The Orange County
ENROLLED AGENT
Orange County Chapter of Enrolled Agents OCEA
The Tax Professionals Editor: Dale Quelle, EA • • 714-899-2221 • 14340 Bolsa Chica Rd. #A • Westminster, CA 92683-4868
Volume 2011 - 2012 Issue 2 August 2011

CSEA California Society of Enrolled Agents

Welcome New Members

Tina Larsen, EA

Michael Cutler, EA

Dinner Menu
Chicken Julia
Salmon
Wild Rice Blend
Steamed Veggie Medley
Garden Green Salad
Cucumber Tomato Salad with Herb Dressing
Waldorf
Apple Strudel
Black Forest Cake

The Vision of OCEA is to serve, to represent the best interests of Enrolled Agents in Orange County, and to emphasize and enlighten the general public that an Enrolled Agent is the premier tax professional.

The Mission of OCEA is to encourage professionalism, personal growth, and educational growth, while providing member benefits and enhancing the role of Enrolled Agents among the local governmental agencies, other professionals, and the general public.

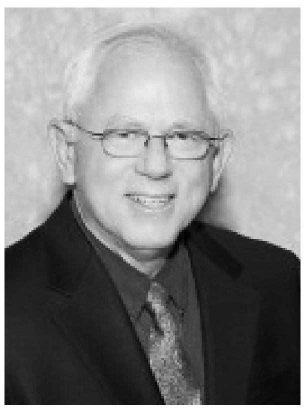
OCEA is 432 Members strong and proud to be the largest Chapter of CSEA.

Aug 16, 2011 1 Hr CPE Program

Net Operating Losses

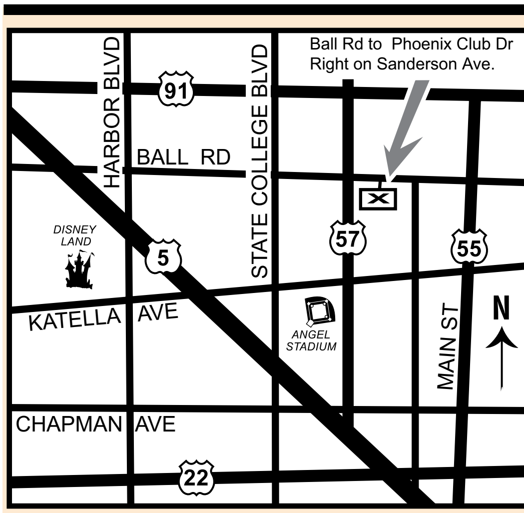
Carryback or Carryforward? Adjustments? Form 1045

By David Du Val, EA



David Du Val is the Director of Tax Services and Tax Instructor for Tax Resources Inc., which is the oldest and largest income tax audit defense company in the country. David will teach us:
- How to recognize a Net Operating Loss
- Analyze the pieces within the NOL
- Know when adjustments are required
- Determine when to use a carry back or carry forward
- How to re-figure a prior year AGI and re-calculate the tax liability
- How to handle NOLs in returns filed with a joint vs. separate status

The current economic climate has caused many more clients to have Net Operating Losses, which adds more challenges to the tax preparation. Handling NOLs correctly for our clients can make us "heroes" in their eyes!



Meetings are held at the Phoenix Club

1340 S Sanderson Ave, Anaheim, CA 92806

Agenda August 16h
4:30 Board Meeting
5:30 Social Time
6:00 Dinner Hour
7:00 1 Hr CPE Program $35/$40

$35 for Member pre-registration before midnight on the Thursday prior to the dinner meeting; $40 for on-site registration and for non-members for meetings with 1 hour of CPE credit. Meetings with 2 hours of CPE credit are $45 and $50 respectively. To make a reservation go online to our web site www.eaoc.org and select the sign up button next to the event you would like to attend and follow the prompts. If you incur any difficulties signing up contact Donna Miller at 562-424-3088 or Lisa Newton at 562-267-0351

PRESIDENT'S MESSAGE

by John Kristianson, EA

I recently attended an IRS Tax Forum. I have never been to one, always wanted to go, so I packed my bags, headed to the airport and off I went. It was an interesting experience on many levels. First and foremost, there were over 2,000 tax professionals attending the event. "Massive" is the only word I can think of to describe it. Three days of seminars on various topics.

