

JANUARY 2003

# THE PENNSYLVANIA ACCOUNTANT



*The Newsletter Of The Pennsylvania Society Of Public Accountants*

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## **A Message From The President**



Well it's finally here, tax season. I hope everyone had a great holiday season. I wish to thank all of the Chapters that allowed Susan and me to participate in their holiday festivities. We thoroughly enjoyed sharing in your celebrations of the holiday season.

I also want to thank all the chapters who allowed me to visit either a regular chapter meeting or a Gear-Up session. These opportunities allowed me to share with the current members and potential new members what PSPA is doing and what we plan to do in the future.

To those members who are receiving their first newsletter, greetings and welcome to the organization. I want you to feel that your decision to join your fellow small practice owners was a wise one and not just predicated on decreasing CPE costs. I, along with my other officers and the Board of Directors, are dedicated to the fight to preserve your right to practice without undo distress from regulators and attacks from larger firms and their related organizations.

As I mentioned in my visits around the state, PSPA is growing and is planning a significant increase in insurance and benefit packages being offered to the membership and their staffs. In addition, the Web Site is revised and active, the new office should be in operation by Memorial Day and the new full-time support staff person will be on board at the beginning of 2003. My vision for PSPA has always been to make it as fine a professional organization as there is in the country. I feel we have made great strides toward this during the past six months.

Let me remind everyone about the PSPA 56th Annual Meeting in June. There are details regarding the convention in this issue of the newsletter, and you should have received your convention packet under separate cover. I would like to personally invite everyone to my exit party, and to welcome the new president. Please consider joining us in Gettysburg and help celebrate what is becoming one of the finest years in the history of the PSPA.

To Sherry, our Executive Director, a sincere thanks for all of your hard work and assistance during the past six months. I couldn't have done anything without your help and I know it hasn't been easy. So as you approach your maternity leave, please take it easy, take care of yourself and best wishes to you and Steve.

Again, thank you to the members, the Board of Directors and my fellow officers for your support of my presidency so far this year, and for the gracious hospitality extended to me as I visited all of the chapters this year.

Respectfully Submitted,

W. Raymond Bucks, CPA  
PSPA President





## **PSPA Helps to Market Your Practice: Accountant Search Now Active**

Individuals and businesses looking for an accountant can now perform a search of Active members of PSPA by accessing the homepage of the PSPA Website. The PSPA website has been averaging 750 hits per month and will be an excellent way for your firm to gain an online presence. The general public can query the database based on city, zip code, or last name.

The following information will be given to the individual conducting the search: member's name, company name, address, city, state, zip code, telephone, fax, email, \*date the firm began business\*, \*services provided by the firm.

All Active members of PSPA are automatically listed in this searchable database unless they have notified the PSPA Executive Office that they wish to remove their listing.

\*The information asterisked above, must be entered by each PSPA member on an individual basis. There is no charge for the listing or for the addition of the members' specialty information. If there is a specialty that you would like to see added to our list please email the suggestion to [info@pspa-state.org](mailto:info@pspa-state.org).

To preview your information, or to add your specialty information do the following:

1. Access the PSPA website at <http://www.pspa-state.org>.
2. At the top of the homepage, click on the scrolling bar that says, "PSPA members click here to add your specialties to the Accountant Search feature."
3. Click on Registration/Update Form.
4. Enter your Member ID Number & Password.  
IMPORTANT: Your unique five digit Member ID number appears above your name on the mailing label on the back page of this newsletter. Your Password is your five digit zip code.
5. Fill in the form. You MUST fill in the Membership ID and zip code field in order to add your specialties. However, you do not need to fill in all of the fields on the form. If you fill in a field, it will replace that field's information in the database. If you leave a field blank, the information that is currently in that field will not be changed.
6. Hit the SEND key.
7. Test the listing by going back to the PSPA homepage and searching by your city, zip code or last name.

This website feature is another FREE value-added membership benefit offered to you by the PSPA. The purpose of this feature is to provide PSPA members the ability to market their tax and accounting services online to new, potential clients.

