



# ARKANSAS SOCIETY OF • ACCOUNTANTS

RESPECTED ACCOUNTING PROFESSIONALS SERVING OUR COMMUNITIES

## Monthly Newsletter

July 2010

District VIII Governor

NSA Arkansas State Director

IRS Webinar on HIRE Act

Practitioner Priority Services

### • FROM YOUR PRESIDENT'S PEN •



Dear Members,

I love to sing. Just in case you didn't get it the first time, I really love to sing! There's just one problem that goes along with my love of singing....I'm not that great at it. I can carry a tune, but there are definite limitations to my vocal quality. I trust that God knows what he's doing by not allowing me to be the greatest singer in the world; or for that matter, the United States, or Arkansas, or Prescott, or even my own household. I can't hold a candle to my wife Katherine, who truly is a great singer. My current favorite singer (outside of my own household) is someone who I recently discovered, although he has been singing for many years. His name is Jason Crabb, and if you want to know more about him, just go to [JasonCrabb.com](http://JasonCrabb.com). He is one of the most phenomenal singers in the world. Sure, Jason

Crabb has God-given talent, but he has honed his skills through hard work, staying true to himself, and providing his audience with something they like. The result has been 10 Dove Awards (the equivalent of the Grammys in the Christian music world) and 1 Grammy. He is a gospel music superstar!

We may not be able to sing like Jason Crabb, but I bet that he has a group of accountants that are providing him with advice and services because they are better than he is at accounting and financial matters. If you're a practicing accountant and you're not out of business, you must have some accounting and tax ability. That ability is sharpened through hard work, staying true to yourself, and providing your clients with services they need. In order to excel in any area in life, you must have these qualities. If you quit working hard to improve each day as an accountant, the quality of your work goes down. If you begin to compromise your principles for just one client, the quality and integrity of your work will suffer. If you don't keep up with the times and fail to provide your clients with services they need in an efficient and timely manner,

the quality of your work and the number of clients you have will suffer. We have been gifted as accountants, so let's make the most of those gifts. I would hate to think that Jason Crabb was given all that talent and that he wasn't getting the most of it. In the same way, as accountants we should try to get the most out of our abilities. If we're not, we're just wasting some of our God-given talents.

My dad is a great piano player. It is really phenomenal to watch him play. He plays a lot like Jerry Lee Lewis, and most of it is completely by ear. When people tell him how lucky he is to have been given so much talent, his reply might conclude with something like, "and those thousands of hours I spent practicing over the years." He and Jason Crabb were given a lot of musical talent, but through hard work, they have gotten the most out of their talents. If we're not willing to put the work in, we can't expect to be great. With hard work however, our clients will be telling their friends how great WE are. We can be accounting and tax service superstars!

Brad Crain, CPA

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## **GREETINGS FROM YOUR DISTRICT VIII GOVERNOR**

Greetings:

Today, let us visit about "Attitude, Ethics, Changes and Greed:"

How important is our Attitude? John Maxwell states "The attitude is an inward feeling expressed by behavior." Zig Ziglar has said "Your attitude always decides your attitude in life." Even the New Testament, in Philippians, addresses that Attitude determines our happiness, peace and success in life. Some 15 years ago I penned an article "Aptitude or Attitude", which has greater value in our society? What do you think?

NASBA's "Center for the Public Trust" has stated "When doing an audit how much should I think about liability and how much about doing my job?" Trust in the accounting profession has been challenged time after time. Professional skepticism, ethics and integrity have always been cornerstones of the profession. Transparency in the services we perform will support the trust of others of our ethical behavior. Always do the right thing for the right reason!

In our practices very few provide audit services; however, whatever affects our profession at any level affects us all.

