

Presidents Message – September 2008

We welcome Selvi Stanislaus, Executive Officer of the Franchise Tax Board, to our meeting this month. Ms. Stanislaus became executive director of the FTB in January 2006 after serving ten years in the legal division of the FTB. Like us, she has a passion for tax law. We are looking forward to hearing her speak about the issues facing the FTB and what plans are being made to address those issues. This session will give you valuable insight into the workings of the FTB.

Now that the calls regarding tax rebates have stopped, the presidential candidates are talking about another rebate. I am really looking forward to explaining and tracking two rebates in one year. The first rebate smacked of vote-buying; the second one is not as subtle. Isn't it nice that politicians provide us with so much fodder for our cannons? It will be interesting to see the tax law changes that develop over the next couple of years as the social policy of the government changes to deal with a more difficult economy.

This past month our Chapter has been represented at two Homeowner Preservation Workshops at the Orange Show grounds in San Bernardino—one on August 16 and one on September 6. These workshops sponsored by local Congressman Jerry Lewis and Univision provided an opportunity for homeowners to meet directly with lenders to discuss options available to them. Homeowners who were 90 days or more behind in their payments were specifically invited to attend and were given the opportunity to meet with lenders to work out loan modifications, etc. The IRS gave our Chapter room at their table to provide information on foreclosures, short sales, forgiveness of debt, and insolvency. About 600 people attended the first workshop. Deborah St. Martin, Joe Ligori and I were able to promote the use of EA's as the tax professional of choice. We handed out a number of the new CSEA brochures. It was a great opportunity for us to build on our relationship with the IRS, and gain exposure with both lenders and the public.

The new brochures from CSEA on Enrolled Agents are very good. We will have samples at our September meeting for you to examine. They have received very positive reviews so far and are a great resource to have available in your office.

Speaking of brochures, Don Stacy, our 1st VP, has developed a nice Chapter brochure for us to use in recruiting EA's who are not yet members of CSEA. It includes benefits of both Chapter and State membership and information on meeting times and locations. Just ask Don for some copies at the next meeting or send him an email.

See you on the 10th. I am looking forward to it.

Selvi Stanislaus to speak at Chapter

Selvi Stanislaus, the Executive Officer of the Franchise Tax Board, will address the Chapter at its regular meeting on September 10th. She will be talking about hot issues in the FTB. She will also be holding a question and answer session after her talk. If anyone has some concerns or questions, they can e-mail them to Dennis Phillip, EA and he will forward them to her for review.

Selvi was appointed on January 11, 2006 as the fourth executive officer of the FTB and is the first woman to hold the post. She oversees the second largest tax department in the nation, with more than 6,000 employees in California and its three out-of-state offices.

After graduation from the Sri Lanka Law College as an Attorney-at-Law, She worked in the private sector, and thereafter in the Chambers of Sri Lanka's President's Counsel. After establishing herself in Sri Lanka, she and her husband chose to pursue professional opportunities in the United States. They immigrated to California in 1986, where Selvi returned to law school, completing a JD with Honors and an LL.M in Tax Law. After another period in the private sector, she joined the State Board of Equalization's legal staff in 1996 to pursue her passion in tax law. In April 2005, Selvi was appointed the Acting Assistant Chief Counsel of the Tax and Fee Programs Division of the Legal Department, formulating legal policies affecting every tax and fee program in California administered by the Board, which collects nearly \$53 billion annually in taxes and fees.

In her spare time Selvi is actively involved in doing pro-bono work in Northern California's large East Asian community. She is also a part-time Professor at the local Law School where she teaches Tax Law.

CSEA Director's Report

Paul Cheatham, EA

In early August I participated in an Executive Committee telephone conference dealing primarily with the level of services to be provided by an outside consultant to CSEA on governance and organizational issues. The conclusion, after some discussion, was to have the consultant provide a minimum of services with the bulk of the work done by CSEA staff. Everything will be brought to the full Board for review and approval. One aspect of the telephone conference that I was glad to observe was the great reluctance on the part of the Executive Committee to make decisions. To do so would be to usurp the Board's authority. Several committee members even went so far as to state that they didn't even want to take any actions that might have the "appearance" of by-passing the Board. I share this with you so that you can be more aware (and proud) that CSEA is well run by the members, not by a small group of "insiders".