### **Annual Meeting with PA DOR Rescheduled**

The Pennsylvania Department of Revenue rescheduled the December 2002 meeting due to inclement weather. The meeting has been rescheduled for January 14, 2003. A copy of the questions and answers from the meeting will be posted on the PSPA Website once received from the Department (two weeks following the meeting date).

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## Gear Up Tax Seminars Clarifies Information Re: Money Purchase Plans

There has been a lot of confusion regarding Money Purchase Plans and how much can be contributed under the new law.

Contributions to Money Purchase Plans are limited to the lesser of 100% of compensation or \$40,000 with an upward compensation ceiling of \$200,000. However, the employer deduction is limited to 25% of aggregate compensation for all participants.

Since most clients will only contribute that which they can deduct, the effective contribution rate will be 25% for the typical client.



## PSPA Central Chapter Awards Scholarships

The PSPA Central Chapter, at a recent meeting held at the Inn at Reading in Wyomissing, PA, awarded two academic scholarships in the amount of \$1,000 each. Scholarship recipients Arthur R. Marshall of Landisville and Megan Brennan of Pottsville were presented the awards by Charles J. Hafer, Central Chapter Scholarship Chairman.

Arthur R. Marshall attends Elizabethtown College where he is completing his senior year and Megan Brennan attends West Chester University and is currently in her Junior year.

Qualified applicants must be Junior or Senior accounting majors attending a Pennsylvania college or university. The scholarship was announced in seven local newspapers, and notification was sent to eleven Pennsylvania colleges in the Central Chapter area. The Central Chapter Board of Directors selects recipients based on academic merit and financial need.

Megan Brennan is pictured here with Central Chapter Scholarship Chairman Charles J. Hafer, PA.



## Unemployment Compensation Changes

For the first time since 1994, Pennsylvania will raise its' unemployment compensation taxes to take effect on January 1, 2003. The increases are a result of the September 11 - impacted recession and are needed to maintain a proper balance in the Unemployment Compensation Trust Fund, which supports UC payments to people who have lost their job through no fault of their own. A special "trigger mechanism," enacted in 1988, raises or lowers UC taxes to keep the UC Trust Fund balance adequate to pay UC claims.

Employees beginning January 1, 2003, will pay a .02 percent (two-tenths of one percent) tax on their total wages, equal to 20 cents per \$1,000 earned. Employees will pay a UC tax for the first time since 1996.

Beginning January 1, 2003, employers will pay a 3.6 percent surcharge on UC contributions for each employee due for 2003. The surcharge combined with the normal experience-based rate increase is estimated to result in an average employer UC tax increase of \$34 per employee.

Go to  
<http://papress.state.pa.us/ctc/data/20021220.006.htm> to find more information.



## PA Department of Revenue

### -Commencement of Pass Through Business Unit

The Pennsylvania Department of Revenue began operation of the Pass Through Business Unit on November 15, 2002. The purpose of the unit is to identify and resolve cases in which pass through businesses and their owners have not met all Pennsylvania individual and business tax obligations. Pennsylvania S corporations and their shareholders and those partnerships conducting business activities in Pennsylvania will be the subject of this enhanced tax compliance review.

Taking advantage of improved technology for data capture and processing, the Department of Revenue has enhanced the quality and quantity of data it acquires from the information returns filed by partnerships and PA S corporations. A consolidated information return, the PA-20S/PA-65 was produced for use beginning with tax year 2001 as part of the implementation of the new system. Enforcement and compliance personnel have the capability to view images of all filed returns. The Pass Through Business Unit will use supporting data obtained from the IRS, other state tax agencies, and other Pennsylvania information sources.

Over the next year, the Department will step-up its enforcement of non-filing partnerships, and non-filing and under-reporting partners and PA S corporation shareholders. The enhanced enforcement program will include a partnership non-filer program that imposes \$50 penalties for filer to file a required information return. Each K-1 is considered a required information return in the computation of this penalty.

