



The Accountant

Official Publication

of the North Carolina Society of Accountants

Post Office Box 1126, Conover, NC 28613

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July 2009

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Mark Your Calendar

NCSA Annual Leadership Conference
July 18th
Embassy Suites, Greensboro
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A Message From The President

J. R. Lawson, Jr.



J. R. Lawson, Jr.

I accept this position [President] with honor and humility. I truly am humbled by this honor and responsibility. I will strive to do my best, much like the ones that I am following. And I follow many great individuals that have held this position.

I will serve the membership with the best intentions. We have before us many tasks, one being the acquisition and retention of members. Our membership roster is low and we need to strive to bolster this with definitive plans, and we now have that responsibility in good hands.

Second, we must look to the future and see where the accounting profession is going. It's not the same profession we had just several years ago due to the economy and how financial statements have impacted the vision of owners and investors. We truly are in a global economy.

Third, we must look at educating our members with quality courses both in accounting and taxation.

Fourth, we must see to it that our profession is protected by the legislature. We must keep our finger on the pulse of what new laws are being presented and educate ourselves about their impact on our professional careers and our society. We now have rights that other states do not extend to non-CPA accountants, and we must, at all costs, protect these rights.

I vow to accept this position and do all within my power to see our society continue to grow and prosper.

NCSA brochures and/or registration forms are available on the Calendar page of our web site at www.ncsainc.org.

Chapter News

Now that the 2009 NCSA Convention is history and summer is upon us, it is important to continue to attend monthly Chapter meetings to keep abreast of what's happening in *YOUR* Chapter and Society. Even during the lazy summer months, Congress and the North Carolina Legislature continue to meet and make laws – many of which could affect our clients and practices. **Support Your Chapter – Attend Meetings!** -
(*Bill Fischer, Chapter News Editor*)

Burlington

Burlington Chapter attended the NCSA Convention in June.
The next meeting will be Thursday, July 23. Officers for 2009-2010 will be installed.
President - James Holmes Vice President - Esco Babatunde
Secretary - Susie Helton Treasurer - Joyce Padmos

Cape Fear

Cape Fear Chapter (11 members & 2 guests) met at The Barn Restaurant in Fayetteville on June 15. James T. Melvin, ChFC, CLU, CFP®, from Wells Fargo Advisors, was the speaker. His topic was “2009 Outlook Update: Brightening Skies, but Risks Remain.”

The next meeting will be on Monday, July 20. Topic and location to be announced.

Central

Central Chapter (5 members & 2 guests) met at the Sagebrush Steakhouse in Asheboro on June 15. Chapter officers for the 2009-2010 fiscal year were installed by NCSA President-Elect J.R. Lawson, Jr..

President – Margie Strider Vice President – Ronald Powell
Secretary – Erma Reynolds-Woodfin Treasurer – Sarah McKoy

NCSA Treasurer John Blanton spoke on Forensic Accounting.

The next meeting will be held on July 27 at the Pavilion Restaurant in Greensboro.

Charlotte

Charlotte Chapter met at Buffet Dynasty on June 29. NCSA President J.R. Lawson, Jr., installed officers for the 2009-2010 year.

President – George Caesar Vice President – Jense Creighton
Secretary – Angie White Treasurer – Janice Pope

J.R. Lawson also spoke on the New Homeowners' Credit changes, George Caesar presented Energy Tax Credits, and Jense Haynes covered changes in sales/excise taxes, education credits, theft loss deductions, and preparer penalties.

The next meeting will be on July 27. The topic will be IRS e-filing.

Hickory

Hickory Chapter met at O'Charley's in Hickory on June 29. NCSA Past President Lynanne Gray gave a report on the NCSA Convention.

The July meeting will be at the home of Ken and Colene Cockrell at the lake on Saturday, July 18 at 2:00 pm.

Raleigh

Members of the Raleigh Chapter attended the NCSA Convention in June.

Raleigh Chapter will meet on Tuesday, July 28, at Manchesters Bar & Grill in Raleigh. NCSA President-elect Bill Fischer will install Chapter officers for the 2009-2010 year.

Western

Western Chapter members attended the NCSA Convention in June.

NEWS IS A FLEETING THING. WE CAN ONLY REPORT WHAT WE ARE TOLD. PLEASE MAKE SURE YOUR CHAPTER IS SHARING WITH THE ACCOUNTANT.