An example: Upcoming Tax Preparer Registration at the lowest level of services to be provided to the public is happening this coming September 1, 2010. Are you aware that NSBA supports the "Accountancy Licensee Database" (ALD) and a large number of the State Boards of Accountancy are already committed? Yes, all District VIII Boards are on board! They state "ALD can be a valuable tool for them and the whole accountancy regulatory community." Initially, who all is to be included in their database? At what point-in-time will they increase their inclusions? At least we do know, we all face

## IRS Registration!

It appears that AICPA along with NASBA is seeking to secure their position in the USA as well as position themselves as players internationally. With certainty they state "there is a need to consider GAAP for private companies." AICPA has taken a stand that GAP is to be the only acceptable method in the US. What about OCBOA?

NASBA was given "affiliate" status by the International Federation of Accountants Council (IFAC) and allowed to drop its membership obligations. NASBA appears to have attained an equal status with IFAC, but not obligated to adhere to the Council's policies. The IFAC just recently included new members from Iran, Latvia and Kosovo and affiliates from Brunei and Luxembourg. These along with all the others already on board, so who is in control - anybody?

Then, IFERS support or non-support appears to become a non-factor in AICPA and NASBA's future.

So that all can better understand the methodology of IFERS, it appears to allow the Auditor to accept those completing the Financials to use their judgment in the manner of reporting based upon their research and their opinions.

As an example: A manufacturing company making refrigerators and due to their perceived warming climatic changes (by some), the expectations and anticipations that a huge market exists for the sale and use of the fridges to and by the Eskimos.

What, you say? They don't even have electricity to run the machines! So what, they produce an abundant amount of natural gas in their areas of the world, so we'll make gas fridges - and it will be a cheaper form of energy due to transportation expenses! Therefore, we can reasonably expect our refrigerators to have an even greater value and we can increase our cost of inventory accordingly! And, increase our sales prices as well.

Do we think IFERS could just now be an original policy? From our history, it appears to have had a life of its own for generations.

Greed is left until last. What got us here today, won't get us where we need to be tomorrow!

R Deane Wymer,  
Governor District VIII

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## **FROM THE NSA ARKANSAS STATE DIRECTOR**

Surprises, now who doesn't like surprises? But if you're like me, you only like the good ones. I got a little surprise today in the mail. I just received my 10 year anniversary certificate from NSA. I really had no idea that NSA even mailed out anniversary certificates to members. What a nice surprise.

Unfortunately, surprises are not always so nice. A couple of months ago I received

an emergency alert by email concerning a Congressional bill. Specifically, the email addressed Section 413 of the American Jobs and Closing Loopholes Act of 2010. I was very surprised to read in the alert that this was a fast moving bill that had passed a House committee and that was expected to pass the full House. A portion of this bill addresses taxing S corporations that are considered professional service corporations. It seems that Congress would like to impose self employment taxes on the profits of small S corporations that are engaged in professional services. I quickly realized that accounting, tax, and CPA firms, amongst other professions, that are setup as S corporations are affected by this bill.

NSA got to work quickly by joining forces with other professional industries and formed a coalition to share concerns with Senator Baucus & Senator Grassley on how this bill would negatively affect small businesses. As a result, some small modifications have been made to the bill. However, this bill would still impact many small S corporations that are professional services corporations where 80% or more of the professional service income of the company is attributable to the services of 3 or fewer owners of the company. NSA is still working on this with the coalition to try and eliminate this provision entirely. Let's keep our fingers crossed that we can add this to the "nice surprise" list in the near future.

Brian Thompson, CPA  
NSA State Director

## IRS WEBINAR ON HIRE ACT

Under the Hiring Incentives to Restore Employment (HIRE) Act, enacted March 18, 2010, two new tax benefits are available to employers who hire certain previously unemployed workers ("qualified employees").

The first, referred to as the payroll tax exemption, provides employers with an exemption from the employer's 6.2 percent share of social security tax on wages paid to qualifying employees, effective for wages paid from March 19, 2010 through December 31, 2010.

In addition, for each qualified employee retained for at least 52 consecutive weeks, businesses will also be eligible for a general business tax credit, referred to as the new hire retention credit, of 6.2 percent of wages paid to the qualified employee over the 52-week period, up to a maximum credit of \$1,000.00.