The Department of Revenue has a voluntary disclosure option for taxpayers that become aware they have not met all prior Pennsylvania tax obligations associated with pass through business activities. Taxpayers who may participate include partnerships doing business in Pennsylvania and their partners and PA S corporations and their shareholders having unmet filing and payment obligations at the entity or individual level and who are not currently the subject of enforcement by the Department.

In return for a complete disclosure of their liabilities, voluntary disclosure participants will have penalties abated. They will be required to pay tax and interest with the look-back period limited to three prior years and the current year for personal income tax obligations and five years plus the current year for corporate taxes. Partnerships with at least one partner that is NOT an individual will be required to file information returns for the last five years.

## IRS - New Toll Free Numbers

The IRS has established new Customer Initiated toll free numbers that went into effect on December 2, 2002. Use of these new numbers will improve the efficiency and quality of taxpayer contacts. Customers can use the toll free number specific to their needs with fewer menu choices. This should reduce customer burden caused by unnecessary call transfers.

### Refund Hotline

**1-800-829-1954**

To be used by 1040 individual and joint filers who need to check the status of their current year refund.

Additionally, two automated systems are available and individual and joint filers are encouraged to use these systems to check the status of their current year refunds before calling the refund hotline. The systems are the "Where's my Refund?" Internet application at <http://www.irs.gov/> and the automated **Tele-Tax System** at **1-800-829-4477**.

### Business & Specialty Tax Line

**1-800-829-4933**

To be used by small businesses, corporations, and partnerships and trust customers who need information and/or help related to their business returns or business accounts. This number will be used to apply for an Employer Identification Number (EIN), and for assistance with 94X returns, 1041, 1065, 1120S, Excise Returns, Estate and Gift Returns issues as well as issues related to Federal tax deposits.

The existing "1040" number will be used primarily for individual and joint filers who need assistance with procedural or tax law information and/or help filing their 1040 type individual returns (including Schedules C & E), and general account information for individual and joint filers.

### OTHER COMMONLY USED TOLL FREE LINES ARE:

<b>National Taxpayer Advocate</b>	<b>1-877-777-4778</b>
<b>Taxpayer Advocacy Panel</b>	<b>1-888-912-1227</b>
<b>Tele-Tax System</b>	<b>1-800-829-4477</b>
<b>TDD Line</b>	<b>1-800-829-4059</b>
<b>Forms and Publications</b>	<b>1-800-829-3676</b>
<b>Electronic Federal Tax Payment System (EFTPS)</b>	<b>1-800-945-8400</b>
<b>Employer Identification Number (EIN)</b>	<b>1-800-829-4933</b>
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## Pa Department of Revenue Warns of Telephone Scam

A warning was issued by the PA Department of Revenue regarding a telephone scam in which unknown persons call private citizens in an attempt to gain access to homes by posing as representatives from the PA Department of Revenue.

The scam artists call state citizens informing them of changes in state tax laws. The callers then try to set up an appointment in the citizen's home to explain the changes in detail.

Absolutely no person from the Department of Revenue has or will call Commonwealth citizens to set up

meetings in private homes to explain changes in state tax laws. Calls of this nature should be reported immediately to the local police agency.

The scam will continue to be investigated. The extent to which this telephone scam is being used is not yet known.



## IRS ESTABLISHES OFFICE OF PROFESSIONAL RESPONSIBILITY

The Internal Revenue Service announced today the creation of a new Office of Professional Responsibility as part of its ongoing modernization effort and the appointment of Brien Downing as director.

The Office of Professional Responsibility will be charged with enhancing the oversight of tax professionals. It replaces the office of the Director of Practice.

"The creation of the Office of Professional Responsibility and the appointment of a senior executive to lead the office are examples of our continuing commitment to ensuring the integrity of the American tax system and recognition of tax professionals as an integral part of effective tax administration," said Acting Commissioner Bob Wenzel.

