look forward to having the opportunity to see you all at the upcoming seminars. Please let us know if there is anything MAPA can do for

you, or if there is anything that you would like to help MAPA with. We are always open to new thoughts, ideas and volunteers for MAPA. This is your organization — let's work together to continue making it amazing!

Warm Regards,
Erin Nebben ❖



Minnesota Delegation at NSA convention. Ellen Stebbins, Debra Stapek, Lindsay Nelson, Erin Nebben, and Virginia Bruns.



Erin Nebben, Virginia Bruns and Ava Nebben

Spotlight on ... Derik Brenny

MAPA Member

Q. How did you decide to be an accountant, and what do you like best about being in public accounting?

A. I decided to become an accountant my senior year in high school when I took an accounting class and liked it and decided to go for it — and the rest is history. I like how every situation and client is different and nothing is the same.

Q. Tell us a little bit about the firm you work for. What is your role or specialty?

A. I work for B. Johnson & Associates in Brainerd, MN and we have about 18 employees who work full & part time. I am a staff accountant and also am the payroll manager for the firm.

Q. Tell us about your family.

A. I have been married to my wife Joanna for 6 years. We have 3 children; Charleigh (11), Blake (5), and Branlin (3).

Q. What are your hobbies?

A. I love being outdoors, whether I am gardening, fishing, hunting, playing softball, or just playing with the kids.

Q. How long have you been involved in MAPA? How has MAPA helped you in your career?

A. I have been a MAPA member since 2005. MAPA has helped me in many ways in my career. It has helped me network with other accounting professionals, keep updated with the seminars and meetings, and build my confidence as an accountant.

Q. You recently became the director of Region 6. Tell us what type of plans or goals you have for the region.

A. I want to make sure that Region 6 keeps on having regular monthly meetings from July through December and we keep having great speakers for our members. I want to try to get our membership to increase and to get the word out to nonmembers about MAPA and how MAPA is a great organization to be part of.



Derik Brenny and his wife Joanna Brenny, with Blake, Charleigh, and Branlin Brenny.

Q. What would you tell an accountant thinking about joining MAPA about the value of being a member of an organization such as MAPA?

A. I would let them know about the great networking possibilities with not only other members but also other professionals that may help you in your career. It helps knowing that there are others that can help you with questions that you have.

Q. What do you see as the biggest challenges for accountants going forward?

A. The biggest challenges for accountants are the ever-changing rules and responsibilities we have in our field.

Q. What do you think MAPA could do differently or better to serve you and your peers as your professional organization?

A. I think that MAPA is doing great and needs to keep striving to be the best organization it can be for the members. ❖

ATP and ABA Credential Holders Exempt From New IRS Annual Filing Season Program Course and Exam Requirements

Alexandria, VA, September 2, 2014 — Accredited Tax Preparers (ATPs) and Accredited Business Accountant/Advisors (ABAs) are exempt from the requirement to take an Annual Federal Tax Refresher (AFTR) course and exam that is part of the new Internal Revenue Service (IRS) voluntary Annual Filing Season Program (AFSP).

The Accreditation Council for Accountancy and Taxation (ACAT) is a non-profit, independent testing organization that accredits professionals with the ATP and ABA credentials.

ABAs and ATPs will automatically qualify for the AFSP-Record of Completion and be included in a public database of tax return preparers scheduled to launch on the IRS website by January 2015. This Directory of Federal Tax Return Preparers with Credentials and Select Qualifications will include the name, city, state, zip code, and credentials of all ABAs, ATPs, attorneys, CPAs, enrolled agents, enrolled retirement plan agents and enrolled actuaries with a valid Preparer Tax Identification Number (PTIN), as well as all AFSP-Record of Completion holders, including ACAT-credentialed ABAs and ATPs.

Beginning in 2016, ATPs and ABAs – as AFSP participants – can also represent clients before the IRS regarding returns they prepared and signed. PTIN holders without an AFSP Record of Completion or other professional credential will not be allowed to represent clients before the IRS.

“We are thrilled that the IRS has recognized the experience, comprehensive ongoing education requirements, and stringent exams that are required for a tax preparer to earn the ATP and ABA credentials,” says ACAT President Roy Frick, EA, ABA, ATA, ARA, LPA. “All ATPs and ABAs in good standing are exempt from taking the annual AFTR course and exam. So why would any tax preparer take the Annual Federal Tax Refresher course and exam each year when they can earn a prestigious credential they can use after their name every year?”