Please e-mail information to taxpros@nc.rr.com or fax to 910-867-1757.

Message from the President-Elect

Bill Fischer



What should NCSA do for **YOU**?

The annual NCSA Leadership and Networking Conference is scheduled for Saturday, July 18, at the Embassy Suites, 204 Centreport Drive, Greensboro. All Chapter Officers, prospective chapter and NCSA officers, NCSA Board Members, NCSA Committee Chairs, and members who want to learn more about NCSA are encouraged to attend. Registration with coffee and donuts begins at 9:00 am. Topics to be covered include Leadership, The Board of Directors and Finance, Membership, and Goals for the Future.

Bill Fischer

Goals for the Future is an especially important topic, because YOU will be able to tell the NCSA leaders what YOU expect from NCSA, such as continuing to protect our Right to Practice, accounting and/or tax CPE classes throughout the year, or anything else you feel is important.

In addition to a wealth of knowledge and three CPE credits, lunch also is included. The price is right for everyone! It's free! If you plan on attending, please notify the NCSA Executive Director, Candace Cansler. Her e-mail address is CandaceCansler@bellsouth.net. I hope to see many members at this Conference so we can ensure YOUR Society does what YOU want it to.

Convention Election Results

Elected at last year's convention, President-Elect JR Lawson automatically became the President of NCSA for the year 2009-2010. Officers elected at this year's Convention are William Fischer, President-Elect; John Blanton, Treasurer; and Cheryl Hudson, Secretary.

The members of the Board of Directors elected at this year's Convention are: Jan Allison, Jense Creighton, Mary Fuller, James Helgreen, Rhonda Marsh, Lottie Neal, Denise McBride Rollins, Steve Pace, Louise Pistole, Margie Strider, Marsha Wheeler, and Richard Zavesky.

Elected to the Nominating Committee are: Jan Allison, Jim Holmes, Rhonda Marsh, Larry Matthews, Lottie Neal, Louise Pistole, and Ron Powell.

Recommended for his second 2-year term as State Director is Curt Lee.

The Scholarship Foundation presented to the Board of Directors the following officers: Florence Black, Chairman; Sarah McKoy, Secretary; and Larry Matthews, Treasurer.

Committee Chairs Named

President JR Lawson has appointed the following committee chairs: Jan Allison, AP Manual; Florence Black, Assistance; Lynanne Gray, Audit 2007-2009; Lynanne Gray, Budget; Stephen Metelits, Editor of *The Accountant*; Dean Gunter, Directory; David Rollins, Web Master; Denise McBride Rollins, Constitution & By-laws; Jense Creighton, Convention 2010; William Fischer, Convention 2011; David Cohen and Richard Reedman, EA Coordinators; Stephen Metelits, Education; Jan Allison, Ethics & Grievance; Florence Black, Executive Director Review; Margie Strider, Historian; Curt Lee, Legislative; David Rollins, Membership; David Rollins, Membership Admission; Jim Holmes and Gale Champie, Parliamentarians; Jim Holmes, Past Presidents' Advisory; Jim Holmes, Practitioners' Forum; David Rollins, Public Relations; David Hooker, QAR; Margie Strider, Resolutions and Memorials; David Rollins, Steering; and Paula Brown, Speakers Forum.

Cash for Clunkers

The “Cash for Clunkers” bill passed. Here’s how it works:

- Car owners can get a voucher worth \$3,500 if they trade in a vehicle whose original gas mileage was 18 mpg or less for a vehicle that gets at least 22 mpg. The voucher can go up to \$4,500 if the new car gets 10 mpg higher than the old car. You can find the mpg for an existing car at www.fueleconomy.gov.
- Owners of SUVs, pickup trucks, or minivans that get 18 mpg or less can get a voucher for \$3,500 if their new truck or SUV gets at least 2 mpg higher than their old vehicle. The voucher could increase to \$4,500 if the mileage of the new vehicle gets at least 5 mpg more than the old vehicle.

Unfortunately, the “clunkers” will be scrapped and, therefore, have no trade in value. All the “clunker” is worth is what the government voucher is worth.

CP2030

As if the CP2000 wasn’t bad enough, the IRS is going to start comparing information reports with corporate returns. If they find a discrepancy, they will issue a CP2030 letter.