As Director of the Office of Professional Responsibility, Downing will lead an organization responsible for licensing "enrolled agents," who are tax professionals who have met the requirements to represent clients before the IRS. His office will investigate allegations of misconduct and negligence against agents, attorneys, accountants and other professionals representing taxpayers before the IRS.

The new office will have more than twice the staff that was available under the previous organization. With the additional resources, the Office of Professional Responsibility will thoroughly concentrate on enforcing the standards of practice for those who represent taxpayers before the IRS as detailed in Circular 230.

"My office will coordinate its efforts with the associations of tax professionals in dealing with representa-

tives who fail to meet the standards of professional conduct," Downing said. "Tax professional organizations are close working partners with the IRS and they understand the problems that result when members abuse the tax system. The creation of this office is a direct result of the concerns of the professional organizations."

Downing is a career IRS employee with 30 years in tax administration. For the past 10 years, he has served in a wide variety of executive positions. Most recently, Downing was the Director of Accounts Management in the IRS Small Business/Self Employed Division.

Patrick McDonough, formerly the Director of Practice, will continue as the Executive Director of the Joint Board for the Enrollment of Actuaries, where he will be able to direct all his efforts toward enrolling actuaries and monitoring their conduct and continuing professional education. Enrolled Actuaries are individuals who specialize in the sections of the law governing the funding of employee pension plans. The Joint Board is an independent federal body, created by the Employee Retirement Income Security Act of 1974 (ERISA) and charged with responsibility for enrolling individuals to perform actuarial services for plans.

IRS Publication 947, Practice Before the IRS and Power of Attorney, describes, in detail, who can represent taxpayers before the IRS and what rules apply to professionals representing taxpayers. Publication 947 is available on the IRS Web site at [www.irs.gov](http://www.irs.gov).





# Welcome New Members

As of November 1, 2002

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- Partnerships • LLCs • LLPs • C Corporations • S Corporations • Fiduciaries • Payroll • Exempt Organizations • Gifts and Estates

Also includes sections on:

- Depreciation • Acquisitions and Dispositions • Tax Credits • Tax Planning • Accounting Principles • Starting a New Business

QTY.	1	2-10	11-20	21+
	\$40	\$38	\$35	\$33

## All States Quickfinder Handbook



**Book 3**

In its second year, Book 3 contains over 500 pages of information in easy-to-find tabbed sections.

- Complete, concise summary of each state's instructions for filling out individual income tax returns
- Eliminates hours spent downloading state instructions over the Internet for your clients' out-of-state returns
- Provides part-year and nonresident filing instructions for each state
- A handy and thorough resource for every state's tax laws—including your own!

QTY.	1	2-10	11-20	21+
	\$71	\$67	\$63	\$58

## Quickfinder CD-ROM



The Quickfinder CD-ROM contains the same great information as the Quickfinder Handbooks 1 and 2—plus IRS forms, instructions and publications, all at the touch of a button! Contents:

- Income Tax and Financial Planning Quickfinder Handbook
- Small Business Quickfinder Handbook
- IRS Forms
- IRS Instructions
- IRS Publications
- Adobe Acrobat Reader software

QTY.	1	2-10	11-20	21+
	\$79	\$74	\$69	\$64



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Quickfinder, Inc. will donate \$1.50 to PSPA's Scholarship Fund and \$1.50 to NSA's General Fund for each book and/or CD-ROM ordered.

- Books 1 and 2 shipped beginning mid-December 2002.
- CD-ROM shipped mid-January 2003.
- Book 3 shipped first week in February 2003.