Most of the people in attendance were tax professionals, but I am guessing that maybe 25 – 30% of the audience were Enrolled Agents and CPAs. The vast majority of the audience members were unenrolled practitioners. This was apparent on two accounts. First the number of people wearing "NAEA" ribbons on their attendance badges were few and far between. Secondly, the message from the IRS presenters and announcers was clearly directed at the unenrolled tax practitioner. I was surprised to learn that most of the presenters were industry experts and not IRS employees, though most of the administrative announcements were made by IRS employees. I am not sure what I was expecting, but it was interesting to hear all of the speeches. I attended 18 sessions in 3 days. And for any of you that have attended these types of events, you know how quickly you approach "information overload".

Besides learning new information in these seminars, there was a clear and consistent message to the attendees. And that message centered on the new "Federally Registered tax return preparers". Now, we in the profession have known that this was coming for the past 18 months. But as I was sitting there, listening to this message over and over, I started to wonder how we, as Enrolled Agents, are going to distinguish ourselves from the sea of other preparers. Think about it. There are close to 45,000 Enrolled Agents, and there are estimates of over 1,000,000 tax preparers out there. At one point, as I was returning to my hotel on the local subway, MARTA, I started to panic. The thought that my education and experience might not be discernable to the average tax payer was frightening.

There is nothing we can do about what the IRS is doing to control the quality and tax compliance of the preparer community. There is something that we can do, as an organization, to enhance our image to the community. And that is Public Information and Awareness, PIA. The good news is that the program that the IRS is starting, will take a few years to be finalized. Some experts are estimating that it will be 2014 before the program is final. That three year gap, gives us opportunities.

One opportunity is in education. Education of the public AND education of CTEC preparers that an "Enrolled Agent" status designates a superior level of tax knowledge; THE Tax Professional. Another opportunity is in legislative affairs. That means that we need to be speaking with our elected officials on issues that impact Enrolled Agents.

So at this point, you may be asking yourself "what does this have to do with me?"

(cont on page 3)

(cont from page 2)

And the answer is "a lot". OCEA, CSEA and NAEA need your help. We need your help to help you. Here is how you can help over the next 12 months.

- Do you know an Enrolled Agent who is either not a member of OCEA or does not attend our events? Please invite them to our dinner meetings and Seminars. Patricia Yeckel and Joseph Dimino have done an excellent job at lining up some of the industry's best speakers to conduct seminars and to speak at our dinner meetings. There is clearly a benefit for continuing education as well as to learn something new.

- Do you know someone who is an unenrolled preparer? Why not invite them to a dinner meeting or seminar so that they can see the benefits of joining OCEA as well as taking the Enrollment Exam.

- Is someone, a client, in your practice connected to a Junior / Community College as a professor or an administrator? That would be a great lead to provide to Bill Stewart for a potential PIA activity around a Career Day. Ask that person if they know the head of the Business or Accounting Department and make that introduction.

- Is someone, either a client or employee, in your practice connected with a local charity? David Shashoua has this great idea of OCEA sponsoring a benefit for a local charity. We would be helping a worthy cause AND we might be able to provide some education on Enrolled Agents. Please pass those names of those clients and the charities that they are affiliated with over to Bill Stewart.

- Are you politically inclined? If so, there are opportunities to meet with elected officials and educate them on issues that are near and dear to Enrolled Agents and their clients. Plan to be at the August meeting to see how you can impact legislation.

- Are your socially inclined? If so, then volunteer to assist Hugh Cunningham and the membership committee with their outreach to new members at the dinner meetings and education events.

Now, not everyone can do everything. But in our 400+ membership, I am willing to bet that if each and every person was able to do or help with one of these items, we could accomplish a lot. OCEA is not the leadership team. OCEA is you. The bottom line is this; the future of the Enrolled Agent designation is the future of your business.