The ATP is a leading national credential for tax practitioners who have a thorough knowledge of the existing tax code and the preparation of individual tax returns. To become an ATP, candidates must pass the ATP exam, which is offered twice per year at testing centers around the country and have three years of work experience in tax preparation, two of which may be satisfied through college credit.

The ABA is a prestigious professional accounting credential for accounting professionals who possess a thorough knowledge and proficiency in financial accounting, financial reporting, financial statement preparation, taxation, managerial accounting, business law, and ethics for small- to medium-sized businesses. To become an ABA, candidates must pass the Comprehensive Examination for Accreditation in Accountancy and have three years of related work experience, up to two of which may be satisfied through college credit.

The ATP and ABA exams will be offered at testing sites around the country between November 29 – December 22, 2014, just in time for tax season and in time for tax preparers to get their IRS Annual Filing Season Record of Completion.

For more information about ACAT and the ATP and ABA credentials and registering for an ACAT exam, visit www.acatcredentials.org.

The Accreditation Council for Accountancy and Taxation® (ACAT) was established in 1973 as a non-profit, independent, testing, accrediting and monitoring organization. ACAT accredits professionals who have demonstrated knowledge of the principles, practices, and ethical standards of accounting, taxation, and related financial services in order to maintain the highest level of service to the public. ❖

What Is Independence?

Timothy J. Robinson, CPA, MACG, Chair, MAPA Ethics Committee

Independence is defined in ET section 100-01, Conceptual Framework for AICPA Independence Standards (AICPA, Professional Standards), and is referred to herein as the conceptual framework, as follows:

Independence of Mind. The state of mind that permits the performance of an attest service without being affected by influences that compromise professional judgment, thereby allowing an individual to act with integrity and exercise objectivity and professional skepticism.

Independence in Appearance. The avoidance of circumstances that would cause a reasonable and informed third party, having knowledge of all relevant information, including safeguards applied, to reasonably conclude that the integrity, objectivity, or professional skepticism of a firm or member of the attest engagement team had been compromised.

These definitions reflect the long-standing professional requirement that members who provide services to entities for which independence is required be independent both in fact (that is, of mind) and in appearance.

The above is from the AICPA *Plain English Guide to Independence*. Independence is required whenever we perform an attest service for a client. It's one of the many things we may consider more subconsciously than consciously as we serve our clients. So for this month, I thought I would remind our conscious thoughts that we need to be mindful of being independent when required.

MAPA has an Ethics, Malpractice & Enforceability of Damage Limitations seminar scheduled for October 23, 2014. See the website for further information. ❖



Ellen Stebbins

National Society of Accountants (NSA) State Director Report

Ellen E. Stebbins, EA, RAP, ABA, ATA, ATP and ARA, NSA State Director

The 69th NSA annual meeting and expo was held August 20-23, 2014 at the beautiful inner harbor of Baltimore, MD. I was reelected as the NSA State Director for Minnesota. I am honored to serve you for the next two years. The state directors leadership workshop gave me some new information and ideas I can use at my NSA table at seminars.

The NSA business session opened Thursday morning with the introduction of candidates for office. We had a "Meet the Candidates" forum for the two contested races. A moderator asked very challenging questions so we could hear the candidates' thoughts and goals for the future of NSA. Marilyn Niwao from Hawaii was elected President, Kathy Hettick from Washington is First Vice President, Alfred Giovetti from Maryland is Second Vice President, and Brian Thompson from Arkansas is Secretary/Treasurer. District Governors and State Directors were also elected. Virginia Bruns was installed on the ACAT (Accreditation Council for Accountancy and Taxation) Board of Directors.

IRS Commissioner John Koskinen gave a very thorough keynote address. He stated the IRS has an important partnership with NSA. Taxpayer service and compliance are very important to the IRS. The IRS will continue to address management problems. Commissioner Koskinen spoke about the IRS voluntary education program to ensure tax preparers are competent and ethical to prepare tax returns. He also spoke about identity theft and refund fraud, foreign accounts disclosure, the Affordable Care Act, Taxpayer Bill of Rights, and budget cuts. The reduced funding for the IRS is "the biggest challenge facing the IRS," according to the commissioner. He stated that "punishing the IRS is a way of punishing taxpayers." We can expect phone service waits and employees can no longer answer complicated tax questions on the phone because of budget cuts. You have to go to the website now. We can help by contacting our Congress members and explaining the implications on us and our clients in real life.