The South Bay Chapter is hosting the 2009 CSEA Annual Meeting in Torrance the week of June 22nd. Annual meetings are held in conjunction with the Board meeting, so it is an opportunity for you to see how CSEA works for you! In addition to the business meetings several social events are planned. There is also some talk right now about including some unique continuing education sessions. Our Chapter will be providing some volunteers to help them put on a FUN event. This is a wonderful opportunity to meet some of the other fine EA's from around the State. Please see me if you would like to be involved.

Keep me informed of your ideas and concerns. Thank you for providing me with the opportunity to serve CSEA and our Chapter.

Update from the Board of Directors

Norma Rae Hill, E.A., Secretary

At the August Board meeting reports were heard from the Scholarship, PIA, State Director, Web Site and Strategic Planning committees.

Dave DeKoekkoek, EA read a letter written by Joe Ligori, EA concerning the status of the Web Site. The Board is very appreciative of all the hard work Joe is doing on the Web Site.

Clara Barrett, EA gave an update on the ad that will appear in the Inland Empire Magazine February Issue but the yearly Hotel Issue. It was approved that the cost for the individual ads for this year will be \$40.

Deborah St. Martin, EA shared an opportunity to sit at the IRS table as CSEA representatives at the upcoming Homeowners Preservation Workshop on August 16th and September 6th.

Don Stacy EA shared the Brochure he has designed promoting our Chapter and CSEA to Enrolled Agents who are not yet members of the Society. The brochure gives reasons why joining CSEA is good for all Enrolled Agents and invites them to attend a meeting. It includes a space on the back to put the individual contact information of the person handing out the brochure.

Don Stacy EA reported that at the State Scholarship Committee is now a Committee of the CSEA Education Foundation Committee. Scholarships will be awarded quarterly and are open to CSEA members as well.

Paul Cheatham, EA, CSEA Director, brought a request from the South Bay Chapter for volunteer help for the next Annual Meeting of CSEA. He also shared with that the Executive Committee is very sensitive about not making decisions that should be made by the CSEA Board, which speaks to the whole governing issue that is the big topic now at State.

The next meeting of the Board of Directors will be held on September 10, 2008, 4:00pm at the Hilton Hotel in San Bernardino

NAEA Annual Meeting

Jerry Watson, EA

NAEA Annual meeting was held on August 13th 2008. On the agenda was the presentation of the new SEE Preparation Program and a Town Hall Meeting about the current economic situation.

The SEE Program appears to be well thought out. 3 sessions are scheduled for the balance of the year. Each session runs 6 weeks with the IRS Exam for that session scheduled in the sixth week. The program materials are from Gleim Publications. They include the study books, CD Rom Prep Test, audio recordings of the material, and 2 NAEA instructor-led online classes each week. The first session started on Aug 18th. At the Annual Meeting when the Program was introduced 14 had signed up for the First session. Within 5 days an additional 10 students signed up. The next session begins on October 6 thru November 21; session three begins December 1 thru January 15th. Each session is designed to offer each part of the EA Exam so whatever track you are on, a prep course will be available. The current pricing is as follows: one class \$284.96, two \$569.92, and all three \$804.85.

The Town Hall portion of the meeting was interesting because it brought together opinions and experiences from all over the country. Not all areas of the country are affected in the same way. On one issue there seemed to be some consensus in that everyone would be facing a lot of foreclosures and debt forgiveness issues.

There was also an Open (Good of the Order) Session in which many State Chapters discussed the ways to reach out to EA's and to the public. In Washington because of heavy layoffs at some high profile companies, the Washington Society has been working with some non-profits to provide information in regards to many potential tax implications.

CSEA Establishes Educational Foundation

Don Stacy, EA

In January 2008, the CSEA Education Foundation was formed as a 501(c)(3) corporation, and established a new Scholarship Program. This new Foundation is separate from CSEA, and the Scholarship Committee is now a Committee of the Foundation, not CSEA.

The primary purpose of the Foundation is to foster, improve and provide access to tax-related information and services available to the general public through education programs and scholarships aimed at increasing the knowledge of current EAs and potential EA candidates. The Foundation awards the scholarships and the program substantially differs from the CSEA Program.

* Scholarships will be awarded quarterly rather than annually, and they are processed directly through the staff liaison. Chapters are asked to help promote the program.

* Donations to the Education Foundation are tax deductible.

* The Internet auction will continue and will be held in the fall. The next auction is scheduled for later this year, so donations will be solicited shortly.

* CSEA Members and other EAs are now eligible for scholarships.