From The Quill

Notes from your Secretary

The July Board meeting was held at the Phoenix Club with 11 directors in attendance along with 8 guests. Our President, John Kristianson asked that each director pick 2 or 3 items to concentrate on during the next year.

Our July meeting had over 100 attendees. Some did not sign up by Friday before and because of that, we did not have enough syllabuses for everyone. PLEASE SIGN UP BY THURSDAY BEFORE THE MEETING.

Membership reported that we now have 432 members but that there are around 750 EAs that do not belong to our chapter. We will be sending our newsletter with a personal letter every quarter to those nonmembers. We are the biggest Chapter in California!

Education is set up for most of the year and includes tax representation, NOLs, RDPs, LLCs and C-Corp to S-Corp. Our seminar about CODs on July 22 and 23 has 78 people signed up as I write this.

We discussed the purchase of a "Booth in a Box" that we can use at events and at meetings to give information about the current events and announce coming events. It can be used as a tool by our members at networking meetings to explain about Enrolled Agents. We need to work harder to let the public know who we are. With all the new RTPs we will get lost to the public.

Because we had more members at the CSEA annual meeting, our chapter is going to receive $500 from CSEA. We will be discussing the use of this extra money.

How to Prepare Before a Disaster Strikes

IRS Summertime Tax Tip 2011-03, July 11, 2011

A home disaster can be stressful enough without reconstructing important records and accounting for belongings. The Internal Revenue Service encourages taxpayers to safeguard their financial and tax records before disaster strikes. Listed below are four simple tips for individuals on preparing for a disaster.

1. Take advantage of paperless recordkeeping for financial and tax records. Many people receive bank statements and documents electronically and important documents like W-2s and tax returns can be scanned into an electronic format and stored on a flash drive or CD in a safe place. Keep it with other essential documents like home-closing statements, vehicle titles, insurance records and birth, death or marriage certificates and legal paperwork. Some online services can automatically back up computer files and store them offsite. Regardless of how you save your documents (whether it is electronically or on paper) ensure they are safe from the elements, but also encrypted and/or locked up to guard against disclosure or theft.

2. Document Valuables. The IRS has disaster loss workbooks for individuals that can help you compile a room-by-room list of your belongings. One option is to photograph or videotape the contents of your home, especially items of greater value. You should store the photos or video in a safe place away from the geographic area at risk. This will help you recall and prove the market value of items for insurance and casualty loss claims in the event of a disaster.

3. Update Emergency Plans. Make sure you have a means of receiving severe weather information; if you have a NOAA Weather Radio, put fresh batteries in it. Make sure you know what you should do if threatening weather approaches or if a fire occurs. Review your emergency plans annually.

4. Count on the IRS. In the event of a disaster, the IRS stands ready to help. The IRS has valuable information you can request if your records are destroyed. If you have been affected by a federally declared disaster, you can receive copies or transcripts of previously filed tax returns free of charge by submitting Form 4506, Request for Copy of Tax Return, or Form 4506-T, Request for Transcript of Tax Return. Clearly indicate the official name of the disaster in red at the top of the form, to expedite processing and waive the usual fee for tax return copies.

For more information type "Preparing for a Disaster" in the search box at www.irs.gov.

To Fellow Members:

Well once again we need to have another series of By-Law amendments, which the Board passed back at its July 2011 Board Meeting.

These two (2) By-Law amendments will do the following:

1. Currently our By-Laws set the maximum amount of Board members at 13, but that was when we had two (2) CSEA Directors representing our Chapter at the CSEA Board. But since we have been reduced to only having one CSEA Director, the Board decided to reduce the maximum of Board Members from 13 to 12.

2. What we have been doing for the past four terms or so (or at least since I have been the By-Laws Committee Chairman) is to serve as the Board's Parliamentarian. Since then it is becoming more sensible that being the By-Laws Committee does require some fundamental knowledge and understanding of parliamentary law & procedure, we might as well make one of the major duties of the By-Laws Committee Chairman as the Board's Parliamentarian.