The commissioner also expects a last-minute tax law or extender package. He said "Congress needs to understand that the later in the day these are passed and the more complicated they are, the more challenging it is for taxpayers to file accurate returns on time."

Next we had an Industry Issues Panel with Ken Bishop, President of NASBA; Carlos Johnson, NASBA Chair; Chad Piehl, CPA and national speaker; and Michael Salazar, who serves on the NSA Board. Steve Hanson narrated and asked questions about current issues. They discussed issues on compilations included as attest services, virtual

accountant competition, mobility, compilation and new preparation proposals, and peer review reports being punitive and disciplinary rather than educational.

Friday morning, we had our District Networking Sessions where we discussed what is happening in our states. It is an important time to meet other accountants and discuss common problems in our district. The next business meeting started with donations to the NSA scholarship fund and exhibitors describing their products. Then the Right to Practice Chair explained some of the legislative changes that could harm states. He told us about several bills his committee had worked on this past year. Several states are looking at regulating tax preparation. There were several silent auction items to bid on with proceeds going to the PAC Right to Practice committee.

Next, several awards were presented. Minnesota received the Best ASO (Affiliated State Organization) Website award in 2014 for a large organization. Congratulations to everyone who worked on Minnesota's new website. Minnesota also received a State Board Monitoring Certificate of Appreciation award. Congrats also to Erin Nebben (MAPA President) who graduated from the NSA Leadership Development Program.

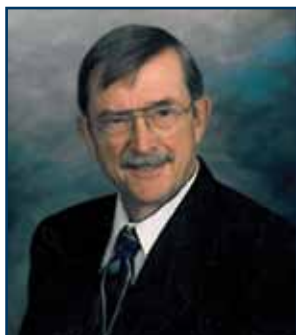
There were several excellent continuing education seminars by national speakers. You could attend Accounting Pronouncements, Fraud Detection and Prevention, Affordable Care Act, Ethics, Practice Management seminars, and Maryland Tax Law Update.

We also had some enjoyable, fun activities like the Welcome to Baltimore Crab Feast where we tried our skill at cracking open shells with a wooden mallet. Hula girls, guys, and a band entertained us at the Aloha Dessert Reception honoring new NSA President Marilyn Niwao. The ACAT reception was also a great networking event. This year's successful annual meeting closed with the installation banquet, music, and a full-course dinner.

Next year's meeting will be in Vancouver, British Columbia, in August 2015. You can tell we conducted important business along with the wonderful opportunity to reconnect with friends. Please consider attending in 2015.

Information about NSA's annual meeting and other benefits can be found at www.nsacct.org

NSA State Director's Report continued on page 9



Jerry Deiley

In This Corner...

Jerry Deiley, CPA, Technical Editor

You could be thinking the same as most of us: What happened to the wonderful summer we shared? I hope the fall season continues to be a beautiful one. It's time to start thinking seriously about attending seminars and getting updated on the new health care provisions for 2015. On a personal note, my two

brothers and their wives, my two sisters and their husbands, along with me and my wife, had the joy of being with my mother, Rose Deiley, who turned 100 on September 10, 2014. My mother is fortunate to be living with my sister Kathy Berger, who also has a daughter and grandchildren living there spending quality time with my mother. My mother told me more than once how fortunate she is to be cared for by loving family members.

Tax shelters under scrutiny. I mentioned that Medtronic would be moving its headquarters to Ireland in the last newsletter. The purchase of Covidien was finalized for \$42.9 billion and this prompted Treasury Secretary Jacob Lew to consider action to control the rising number of U.S. corporations that move their legal residences abroad to avoid taxes while keeping their operations here. Lew said, "Any action we take will have a strong legal and policy basis, but will not be a substitute for meaningful legislation." Lew described tactics used by Medtronic and others seeking to shift their legal residence overseas. It is estimated that Medtronic will save \$3.5 to \$4.2 billion in U.S. taxes and billions more on future profits. Lew admitted that this was legal, but other individuals and businesses will have the burden of making up the difference so the government can continue to support our national defense, education, medical research, courts and vital infrastructure such as roads, bridges and airports, and help reduce the federal deficit. The rest of the article dealt with pending lawsuits and whether the Treasury Department has the regulatory power to take away tax incentives that companies like Medtronic are using and whether they can do so retroactively. It will take years before the courts can decide if these tax shelters can be abolished. From a summary of the *Star Tribune* article, September 9, 2014, by Jim Spence and Joe Carlson.