For California residents not currently or previously licensed as EA's but who wish to take a SEE preparation class can apply to the Foundation for a scholarship. In addition, the Foundation offers the opportunity for EAs to apply for a scholarship for education to expand their field of knowledge and expertise. Examples of courses that would be considered eligible for scholarships include: Tax Court, NTPI, and C-STAR. Scholarships for EAs are not intended for courses necessary to maintain CPE requirements.

For more information or to download the new application forms, please visit www.csea.org and visit the Scholarship Program area under EA Career Information. Inland Empire members may email Don Stacy or call Tennie Becker for a copy of the application form as well.

Meet the Board

Connie Bracher, EA

Connie currently serves on the Board as 2nd Vice-President and Chair of the Membership Committee. She brings to the Board a wealth of leadership experience on both the Chapter and State levels. She is a Past President having served as Chapter President in 2006-07, 1st VP, Secretary, PIA Chair, Nominating Committee Chair, and Chapter Representative to CSEA. At the State Level she has been the Legislative Chair, Disaster Chair, and Vice-Chair of the Scholarship Committee.

She received her CTEC Certification in 1997 and became an Enrolled Agent in 1999. This past month she became a Fellow in NTPI. She is owner of Acorn Bookkeeping & Tax Service in Crestline, CA. Her firm handles all aspects of bookkeeping, payroll and tax services including representation. Currently there are 5 full-time employees and 2 seasonal ones. She is in the process of constructing a new building, which she will share with the engineering business of her husband Mike.

Her vision for the Chapter is that it continues to grow by focusing on the Chapter's purpose "To Promote the Professionalism and the Growth of Our Members and to realize the Big, Hairy, Audacious Goal "To Be the leader in providing education and support to Enrolled Agents in our region."

She says she is always open for any member to ask questions or share concerns: "If I don't know the answer, through my networking within our Chapter, State and National levels I can usually point someone in the direction to get one".

Norma Rae Hill, EA

Norma is serving her second year as Board Secretary. She works at Palm Desert Tax with her own client base of around 360 individual and 75 business return clients. She also oversees the bookkeeping division of the firm. She has worked for tax accounting firms since 1994: first with CPA firms and then for the last 6 years at Palm Desert Tax which is an EA firm. She specializes in small business, both Schedule C and other small business entities.

Her vision for the Chapter is that it will grow through offering needed up to date continuing education and networking opportunities for Enrolled Agents in the Inland Empire.

Small Business issues are an area that individual members can feel free to contact her to discuss.

Kathryn Dunn, EA

Kathryn is the newly elected Treasurer on the Board. This past year 2007 was a very busy year for her as she became an Enrolled Agent and also started her own business, Cornerstone Tax & Bookkeeping in Rancho Cucamonga. She has been preparing taxes since 1983 and considers the time and resources she invests into continuing professional education, state-of-the-art computer technology, and personal relationships the keys to success. Her vision for the Chapter is to continue to promote the Enrolled Agent designation as THE tax professional to engage for all our client's tax needs. Her personal vision is to be able to bill at least 70% of her time at a reasonable billing rate. Kathy says "if you would like to talk to me about what is reasonable, I will make myself available to hear what you have to say. I believe that our services are valuable."

Learn & Share

Deborah St Martin, EA

Welcome to our new column, Learn & Share. This column is intended to further enhance our Chapter's goal of offering quality education and beneficial networking. If you've attended a seminar or taken a course and want to share something new that you've learned, please let us know. Together we can learn even more through sharing.

Don Stacy, EA attended the phone forum "Correspondence Examination" sponsored by the Internal Revenue Service. There it was stressed that tax professionals should reply to audit letters immediately rather than wait to see the information from the taxpayer. Phone calls were encouraged. There are two types of audits, "ICL" and "Combo".

Combo includes exam report first. Don highly recommends this course. Email nationalphoneforum@irs.gov for more information.

MICHAEL CHESMAN & NINA OLSON SPEAK AT NTPI

By Connie Bracher, EA

Attendees of NTPI were treated to two special surprises when Michael Chesman, JD, Director of the Office of Professional Responsibility spoke on Sunday evening and Nina E. Olson, JD, National Taxpayer Advocate, addressing the group on Monday evening.

The Director of the Office of Professional Responsibility focused his comments on heightened efforts to hold tax professionals accountable for standards of conduct under Circular 230. He outlined the process by which his office investigates potential ethical violations—which can come from a taxpayer complaint—for possible referral to IRS Chief Counsel for action and subsequent trial before an Administrative Law Judge. Sanctions can range from a private reprimand to disbarment. He also discussed OPR operations and the construction of a “Look-Up an EA” on the IRS Website. NAEA presented Mr. Chesman with the “Non-EA Supporter of the Year” Award.