The text of the By-Law Amendments are as follows:

7.01 Qualifications and Terms of Office. Only Members, as defined in § 3.01 of these By-Laws, shall be eligible to serve as members of the Board of Directors. There shall be no more than ~~thirteen~~ *twelve* (~~13~~12) Directors, including all Officers, *the Immediate Past President*, and the Society Director. The term of office of duly elected Officers, *the Immediate Past President*, the Directors, and the Society Director shall begin upon installation and shall last until the next Annual Meeting. All Officers and Directors shall serve a term of one year, except the Society Director, who shall serve a two-year term."

10.04 Standing Committees. The President shall nominate, for Board of Directors confirmation, the Chairpersons of the following standing committees and delegate responsibility for their functioning to the cognizant Vice Presidents:

a) Bylaws Committee
The Chairman of the Bylaws Committee shall also serve as the Board's Parliamentarian.

Sincerely,
David S. Shashoua, JD, LLM, EA
Senior Enrolled Agent/
Tax Law Specialist

Chairman of the By-Laws Committee, Parliamentarian, & Director of the California Society of Enrolled Agents, Orange County Chapter for the (39th) 2011 - 2012 Term.

OCEA is Looking for Future Leaders

The current administration is running like a fine tuned engine, firing on all 8 cylinders. Now is the time for future OCEA leaders to join us to see how a well run organization operates. Director positions for the next term are available. We are always looking for new people with new ideas to get involved. Those interested in being on a winning team, please contact: Joe Guccione at gucci-one@msn.com

Have Something To Say

Readers are encouraged to submit letters to the editor on topics involving our tax profession. Readers can also voice their opinion on matters concerning our chapter. Please include your full name and phone number. Email your letters to:
Dale Quelle, EA at 4quelle@msn.com

The editor reserves the right to edit letters for publication.

IRS SPECIAL ENROLLMENT EXAM COURSE

2nd SESSION BEGINS AUG 6TH, 2011

The Orange County Chapter of the California Society of Enrolled Agents is offering a review class to prepare YOU for the IRS Special Enrollment Exam. The three parts follow the SEE Exam structure.

Part 2: Partnerships, C Corporations, S Corporations, Fiduciaries and other topics
AUGUST 6, 13, 20

Part 3: Practice before the IRS, Power of Attorney, Ethics and other topics
AUGUST 27

Registration for taking Parts 1 ,2 or 3 separately available – Call 949-496-1174 for price

Location: South Coast College, 2011 W. Chapman Ave., Orange, CA 92868
Time: 8:30 AM to 3:30 PM
Instructors: Lisa Ihm, EA, Vicki Mulak, EA and Norm Schmidt, EA

Register online at www.eaoc.org or use the form below

Enclose your check made payable to: Orange County Chapter, CSEA. OR charge to your credit card.

_______Visa _______MasterCard _______Amer. Express 3-digit security code______
Credit card number_________________________________Exp. Date____________________
Your name_____________________________________ Signature_________________________
Address_________________________________ Phone/days________________________________
City___________________________________ State______Zip___________________
Email__________________________________

Mail to: Patricia Kappen, 31726 Rancho Viejo Rd. # 215, San Juan Capistrano, CA 92675
Fax to: 949-496-8084 Email: patti@sanjuanfinancial.com or patrecea@aol.com

It is OCEA's policy not to issue refunds once a registrant has registered for an event or class. However, a written refund request can be submitted to OCEA's treasurer by the next board meeting for consideration by the board in the following three cases: (1) Cancellation at least 72 hours before the event, or (2) a medical emergency preventing the registrant from attending the event, or (3) a death in the family.