HSAs for 2010

In Rev Proc 2009-29, the IRS announced the annual contribution limits for calendar year 2010 HSAs. The annual limitation for individual self-only coverage under a high deductible health plan is \$3,050 and for individual family coverage is \$6,150.

For calendar year 2010, a “high deductible health plan” is a health plan with an annual deductible that is not less than \$1,200 for self-only coverage or \$2,400 for family coverage, and the annual out-of-pocket expenses (deductibles, co-payments, and other amounts, but not premiums) do not exceed \$5,950 for self-only coverage or \$11,900 for family coverage.

Work Opportunity Tax Credit (WOTC)

In Notice 2009-28, the IRS provides definitions for the two new groups added to the WOTC. These are “unemployed veterans” and “disconnected youth.”

“Veteran” means any individual who served on active duty (other than active duty for training) in the US armed forces for a period of more than 100 days or who has been discharged or released from active duty in the armed forces for a service-related disability. “Unemployed veteran” means any veteran who has been discharged or released from active duty in the armed forces any time during the 5-year period ending on the hiring date and been in receipt of unemployment compensation for no less than four weeks during the period ending on the date of hiring.

“Disconnected youth” means any individual who is 16 but not 25 on the hiring date; not regularly attending any secondary, technical, or post-secondary school during the 6 months preceding the hiring date; as not regularly employed during such 6 months; and not readily employable by reason of lacking a sufficient number of basic skills.

Errors in IRS Seizures

According to the staff of WebCPA, the Treasury Department’s Inspector General for Tax Administration (TIGTA) sampled 50 of the 610 seizures conducted between July 1, 2007, and June 30, 2008, found that the IRS usually complied with the numerous legal and internal guidelines when conducting the majority of seizures. However, 23 of the 50 seizures studied, there were 26 instances in which the IRS did not comply with a particular Tax Code requirement. Because there can be numerous statutory violations in each case, TIGTA acknowledged that the 26 instances represent an error rate of only 1.5%. The inspectors did not identify any instances in which the taxpayers were adversely affected, but TIGTA noted that not following legal and internal guidelines could result in abuse of taxpayer rights.

After property is seized, the IRS is required to provide the taxpayer with a Notice of Seizure that specifies the liability for which the seizure was made and an accounting of the property seized. The liability should be the total of the amount due for the taxes and tax periods listed in the levy. However, in 11 cases, the Notice of Seizure provided to the taxpayer did not show the correct liability.

Money realized from the seizure of property is supposed to be applied first to the expenses of the seizure and sale, second to any unpaid tax imposed the IRS law against the property seized, and finally against the liability for which the seizure was made. However, TIGTA identified 7 instances in which the expenses and proceeds were not properly applied to the taxpayer’s account. Currently there is no procedure on the Post-Seizure Review Checklist to verify that expenses and procedures are being applied as required.

TIGTA recommended that the IRS include an instruction on the Notice of Seizure from the “Amount” field that the total should be the same as on the levy form, and include a requirement on the Post-Seizure Checklist form that the reviewer verify that the proceeds have been posted as required. In response, IRS management agreed with the recommendations.

Nonbusiness Energy Credits

In Notice 2009-53, the IRS provided interim guidance pending the issuance of regulations relating to the credit for nonbusiness energy properties under Section 25C of the Internal Revenue Code. This guidance deals with changes to Section 25C made by the *Energy Improvement and Extension Act of 2008* (EIEA) and the *American Recovery and Reinvestment Act of 2009* (ARRA).

Section 25C, as amended by EIEA, allowed a credit for the following:

1. Eligible building envelope components which include an insulation material or system that is designed to reduce heat loss or gain of a dwelling unit and may be taken into account in determining whether the building thermal envelope requirements established by the International Energy Conservation Code (IECC) are satisfied; an exterior window, skylight, or door that meets or exceeds the prescriptive criteria established by the IECC for the climate zone in which installed; a storm window that, in combination with the exterior window over which it is installed, meets or exceeds the prescriptive criteria established by the IECC for the climate zone in which it is installed; a storm door that, in combination with a wood door that is assigned a default U factor by the IECC, does not exceed the default U factor requirement assigned to such combination; any metal roof that has appropriate pigmented coatings designed to reduce the heat gain of a dwelling unit when installed and meets or exceeds either the applicable Energy Star program requirements; any asphalt roof that has appropriate cooling granules designed to reduce the heat gain of a dwelling when installed and meets or exceeds either of the applicable Energy Star requirements.
2. Qualified energy property which is an electric heat pump water heater that yields an energy factor of at least 2.0 in the standard Department of Energy (DOE) test procedure; and electric heat pump that has a heating seasonal performance factor of at least 9, a seasonal energy efficiency rating of at least 15, and an energy efficiency ratio of at least 13; a central air conditioner that achieves the highest efficiency tier that has been established by the Consortium for Energy Efficiency; a natural gas, propane, or oil water heater that has an energy factor of at least 0.80 or a thermal efficiency of at least 90%; a stove that uses the burning of biomass fuel to heat a dwelling or to heat water and that has a thermal efficiency rating of at least 75% as measured using a lower heating value; a natural gas, propane, or oil furnace or hot water boiler that achieves an annual fuel utilization efficiency rate of not less than 95; a fan that is used in a natural gas, propane, or oil furnace and has an annual electricity use of no more than 2% of the total annual site energy use of the furnace.

The credit under Section 25C for amounts paid or incurred in tax years beginning after December 31, 2008, to apply to property placed in service in 2009 or 2010:

1. A credit against the tax for the taxable year in the amount of 30% of the sum of the amount paid during the tax year for qualified energy efficiency improvements and the amount paid during the tax year for residential energy property expenditures.
2. Limits the cumulative total of credits allowed for tax years 2009 and 2010 to \$1,500 per taxpayer.
3. Applies new energy efficiency standards for certain types of property.

The manufacturer may certify to a taxpayer that the component is qualified by providing the taxpayer with a certification statement. The certification statement may be provided by including a written copy of the statement in the packaging, in printable form on the manufacturer's web site, or in any other manner that will permit the taxpayer to retain the certification. The certification must contain:

1. In the case of an exterior window, skylight, or door, a statement that the item has a U factor and SHGC of 0.30 or below.
2. In the case of a storm window, the classes of exterior window over which the storm window may be installed and that, in combination, will have a U factor and an SHGC of 0.30 or below.
3. In the case of a storm door, the classes of exterior door over which the storm door may be installed and that, in combination, will have a U factor and SHGC of 0.30 or below.

A manufacturer's certification statement must contain a declaration, signed by a person currently authorized to bind the manufacturer, in the following form:

"Under penalties of perjury, I declare that I have examined this certification statement, and to the best of my knowledge and belief, the facts are true, correct, and complete."

NCSA Schedule of Events

2009

July 18—**Leadership Conference**—Embassy Suites,
Greensboro—9 a.m.

July 18—**Board of Directors Meeting**—Embassy Suites,
Greensboro—2 p.m.

August 12-15—**NSA Convention**—San Diego, CA

August 17-19—**IRS Carolina Tax Forum**—
Hilton University Place, Charlotte

October 3—**NCSA Fall PAS**—
Renaissance Asheville Hotel—Asheville—8 a.m.-5 p.m.

October 4—**NSA District IV Meeting**—
Renaissance Asheville Hotel—Asheville—8 .am.-Noon

October 23—**Practitioner's Forum**—
Wyndham Garden Hotel, Greensboro—8 a.m.-5 p.m.

November 2—**Board of Directors Meeting**—
Embassy Suites, RDU, Cary—5:30 p.m.

November 2-3—**Jennings 1040 Tax**—
Embassy Suites, RDU, Cary—8 a.m.—4 p.m.

November 16-17—**PTI**—Clarion Hotel, Greensboro

November 17-18—**PTI**—Holiday Inn Airport, Charlotte

November 19-20—**PTI**—Ocean Reef, Myrtle Beach, SC

2010

June 6—**Board of Directors Meeting**

June 6-8—**NCSA Convention**—TBD

July 17—**Leadership Conference & Board meeting**

September 17-18—**Fall PAS**

September 17—**Board of Directors meeting**

September 19—**District IV meeting**

October 22—**Practitioners' Forum**

November 1-2—**Jennings 1040 Tax**

2009-2010 OFFICERS

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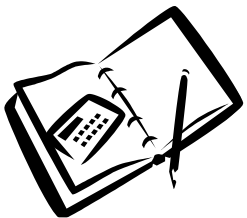
Embassy Suites

The award-winning Embassy Suites RDU is the Triangle's only all-suite convention hotel. It is set in a serene woods.