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Line	Product	Qty.	x Unit Price	= Total
1	Book 1: Income Tax & Financial Planning Quickfinder Handbook			
2	Book 2: Small Business Quickfinder Handbook			
3	Book 3: All States Quickfinder Handbook			
4	Quickfinder CD-ROM			
5	<b>Subtotal:</b> Add lines 1, 2, 3 and 4.			\$
6	<b>Shipping:</b> \$6 + 3% of subtotal on line 5. Alaska & Hawaii: \$4 + 8% of subtotal. International: shipped billed separately.			\$
7	<b>GRAND TOTAL:</b> Add lines 5 and 6.			\$

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# 56th Annual Meeting

## June 19 - 22, 2003



Dear PSPA Colleague,

I am delighted to present the PSPA 56th Annual Meeting registration information. I encourage you to make every effort to see and experience the atmosphere and attractions of Gettysburg with your colleagues of PSPA from June 19-22, 2003.

If you've attended a PSPA Annual Meeting in the past, you already appreciate the importance and value of these informative meetings. I hope that you will join us once again to experience the fun and camaraderie associated with this event. If you have never attended an Annual Meeting, I personally extend you this invitation to foster new professional relationships, learn more about your organization, and mold the future of the PSPA.

A memorable time awaits you at the PSPA 56th Annual Meeting as we "Go Back in Time" in Gettysburg, Pennsylvania. Attendees and their families will enjoy many activities including:

- Welcome to Gettysburg. We'll kick everything off on the opening night with a dinner at the Dobbin House Tavern - the oldest building in Gettysburg; meet Abe Lincoln and enjoy a Ghosts of Gettysburg Candlelight Walking Tour based on the best selling Ghosts of Gettysburg book series.

- Tour the Battlefield. Board the bus and witness how the struggle of the Civil War comes to life in Gettysburg. The tour will include the award winning Schriver House Museum. Learn about life in 1860 Gettysburg and hear one family's traumatic story!

- "Explore Gettysburg" Saturday. Members and their families can choose between various activities depending on their interests. See the home and farm of General Dwight D. Eisenhower, 34th President of the United States and his wife Mamie; tour the Wax Museum or the Hall of Presidents; take the kids to

Mulligan MacDuffers miniature 18 hole golf course; choose to browse the quaint shops and galleries of Baltimore Street - the day is yours to "Explore Gettysburg."

- President's Installation Dinner. Attend PSPA's most important evening as we install the newly elected line officers. A cocktail reception with open bar, dinner and entertainment are included in the registration fee.

- Pre-Convention Trip to Our Nation's Capitol. A trip to Washington D.C. has been planned for those members arriving a day early - Wednesday, June 18, 2003. The specific itinerary has not yet been finalized, but it is sure to be an event you won't want to miss! Please see the enclosed registration form to reserve your space!

I hope to see you there!

Sincerely,

Gerald L. Brenneman, CPA  
Chairman,  
56th Annual Meeting

## Schedule of Events

### 56th Annual Meeting - June 19-22, 2003 Historic Gettysburg Hotel, Gettysburg

#### Thursday, June 19, 2003

10:00 A.M. - Noon	CPE Program - Speaker: Lance Wallace Strategic Tax Reduction - Marketing Your Practice	TBD
12:00 Noon	Lunch	On Your Own
1:00-3:00 P.M.	CPE Program - Speaker: John A. Donnelly, CPA Topic: TBA	TBD
2:00 P.M. - 3:30 P.M.	PSPA Registration	Atrium
3:00 P.M.	Hotel Check-in	Early check-in based on availability
4:00 P.M.	PSPA Board of Director's Meeting OPEN ANNUAL MEETING	TBD
5:30 P.M.	Transportation for the Dobbin House	Hotel Lobby
6:00 P.M.	Dinner & Entertainment	Dobbin House Tavern
8:00 P.M.	Ghosts of Gettysburg - Walking Tour (3/4 mile)	Begin/End at Dobbin House Tavern
9:00 P.M.	Return to Gettysburg Hotel	
9:15 P.M.	Hospitality Suite	1st Floor Guest House

#### Friday, June 20, 2003

7:30-9:00 A.M.	Group Breakfast	TBD
8:30-11:00 A.M.	PSPA Business Meeting	TBD
11:00 A.M. - 12:30 P.M.	Lunch - On Your Own	TBD
12:30 P.M. (promptly)	Battlefield & Attractions Tour	Hotel Lobby
6:00 P.M.	Return to Hotel	
7:00 P.M.	Colonial Buffet Dinner & Entertainment	Grande Ballroom
9:30 P.M.	Hospitality Suite	1st Floor Guest House
10:30 P.M.	Nominating Committee Meeting	TBD