Do you want to increase your business and profits? After all these years of reading and hearing about smart ideas for keeping and increasing your client base, I read some worthwhile ideas by Dan Sullivan in the September 2014 issue of *Bottom Line*.

1. **Hire Smart.** Many entrepreneurs believe they should make all the decisions and perform all the important tasks for their business. When they hire employees, they tend to view them as support staff for their business decisions. It is difficult to grow a business to 10 times its current size when one person is making the decisions. It is better to consider what your unique abilities are and hire teammates to take charge of everything else.
2. **Hire candidates who are passionate about your business.** You should make sure that the person you are hiring is really interested

in the type of accounting and income tax work that you are engaged in. Make sure you question the individual about the continuing education and specifically about the audit, accounting and tax courses he/she has taken and try to determine if there is true passion for the job you are offering.

3. **Hire team players.** It isn't easy to identify teamwork skills during an interview, because candidates are on their best behavior. After you hire the person, it will soon become apparent whether he/she works well with you or others — if not, terminate the person.
4. **Hire employees who embrace change.** This is important in our profession, because nothing stays the same from year to year. Not only do we deal with complicated tax laws that change from year to year, we have the peer review every three years with changes.
5. **Other ideas for your business.** A couple suggestions are to be sure your business looks professional (make sure your office looks organized), and to send clients professional-looking newsletters. Customers who are satisfied will often refer their friends to your office.
6. **Some of us would rather remain with a small staff.** It is true, there are some advantages and also disadvantages with a large staff or with partners. I prefer the small staff.

Why are contracts so complex? I believe these contracts could be written with clear and precise paragraphs. I realize whoever writes these contracts wants to cover all the issues, but I also believe they could do a better job of explaining the rules. Karen Larson wrote about this subject in the June 2014 *Bottom Line* issue. She said, "have you looked at a contract lately — whether it's from a bank, an insurance carrier, car rental company or purchase agreement for a house? Easy to understand? Not!" She went on to say we can do something about that.

Consumers can influence corporate policies. Alan Siegel, coauthor of the book *Simple*, argues that most businesses could increase profitability by decreasing complexity. I can attest not only to the complexity of over 30 pages for the contract on the sale of an inexpensive mobile home, with print so tiny I had to use a magnifying glass and make multiple notes on a worksheet to make sure my client was in compliance with not only the mobile home that has a State of Minnesota Certificate of Title (similar to the motor vehicle) but also with the land that has an abstract dating back to July 1888. That said, Siegel suggested two websites that can bring feedback about unnecessary complexity to companies: PlanetFeedback.com provides a forum for consumers to offer constructive criticism; ExecutiveBomb.com provides email addresses and phone numbers for executives at thousands of companies. Constructive complaints will receive attention.

Quotable Quotes. If heaven exists, to know that there's laughter, that would be a good thing, just to hear God tell a story that would make you laugh would be wonderful. ~Robin Williams ❖

IRS News & Views

Ann Makres, SBSE Taxpayer Education and Communication

IRS Repeats Warning about Phone Scams

The Internal Revenue Service and the Treasury Inspector General for Tax Administration (TIGTA) continue to hear from taxpayers who have received unsolicited calls from individuals demanding payment while fraudulently claiming to be from the IRS.

Based on the 90,000 complaints that TIGTA has received through its telephone hotline to date, TIGTA has identified approximately 1,100 victims who have lost an estimated \$5 million from these scams.

“There are clear warning signs about these scams, which continue at high levels throughout the nation,” said IRS Commissioner John Koskinen. “Taxpayers should remember their first contact with the IRS will not be a call from out of the blue, but through official correspondence sent through the mail. A big red flag for these scams are angry, threatening calls from people who say they are from the IRS and urging immediate payment. This is not how we operate. People should hang up immediately and contact TIGTA or the IRS.”