Nina Olson, the IRS National Taxpayer Advocate, addressed a variety of tax administration and tax practice issues, including cancellation of debt income, collection, taxpayer rights, and correspondence examination issues. She referenced Publication 4681 as a publication on Cancellation of Debt for those with questions. She cited the IRS activity this past season as the “Perfect Storm”, i.e. tax season beginning, tax forms not finalized, and the Economic Stimulus Payments being worked out all culminating at the same time.

Jerry Watson, EA, Carl Butler, EA, and I all graduated from NTPI this year adding to the elite list of NTPI Fellows in our Chapter! After three years in the program, that Certificate looks mighty good! For anyone doing representation work, I highly recommend this course.

Education Committee

Pam Jipp, EA

As Education Chair I work with CSEA to ensure that your hours for Continuing Education at Chapter meetings are properly recorded. At each Chapter educational function you are given 2 copies of a CPE sheet and an evaluation sheet. Please make sure that one copy of the CPE sheet and the evaluation sheet are turned in at the end of the meeting so that your Continuing Education hours are recorded. The 2nd CPE sheet is for your records. In order to prevent errors in recording your hours it is important that you fill in your name and ID # as well as signing the CPE sheet. The Chapter keeps copies of all the records prior to forwarding to CSEA so if you are in need of a copy of your CPE record from a previous meeting it can be furnished upon request. The evaluation sheet is important in gathering information and feedback about our meetings. The input you provide helps our Chapter plan speakers and topics for future meetings and seminars.

Public Information Awareness Committee

Clara Barrett, EA, Chair

The Committee is still working on the Ad for the Inland Empire Magazine. At this time the artwork is being prepared and we are hoping that the publisher will have it ready for approval by the next Board meeting. The price for each member participating the ad will be \$40. It will include: your company’s name, your name, and your phone number listed under the city where your practice is located. The Ad will appear in the February edition of the Magazine,

which comes out in mid-January. A hardbound version of the February edition is placed in Inland Empire Hotels for a year. Please fill out the flyer inserted in this Newsletter along with your check made out to CSEA and send it in to the listed address. If you have already reserved your space, now is the time to send in your check. Let's have the whole region know where Enrolled Agents practice.

Newsletter September 08 Calendar

Wednesday, August 13, 2008	Chapter Meeting— Selvi Stanislaus, Executive Director of the FTB 4:00 Board Meeting; 5:30 Social; 6:00 Dinner; 7:00 Program
Wednesday, September 10, 2008	Brass Tax Tool Box, Ontario Convention Center
Thurs-Sat, October 2-4, 2008	CSEA Tax Practice Management Workshop, Hilton Costa Mesa
Wednesday October 8, 2008	Chapter Meeting, Lynn Freer, EA, Spidell.
Tuesday, October 21, 2008	Advanced Representation Seminar, San Bernardin Hilton, 8am-5pm
Thur/Friday November 6-7, 2008	ClientWhys Update, Ontario Hilton
Wednesday, November 12, 2008	Chapter Meeting
Monday, November 24, 2008	Brass Tax Update, San Bernardino Hilton
Wednesday, December 10, 2008	Chapter Meeting, Tax Resources with Quickfinder
Wednesday, December 17, 2008	Brass Tax Update, Ontario Convention Center
Tuesday, January 6, 2009	IRS/CSEA Practitioner Seminar, San Bernardino Hilton.
Wednesday, May 13, 2009	Chapter Meeting
Wednesday, June 10, 2009	Chapter Meeting

Due to Hotel Policy dinners will not be provided without prior reservations. Seminar cost is \$35 for members (\$40 for non-members and guests) for reservations made by 4PM on Friday preceding the program. Late reservations are \$10 additional and can be made until 12 noon Wednesday of the program. Walk-ins to the Seminar are \$45. RSVP to kathy@cbpro.com or 909-466-6900.

Meeting location: Hilton Hotel, 285 E. Hospitality Lane, San Bernardino.

September 10th MENU

Green Salad

Chicken Cordon Bleu

(Breast of Chicken filled with
layers of Ham and Swiss cheese)

Rice Pilaf

Bouquet of Vegetables

Sourdough Rolls

Dessert - Chef's Choice

If you want to select Chef's choice
Vegetarian Dinner (Let us know when
you RSVP - Advanced notice required)