#### Saturday, June 21, 2003

7:30 - 9:00 A.M.	Breakfast	TBD
8:30-12:00 NOON	PSPA Business Meeting Election of Officers	TBD
1:00 P.M.	"Explore Gettysburg" Saturday	Free Time
5:00 P.M. SHARP	Officer Pictures PSPA Officers, Spouses & Families Pictures will begin promptly at 5:00 P.M.	
6:00-7:00 P.M.	Cocktail Reception	Grande Ballroom
7:00 P.M.	Installation of Officers	Grande Ballroom
7:30 P.M.	Dinner & Entertainment Hospitality Suite	Grande Ballroom 1st Floor Guest House

#### Sunday, June 22, 2003

8:00-10:00 A.M.	Breakfast	TBD
9:00 - 9:30 A.M.	Board of Directors Meeting	TBD



# REGISTRATION FORM



## PSPA 56th Annual Meeting Registration Form

June 19-22, 2003 • Gettysburg Hotel, Gettysburg, PA

**\$675 double occupancy/\$510 single occupancy**

includes hotel room from Thursday, June 19 through Sunday, June 22, 2003; three dinners, three breakfasts, tours & entertainment June 19-22; President's Cocktail Reception; convention gifts; all applicable taxes & gratuities.

Please complete this form and return it to the PSPA with your payment prior to May 1, 2003.

Please be advised that all registrations will be handled in the order they are received, and space may be filled prior to the cutoff date.

(Please Print or Type)

Member's Name \_\_\_\_\_ Spouse's Name \_\_\_\_\_

If attending, children's names and (ages)

\_\_\_\_\_( ) \_\_\_\_\_( )  
\_\_\_\_\_( ) \_\_\_\_\_( )

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

### SECTION I. HOTEL RESERVATIONS

Reservations will not be taken through the Gettysburg Hotel. The PSPA Executive Office will handle all reservations based on the information provided on this form, and the order in which it is received. Rooms reserved after the PSPA room block is full will be issued on a space available basis only.

Arrival Date \_\_\_\_\_ Departure Date \_\_\_\_\_  
☐ Tuesday, June 17 ☐ Saturday, June 21 June \_\_\_\_\_, 2003  
☐ Wednesday, June 18 ☐ Sunday, June 22  
☐ Thursday, June 19 ☐ Monday, June 23  
☐ Friday, June 20

☐ Smoking Room ☐ Non Smoking Room

Room Preference/Rates per Night (sales tax inclusive)

☐ Single Occupancy/Double Bed \$110.24  
☐ Single Occupancy/King Bed \$110.24  
☐ Double Occupancy/Double Bed \$110.24\*  
☐ Double Occupancy/King Bed \$116.6  
☐ King Suite \$135.68

\*Shaded room rate indicates the \$675.00 convention package price.

Special requirements: \_\_\_\_\_

\$ \_\_\_\_\_ x \_\_\_\_\_ = \$ \_\_\_\_\_  
Nightly Rate # of Nights TOTAL

### SECTION II. MEAL & ACTIVITY REGISTRATION

If you are staying at the hotel throughout the convention (three nights - June 19-22), you are registered for all meals and planned convention activities. These activities include: three breakfasts, three dinners, entertainment, cocktail reception with open bar & hors d'oeuvres, battlefield tour & attractions, ghost walk, Saturday Tour of Your Choice, and all applicable taxes and gratuities.

☐ Single Occupancy \$172.14 ☐ Double Occupancy \$344.28

### SECTION III. ACCOMPANYING CHILDREN

Prices below include meals, tax and gratuity and convention activities.