Additionally, it is important for taxpayers to know that the IRS:

- Never asks for credit card, debit card or prepaid card information over the telephone.
- Never insists that taxpayers use a specific payment method to pay tax obligations.
- Never requests immediate payment over the telephone and will not take enforcement action immediately following a phone conversation. Taxpayers usually receive prior notification of IRS enforcement action involving IRS tax liens or levies.

Potential phone scam victims may be told that they owe money that must be paid immediately to the IRS or they are entitled to big refunds. When unsuccessful the first time, sometimes phone scammers call back trying a new strategy.

Other characteristics of these scams include:

- Scammers use fake names and IRS badge numbers. They generally use common names and surnames to identify themselves.
- Scammers may be able to recite the last four digits of a victim’s Social Security number.
- Scammers spoof the IRS toll-free number on caller ID to make it appear that it’s the IRS calling.
- Scammers sometimes send bogus IRS emails to some victims to support their bogus calls.
- Victims hear background noise of other calls being conducted to mimic a call site.
- After threatening victims with jail time or driver’s license revocation, scammers hang up and others soon call back pretending to be from the local police or DMV, and the caller ID supports their claim.

If you or your client get a phone call from someone claiming to be from the IRS, here’s what you should do:

- If you know you owe taxes or you think you might owe taxes, call the IRS at 1-800-829-1040. The IRS employees at that line can help you with a payment issue, if there really is such an issue.
- If you know you don’t owe taxes or have no reason to think that you owe any taxes (for example, you’ve never received a bill or the caller made some bogus threats as described above), then call and report the incident to TIGTA at 1-800-366-4484.

For more information or to report a scam, go to www.irs.gov and type “scam” in the search box.

Procedures to Avoid Backup Withholding

Revenue Procedure 2014-43 provides revised procedures for individual payees who are required to obtain validation of Social Security numbers from the Social Security Administration to prevent or stop backup withholding under section 3406 of the Internal Revenue Code following receipt of a second backup withholding notice from a payer within a three-year period. Notice 1430 is sent to individuals whose name and taxpayer identification number (TIN) do not match our records on Form 1099-K. ❖

MAPA Regions

Region 1 - West Metro Counties:

Anoka, Carver, Hennepin, Isanti

Region 2 - East Metro Counties:

Chisago, Ramsey, Washington

Region 3 - Southern Counties:

Blue Earth, Brown, Cottonwood, Dakota, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Jackson, LeSueur, Martin, Mower, Murray, Nicollet, Nobles, Olmsted, Pipestone, Rice, Rock, Scott, Steele, Wabasha, Waseca, Watonwan, Winona

Region 4 – West Central Counties:

Big Stone, Chippewa, Kandiyohi, Lac Qui Parle, Lincoln, Lyon, Pope, Redwood, Stevens, Swift, Traverse, Yellow Medicine

Region 5 - Northwest Counties:

Becker, Beltrami, Cass, Clay, Clearwater, Douglas, Grant, Hubbard, Kittson, Koochiching, Lake of the Woods, Mahnomen, Marshall, Norman, Otter Tail, Pennington, Polk, Red Lake, Roseau, Wadena, Wilkin

Region 6 - Central Counties:

Benton, Crow Wing, McLeod, Meeker, Mille Lacs, Morrison, Renville, Sherburne, Sibley, Stearns, Todd, Wright

Region 7 - Northeast Counties:

Aitkin, Carlton, Cook, Itasca, Kanabec, Lake, Pine, St. Louis

NSA Convention Photos



Steve and Diane Hanson, Chad and Jo Piehl, Virginia Bruns, Debra Stapek, and Ellen Stebbins.



Outgoing NSA President Steve Hanson and his wife Diane Hanson wave to the crowd at the reception.



Larry and Ellen Stebbins at the Baltimore Crab Feast.



NSA President Steve Hanson with the Commissioner of the IRS John Koskinen.



Emma and Rory Nebben at the Baltimore Crab Feast.



Erin Nebben receives the "Best ASO Website" award from NSA President Steve Hanson.



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MAPA Quality Review

Carolee A. Lindsey, CPA, Quality Review Committee

Continuing the theme of continuous improvement from Gerry Stifter's article in this space last month, this month I will address some common issues found in Peer/Quality Reviews so that you can improve upon these items in your own practice prior to issues arising.