Small businesses can learn more about the HIRE Act at a July 8, 2010 IRS HIRE Webinar. Some of the topics include:

- \*The HIRE Act payroll tax exemption and retention income tax credit for employers who hire previously unemployed workers.
- \*Who qualifies as an eligible individual for each benefit.
- \*What businesses may claim each benefit.
- \*How businesses can claim those HIRE

benefits.

To register for this event, visit the IRS Webinar Registration Website.

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**PRACTITIONER  
PRIORITY SERVICES**

Practitioner Priority Service is a nationwide, toll-free, professional support-line staffed by IRS customer service representatives specially trained to handle tax practitioners' questions. PPS is a valuable resource practitioners may use in resolving their clients' account-related issues. A third-party authorization will be required for disclosure of a taxpayer's specific information. The types of assistance offered by PPS include:

Account problems-individual or business

Complex refunds-undeliverable, destroyed, refund repayment, erroneous refunds, and refund offsets

Installment agreements-arrangements to pay balance due accounts

Locating missing payments

General information-IRS communications, notices, etc

PPS can be reached at 866-860-4259. Hours of operation are Monday through Friday, 8am to 8pm local time.

**REMEMBER THESE DATES!!!!**

July 29 & 30, 2010

Gear Up Accounting & Ethics Seminar  
(8 hours accounting and 4 hours ethics)

Crowne Plaza, Little Rock, AR

September 23 & 24, 2010

Gear Up Business Entities Seminar  
(16 hours)

Crowne Plaza, Little Rock, AR

November 18 & 19, 2010

Gear Up 1040 Individual Tax Seminar  
(16 hours)

Embassy Suites, Little Rock, AR

December 2 & 3, 2010

Gear Up 1040 Individual Tax Seminar  
(16 hours)

Holiday Inn, Springdale, AR

Call 501-305-9110 for more information.

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**WELCOME NEW MEMBERS**

Chris Clatworthy, Marvell, AR

Mary Blackman, Doddridge, AR

Jimmy Shepherd, Pocahontas, AR



Shirley Moon, Harrison, AR

Jim Bowers, Tulsa, OK

Jimmie Nolen, Oklahoma City, OK

Brenda Donaldson, Little Rock, AR

Brandon Cotten, Dewitt, AR

Lorra Brown, Arlington, TX

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### **AUGUST IS ALMOST HERE**

John Quincy Adams once said, "If your actions inspire others to dream more, learn more, do more and become more, you are a leader." In many ways those words define Donny Woods. He does inspire those around him to be more. The image of accountants, by and large, is not one of a particularly motivating group; they are not generally the ones folks think of first as inspiring. Yet within the world of NSA and ASA there are those men and women who do motivate and do inspire others to dream more, learn more, do more and become more. Those are the leaders, and yes, Donny is one of those!

August is almost here and that means NSA convention is nearing. If you have not made plans to attend, it is not too late. It has been a very long time since we Arkansans had one of our leaders attain the national leadership role Donny is about to assume. Attendance

at the conference this year and also in 2011 will be one way for all the ASA members to show their support of his effort. Please plan to attend – if not 2010, then certainly in 2011. It is one certain way to show him that his home state is supportive of his effort to lead the national organization forward.

If your plans are not yet made, and if you need information, log on to the NSA website. Everything you need to know is available at that site, including conference registration, hotel registration, etc. Otherwise, if you have questions, ask someone in ASA.

Lonnie Taylor  
Past ASA President  
Past NSA State Director

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### **Thinking of Selling? Let's Talk!**

For Sale: New-NE AR Gross \$160k; Central AR Gross \$101k; LR CPA Gross \$232k; New-N AR Gross \$664k; Springdale Gross \$167k; Central AR Gross \$174k; Call or check our website for complete listing information.