\*Children (3-11) \_\_\_\_\_ children @ \$105 each = \$ \_\_\_\_\_  
Children (adult meals) \_\_\_\_\_ children @ \$172.14 = \$ \_\_\_\_\_

\*Children will be served children's meals and portions.

### SUBTOTALS

Section I \$ \_\_\_\_\_  
Section II \$ \_\_\_\_\_  
Section III \$ \_\_\_\_\_

**Grand Total:** \$ \_\_\_\_\_

Payment/Deposit Amount: (\$ \_\_\_\_\_)\*

\*A minimum deposit of \$300 must accompany this form.

Remaining Balance: \$ \_\_\_\_\_ Due by May 1, 2003

SECTION IV. Optional Activities - If you are staying at the hotel for selected days only, or if you will be attending only specific convention events and are not staying at the hotel, please complete the "Optional Activities" section below, attach check made payable to PSPA-South Central Chapter, and mail to the PSPA Executive Office no later than May 1, 2003.

#### Thursday, June 19, 2003

Dinner & Entertainment at the Dobbin House

(Abe Lincoln Speaks-Ghosts of Gettysburg Tour)

\_\_\_\_\_ adults @ \$38.00 each \$ \_\_\_\_\_  
\_\_\_\_\_ children(3-11) @ \$18.00 each \$ \_\_\_\_\_

#### Friday, June 20, 2003

Group Buffet Breakfast (Price Includes Tax & Gratuity)

\_\_\_\_\_ adults @ \$12.00 per person \$ \_\_\_\_\_  
\_\_\_\_\_ children(3-11) @ \$8.00 per person \$ \_\_\_\_\_

Battlefield Bus Tour & Attractions

(Schraver House, Cyclorama, 2-Hour Battlefield Bus Tour)

\_\_\_\_\_ adults/children @ \$30.00 per person \$ \_\_\_\_\_

Traditional Colonial Buffet Dinner - Gettysburg Hotel

(Dinner, entertainment, all taxes & gratuities)

\_\_\_\_\_ adults @ \$36.00 per person \$ \_\_\_\_\_  
\_\_\_\_\_ children (3-11) @ \$18.00 per person \$ \_\_\_\_\_

#### Saturday, June 21, 2003

Group Breakfast Buffet (Price Includes Tax & Gratuity)

\_\_\_\_\_ adults @ \$12.00 per person \$ \_\_\_\_\_  
\_\_\_\_\_ children @ \$8.00 per person \$ \_\_\_\_\_

President's Installation Dinner

(Cocktail Reception, Hors d'oeuvres, Dinner,

Entertainment, all taxes & Gratuities)

\_\_\_\_\_ adults @ \$55.00 per person \$ \_\_\_\_\_  
\_\_\_\_\_ children @ \$25.00 per person \$ \_\_\_\_\_

### SUBTOTAL

#### Section IV. Optional Events

Grand Total: \$ \_\_\_\_\_

Please make checks payable to "PSPA-South Central Chapter"

Payment & Cancellation Schedule: A minimum deposit of \$300 is due with this registration form. Individuals registering for Optional Events only, must remit full payment for the events indicated in the above section. Cancellations received in writing before May 15, 2003 will be fully refunded. Cancellations received on or after May 15, 2003 are subject to a cancellation charge of \$150. All changes in room requirements must be made through the PSPA no later than May 15, 2003.



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Laser Supply offers every name brand of office equipment—from Apple to Xerox. If you need any type of laser, inkjet or thermal printer or even a fax machine, call Laser Supply! We even offer used and refurbished equipment with the best warranties around! If you need technology, we can get it!

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Sales Manager

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# CNA LONG TERM CARE INSURANCE PROGRAM

PSPA Members, Employees & Families Receive an Exclusive 20% Premium Discount

**GOOD NEWS FOR PSPA MEMBERS:** PSPA has partnered with CNA Insurance to provide PSPA members, their families and employees the most comprehensive, cost effective long term care insurance program available.