Documentation Issues:

- Missing documentation of significant engagement findings or issues
- Identifying an issue in a practice aid with no additional information or conclusion
- Expectations not documented in a Review
- Subsequent event discussions and/or conclusions
- Uncertain tax positions discussions and/or conclusions
- VIE documentation

Don't forget: "If it's not documented, it wasn't done"! Documentation is required no matter what level of service you provide.

Inadequate Disclosures:

- Open tax years
- Subsequent event disclosures
- Fair value of investments levels

There are numerous tools available to ensure adequate disclosures are being made.

Clarified Auditing Standards:

- Outdated audit report
- Inadequate risk assessment
- Programs not tailored to risk assessment
- Inappropriate planning documentation
- Representation letter did not cover appropriate periods
- Non-performance of Group Audit requirements

These standards are now several years old — make sure to keep them in mind on any newly acquired audits.

SSARS:

- Failure to implement all facets of SSARS 19
- Engagement letters and reports

These standards are likewise not new; refresher courses in Compilations and Reviews are available to update ourselves.

Improper Reporting:

- Failure to include Supplementary Information in the report
- Incorrect statement titles, basis of accounting and dates

Again, numerous practice aids and examples are available, or consult with other practitioners for guidance.

Quality Control Document:

- Failure to adopt a Quality Control Document
- Failure to follow the adopted Quality Control Document

Practitioners have also been found not to report all of their engagements to their reviewer—you must keep in mind the requirements to report all engagements that fall under the peer/quality review standards. The profession cannot continue to enjoy the level of public confidence we have if we don't improve our own performance and continuously pay attention to quality. ❖

NSA State Director's Report continued from page 5

ATP and ABA Credential Holders Exempt from New IRS Annual Filing Season Program Course and Exam Requirements

Holders of the Accredited Business Accountant/Advisor (ABA) and Accredited Tax Preparer (ATP) credentials issued by The Accreditation Council for Accountancy and Taxation (ACAT) will be exempt from the annual course and testing requirements, automatically receive the AFSP-Record of Completion and be included in a public database of tax return preparers scheduled to launch on the IRS website by January 2015. These ACAT credential holders only need to meet other program requirements including receiving at least 15 continuing education credits annually (10 Federal Tax Law, 3 Federal Tax Law Updates, and 2 Ethics). The ACAT board has decided to offer holders of the Accredited Tax Advisor (ATA) credential the opportunity to earn the ATP at a significantly reduced cost as a onetime offer. ATAs may take the ATP exam online for just \$80. If you pass, ACAT will waive the \$50 credential fee and your ATP credential will

be valid through June 30, 2015. An email with more information and instructions will be sent to those who only have the ATA credential. You can also take any of the exams for the four different ACAT credentials at PSI testing sites around the country from November 29-December 22, 2014. Registration is now open at: www.acatcredentials.org/steps/examdetails

NSA Offering Two-Day Gear Up 1040 Tax Seminar

The 1040 seminar will be November 20-21, 2014 at the Mohegan Sun Casino and Resort in Uncasville, CT. For more information or if you have questions, you may call NSA at (800-966-6679) or online: www.nsacct.org/livegearup1040

Communication is very important, so please come to my table at the seminars. You may also email me at eestebbins@frontiernet.net — it is best if you put NSA in the subject line. Thank you. ❖

Happenings... From Around the State



MAPA CALENDAR

For more seminar information and registration, please visit www.mapa-mn.com.

2014

October

- 21 Region 6, St. Cloud**
MN Unemployment, IRS, and Retirement, All MAPA members are invited to attend any Region meeting.
- 23 Ethics, Malpractice & Enforceability of Damage Limitations, Ramada, Bloomington**
(1/2 day – a.m.)
All accountants who are required to obtain ethics credits for relicensure should plan to attend this seminar. This program will address strategies for solving ethical dilemmas encountered in today's business environment.
- 23 MN Estates & Trusts Update, Ramada, Bloomington**
(1/2 day – p.m.)
This seminar is designed for accountants who prepare Minnesota estate tax returns. The attendee should have some basic knowledge of estates and trusts.
- 27 Region 5, Alexandria**
Affordable Care Act Update, All MAPA members are invited to attend any Region meeting.
- 28 Region 7, Duluth**
Affordable Care Act Update, All MAPA members are invited to attend any Region meeting.
- 31 Accounting & Auditing Professional Standards Update, Ramada, Bloomington**
This seminar is for accountants in public practice and industry who need a comprehensive review of recent accounting and auditing pronouncements. It will provide participants with an overview of new developments in the area of accounting and auditing. Coverage will be updated to reflect the most recently issued official pronouncements. The course will highlight issues faced by private companies and the accountants who provide a range of services to them.