Ready to sell? We do all the work to make it quick and easy by bringing you serious and qualified buyers!  
Completely risk-free and confidential.

Accounting Practice Sales  
Call: Kathy Brents, CPA at (501) 669-2505  
P. O. Box 70, Cleveland, AR 72030  
Email: [kathy@accountingpracticesales.com](mailto:kathy@accountingpracticesales.com)  
Also visit us at [www.accountingpracticesales.com](http://www.accountingpracticesales.com)

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**APPLICATION FOR MEMBERSHIP IN  
THE ARKANSAS SOCIETY OF  
ACCOUNTANTS**

P.O. Box 479  
Searcy, AR 72145  
asaarkansas@yahoo.com  
www.arspa.org

Last Name \_\_\_\_\_ First Name \_\_\_\_\_ Middle Initial \_\_\_\_\_ Business Phone \_\_\_\_\_ Home Phone \_\_\_\_\_

Business Address \_\_\_\_\_

How many years of accounting have you had? \_\_\_\_\_ Date of Birth \_\_\_\_\_

Sole Practitioner [  ] Partner [  ] Employee [  ] Corporate Officer [  ]

Name of Firm \_\_\_\_\_ Number of Employees \_\_\_\_\_

Name of Partner(s) \_\_\_\_\_

Are you a Licensed, Registered or Certified Public Accountant? \_\_\_\_\_ If yes, give License# \_\_\_\_\_

Are you an Accredited Public Accountant? \_\_\_\_\_ If yes, give Accreditation # \_\_\_\_\_

Are you an Enrolled Agent \_\_\_\_\_ If yes, give EA # \_\_\_\_\_

Do you hold an Associate or Baccalaureate degree with a minimum of 24 semester hours in Accounting? Yes \_\_\_\_\_ No \_\_\_\_\_

Are you engaged in any other trade or profession? \_\_\_\_\_ If yes, please describe \_\_\_\_\_

Please list other accounting organizations in which you hold membership: \_\_\_\_\_

I hereby state that the accompanying statements are correct to the best of my knowledge and belief. I further state that I will abide by the Constitution and By-Laws of the Society and will practice in strict conformity with the Code of Ethics and Rules of Professional conduct adopted by the Society.

Date \_\_\_\_\_ Signature of applicant \_\_\_\_\_

Annual dues are payable IN FULL in advance and are prorated for credit by ASPA on a monthly basis to August 31 - the end of ASA's fiscal year.

[  ] Membership Annual Dues \$110.00      [  ] Firm Annual Membership \$50.00      [  ] Diamond State Annual Dues \$15.00  
(Non-Residents only)

Do Not Write Below This Line

State Member Approving Membership

Signature _____	Title _____	Date _____
Sponsor, If Any	<b>FOR ASPA OFFICE USE ONLY</b>	
Amount	Date Received	Control Number

"State Society dues payments may be deductible as an ordinary and necessary business expense. However, they are not deductible as charitable contributions for Federal income tax purposes.

# OFFICERS & GOVERNORS

Brad Crain.....President	Gerry Waddell.....Governor District II
Penny Lincoln.....President Elect	Bryan Johnston.....Governor District III
Dan J. Rieke..... 1st Vice President	Brian Thompson..... Governor District IV
Marchelle Foshee.....2nd Vice President	Carl Dalrymple, Jr. .... Governor District V
Tom Simmons..... Governor District I	Jeanice Neel.....Governor District VI



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**Donna Gowan** / EXECUTIVE SECRETARY

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[www.arspa.org](http://www.arspa.org)

## FOR YOUR INFORMATION

The ARKANSAS PUBLIC ACCOUNTANT is the monthly publication of the ARKANSAS SOCIETY OF ACCOUNTANTS. We are a professional organization dedicated to the promotion of accountants and tax preparers in the State of Arkansas. We accept newsworthy articles and advertising. If you have either of these for publication, please contact the editor.

*Return Service Requested*

P.O. BOX 479  
SEARCY, AR 72145

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