Every one of the 273 spacious 2-room suites includes a bedroom with a king size or two double beds and a separate living room with a sofabed, armchair, well lit dining/work table. Other amenities include wet bar, refrigerator, microwave, coffeemaker, iron with board, hair dryer, two telephones with voice-mail, high-speed Internet, and two televisions.

Mornings start with a complimentary cooked-to-order breakfast in the lush, open-air atrium. And, when the day is done, the nightly Manager's Reception has beverages and *hors d'oeuvres*.

There is a restaurant and lounge in the hotel. There is tennis, an activity court with basketball and volleyball as well as the latest exercise equipment in the fitness center. Relax in the indoor pool accompanied with a whirlpool and sauna.



WHAT TO WEAR

...Dress warmly in layers as the room may be cool.

1040 in Depth Tax Seminar

November 2

7:30 am-8:00 am Registration

8:00 am-4:00 pm Class

November 3

8:00 am-4:00 pm Class

Prerequisites

2-4 years tax preparation experience

Course level

Intermediate

Description

Class starts with a review of the regulatory and judicial changes for Federal income tax returns during the last year. The instructors will expand on problem areas with multiple examples and point out the traps involved in the changes. Also provided are planning ideas revolving around the changes for the current and future tax years, as well as practice management concerns. Finally, the instructors will review major 1040 tax return compliance preparation issues on a form-by-form basis. Everyone receives a 700+ page reference manual which is hyper-linked to a tax research library.

For additional information or questions contact:

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**North Carolina Society
of
Accountants, Inc.**

**1040 in Depth
Tax Seminar
Cary, NC**



EMBASSY SUITES
HOTELS®

November 2-3, 2009

Embassy Suites RDU
201 Harrison Oaks Blvd.
Cary, North Carolina 27513
Telephone:
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1040 in Depth Tax Seminar

PLEASE PRINT LEGIBLY TO AVOID ERRORS AND DELAYS ON-SITE

Name (To appear on Badge) _____

Street Address _____

Address should be the billing address of your credit card, if you decide to pay by credit card.

City/State/ZIP _____

Phone _____ Fax _____

E-mail _____

Registration Fees*

	# Attending	Early Bird Registration (Prior to August 31st)	Registration (after August 31st)	Total
Members	_____	\$289.00	\$319.00	_____
Non Members	_____	\$339.00	\$369.00	_____
Total Amount being submitted				\$_____

TOTAL FEES BEING SUBMITTED WITH THIS REGISTRATION FORM

Amount \$ _____

Method of Payment:

Check # _____ Make Checks payable to NCSA and return with this registration brochure to:

Post Office Box 1126, Conover, NC 28613

Or for your convenience credit cards are accepted *(indicate your preference below)*

Visa _____ MC _____ AE _____

Credit Card # _____ Exp. Date _____

Signature _____

***Cancellation Policy:** Registration fees are non-refundable after September 30th. Refunds approved by the NCSA Board prior to September 30th are subject to a \$50 service charge.

**The Best 1040 Class
Jennings Advisory
Group**

November 2-3

Sponsored by the

North Carolina Society of Accountants

The classroom facilities at the Embassy Suites are excellent. Classes begin at 8 each morning and run until 4 each afternoon.

The cost for registration is \$289 for members and \$339 for non-members before August 31. Lunch and breaks are included Remember, if you become a member before June 20, 2009, membership in the NCSA is free.

A number of rooms at the hotel have been set aside at \$119 a night for single or double occupancy. Call the hotel directly for a room reservation.

Instructors

Bob Jennings runs the best classes in the country.

Jennings seminars are exciting and interesting---no one falls asleep at these lively, entertaining, practical seminars. A hyperlinked manual, written by the top experts in the field *who actually practice public accounting*, are part of the material you get with the class.

Bob Jennings CPA, CFP, and CITP, will teach the first day of the class. He is nationally renowned as one of the most entertaining and informative speakers in the country. Bob has spoken to over 150,000 professionals in the last 15 years in his humorous, energetic, and down-to-earth style. Bob also is a very actively practicing CPA in his firm in Indiana. You get practical insight into practical issues.

Bill Leonard CPA, CFFA, is licensed in Massachusetts, Rhode Island, and Singapore. He employs 16 multi-lingual professionals that focus on meeting the needs of small businesses, individuals, and fiduciaries. He has been in practice since 1981. He is the newest member of the Jennings team and has over 20 years of college and seminar teaching experience.