November

- 5-6 GearUp 1040, Ramada, Bloomington**
This seminar is designed for accountants who prepare personal income tax returns and also do tax planning for their clients.
- 12-13 GearUp 1040, Holiday Inn, St. Cloud**
This seminar is designed for accountants who prepare personal income tax returns and also do tax planning for their clients.

December

- 1 Bordering States Tax Seminar, Ramada, Bloomington**
(1/2 day – a.m.)
This program is designed to update anyone doing state income tax returns for clients in the bordering states of Wisconsin, Iowa, and North Dakota.
- 1 Minnesota Tax, Ramada, Bloomington**
(1/2 day – p.m.)
This program is designed to update anyone doing state income tax returns, sales and use tax, withholding and working with other tax issues for the State of Minnesota.
- 2 MAPA Board Meeting, Ramada, Bloomington**
- 16-17 GearUp 1040, Ramada, Bloomington**
This seminar is designed for accountants who prepare personal income tax returns and also do tax planning for their clients.

2015

January

- 7-8 GearUp 1040 – Ramada, Bloomington**
This seminar is designed for accountants who prepare personal income tax returns and also do tax planning for their clients.

About The MAPAN

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Welcome New Members

- Chris Drummond, Region 1
- Jane Amble, Region 5
- Doug Franke, Region 5
- Lorraine Jensen, Region 3
- James Ciperia, Region 2
- Craig Mulcahy, Region 2
- Pamela Birkholz, Region 1
- Dennis Hilligoss, Region 6
- Jeffrey Wendt, Region 1
- Carl Mielke, Region 2
- Phillip Foster, Region 1
- John Schleder, Region 6
- Nicole McKinney, Region 3
- Kimberlee Herndon, Region 1
- Jackie Caple, Region 2
- Tim Ditlefsen, Region 6
- Nadene Fruen, Region 1



Advertising Specs

The following types of advertisements will be accepted from MAPA members:

- 1) sale or purchase of a practice
- 2) person seeking employment
- 3) potential internships

Ads will be run for up to three issues at no charge. Additional ad placements will cost \$100 per listing per month for up to ten lines.

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Advertisement

WANTED: Accounting Practice:

Established expanding CPA firm specializing in small businesses looking to acquire accounting and tax practices in the Minneapolis/St. Paul metro area. If you have a write-up practice for small businesses, I am very interested. Please call Gary at 952-484-4343 or email ghaworth@haworthco.com.

Advertisement

FOR SALE: small tax practice, some write up and payroll

Location: S.W. Minneapolis suburb.

Goal is retirement.

Please phone: John 952-914-0852

Congratulations To Scholarship Recipients

Sherry B. Gunelson, CPA, MAPAN Editor

Congratulations to the three students who received scholarships of \$750 dollars each from the MAPA Scholarship fund. Kendra Aakre, Nicole Weiss, and Matthew Husmann were awarded the scholarships in June of this year.

Kendra Aakre is a senior at Concordia College in Moorhead, MN. She is a member of VITA (volunteer income tax assistance program), Chi Alpha, and the volunteer coordinator for Bethany Retirement Living Home.

Nicole Weiss is a senior at Minnesota State University, Moorhead, MN. She is the Collegiate DECA Treasurer and is also a member in the MSUM Accounting Club, Beta Gamma Sigma and an AICPA affiliate member.

Matthew Husmann is a senior at Gustavus Adolphus in St. Peter, MN. He is the Co-President of the Gustavus Accounting Club, a tutor in the Accounting Department and participates in intramural sports.

All three students plan a career in the field of public accounting. We wish them well!

Make a difference in the life of an accounting student! Donate to the MAPA Scholarship Program. Tax deductible, this scholarship fund is for third and fourth year accounting majors. More information may be found at: <http://www.mapa-mn.com/?scholarship>. ❖



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