CLASSIFIEDS

EA SEEKING EMPLOYMENT. Bilingual in Korean and English. Some experience with IRS negotiation, college financial aid programs, and FBAR. Familiar with Quickbooks. Samuel Lee, EA samlee42601@gmail.com 7/11

IMMEDIATE CAREER OPPORTUNITY FOR EA or CPA, Full time, year round Tustin office needs a Tax and Accounting Manager. S-Corp and Small Business Emphasis, QuickBooks Certified Preferred. Multi-Tasking Environment with friendly staff. Mentor provided for smooth transition. Email resume' to Cdeibert@americanfinancialtax.com or call (714) 669-1172. Ad placed by Vicki Mulak, EA. 07/11

TWO EA POSITIONS AVAILABLE. The Tax Help Line, an Irvine based tax resolution firm is looking to employ 2 EA's to help bring delinquent taxpayers into compliance. IRS Negotiation experience desired. $20/hr. Respond with resume to Suzanne@TheTaxHelpLine.com or call Hugh Cunningham (714) 803-0300. 06/11

TAX SEASON HAS COME TO AN END, and many of us are heaving a sigh of relief. That being said, some of us would now like to retire or quit. Arlington Business Services, Inc., is interested in talking to any practitioners thinking of selling their practice. If that is the case, please contact our office so we can talk to you directly, or e-mail us at david@legalrc.net. Please ask for Joseph Sheinin, or Mr. David Samuel Shashoua, JD, LLM, EA, if you are interested. 05/11

TAX PRACTICE WANTED: Looking to purchase a small to medium tax book of business. Currently practice in Irvine serving individual, corporate, partnership and trust clients. Please contact John Rumbold, EA, CFP® at 714-452-7202 or jrumbold@rfta.biz. 01/11

ISN'T IT ABOUT TIME YOU GOT YOUR OWN OFFICE? The Coronado Building in Tustin, is offering a few single-office monthly rentals to help people move into a commercial office building with ease. Conveniently located on Irvine Blvd. and the CA 55 freeway, the building is very nice, and well maintained. There is no long-term lease to worry about. Rents run from $165 to $275 per month - with free Wi-Fi included! For an additional $10 per month it comes furnished, and parking is always free. Contact Ken Noland or Rita Downs at (714) 505-0015 for a showing. 11/10

Classifieds available for OCEA Members & associates to advertise items for sale or rent, want ads & employment opportunities. Ads run for 2 consecutive months free of charge (longer based on space available. Let us know when your ad is no longer needed). Email to 4quelle@msn.com or FAX to 714-899-2224. Include your name & phone number or email.

OCEA Newsletter Editor
Dale Quelle, EA
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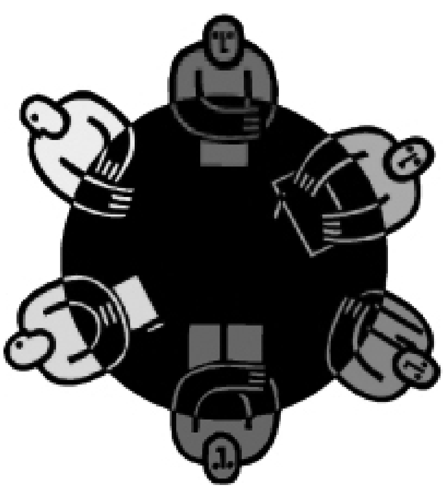
Westminster, CA 92683-4868

The Tax Professionals

Visit our Web site

www.eaoc.org

ADDRESS SERVICE REQUESTED



OPEN FORUM ROUNDTABLE DISCUSSION OF TAX TOPICS

All tax professionals are invited to attend the informal roundtable discussion time of 3:30 p.m. at the Phoenix Club held on the third Tuesdays of each month. This is a peer-to-peer discussion of whatever tax topic people bring to the group. No reservations are necessary for these discussion groups. However, you might just want to stay for a good meal and informative dinner meeting topic held at the same location beginning at 5:30 p.m..

UPCOMING PROGRAMS & EVENTS

DATE	PROGRAM / EVENT	CPE	SUBJECT	LOCATION
Aug 16, 2011	Dinner Meeting	1	Net Operating Losses - Form 1045	Phoenix Club
Aug 27, 2011	Review Class		IRS SEE Course Pt. 3	South Coast College
Dec 20, 2011	Seminar	4	LLC Workshop	Phoenix Club