Why CNA? With CNA Long Term Care plans, PSPA members get the benefit of working with a leader in the long-term care insurance industry. CNA helped pioneer the LTC insurance industry, and their products have continued to set the standard.

There are a variety of innovative plans available to help you, your family and/or your employees protect their assets from the high cost of long-term care. These plans can be designed to fit a variety of different needs. They all come with a host of great benefits:

- 20% to PSPA members, families, and employees.
- 10-year rate guarantee
- Guaranteed Renewable
- 100% satisfaction guarantee with a 30-day free-look provision

## What are the odds of needing long-term care?

The need for long-term care cuts across all facets of our society and does not discriminate based on gender, race, age, income or geographic location. Whether triggered by a sudden injury or lingering illness, long-term care is usually required when people are unable to physically or cognitively care for themselves for a long period of time. What are your odds of requiring long-term care sometime in your lifetime? The following statistics shed light on the impact of long-term care in America.

- More than half of the US population will need some type of long-term care during their lifetime.
- Women in the US are far more likely than men to need long-term care; three out of four nursing home residents are women.
- Long-term care is not just for the elderly. Of the 13 million Americans receiving care, 43% are working-age adults between 18 and 64 years old.
- An estimated two-thirds of all home care assistance is provided free of charge by family members and friends.
- One year's stay in a nursing home costs \$40,000 to \$80,000 with the average stay running about two and a half years. The average cost of a home visit by a nurse is \$100 per day.
- Consumers can't rely on Medicare and Medicaid to meet their long-term care costs. Medicare pays only for short-term, skilled nursing home care following a three-day hospitalization. Medicaid pays almost half of all nursing home costs, but only for people below federal poverty guidelines.
- Only 7 percent of seniors and virtually none of the baby boomers own private long-term care insurance, which could help them pay the catastrophic cost of long-term care.
- Although most purchases are individuals buying through agents or planners, employer-sponsored plans are growing at an average rate of 30 to 40 percent annually. The Health Insurance Association of America estimates that about 2,700 US employers now offer long-term care insurance and more than half (53 percent) are small firms with fewer than 100 employees.

For additional information on the LTC policies available through CNA, rates and an agent list, please contact the PSPA at **1-800-270-3352**.

## ATTN PSPA MEMBER INSURANCE AGENTS:

We are looking for PSPA members who have their insurance license, and who either are a CNA representative currently, or who would like to become a CNA representative. If interested, your name will be added to PSPA's list of authorized representatives to sell CNA LTC insurance policies to our membership. The list of authorized agents will be distributed to PSPA members upon request. Please contact Sherry DeAgostino at the PSPA Executive Office at 1-800-270-3352 for more information and an agent packet.



# Chapter Meeting Dates

## Buxmont Chapter

All meetings are held at Williamson's Restaurant, Route 611 & Blair Mill Road, Horsham unless otherwise noted. Go to: [www.buxmontpspa.org](http://www.buxmontpspa.org) to register for upcoming events

### January 28, 2003

**TOPIC #1:** Important Tips and Guidelines on Appraising and Handling Coins and Paper Money in Estates.

**SPEAKER:** John Edelman, Edelman's Stamps & Coins

**TOPIC #2:** Time Management for Professional's

**SPEAKER:** Jeannie Baron, Streamliners Inc.

**CPE:** 2 Hours Other

### February 25, 2003

**TOPIC:** Tax Roundtable Discussion

**Moderator:** Irv Braunstein, EA  
Buxmont Chapter President

**CPE:** 2 Hours Tax

**TIME:** 8:00-10:00 A.M.

Continental Breakfast will be Served

### May 27, 2003

**TOPIC:** TBA

### June 24, 2003

**TOPIC:** TBA

## Central Chapter

All chapter meetings are held on the Inn at Reading in Wyomissing unless otherwise noted.

### February 18, 2003

Tax Roundtable I

**SPEAKER:** TABA

**CPE:** 2 Hours Tax

### March 18, 2003

Tax Roundtable II

**SPEAKER:** TBA

**CPE:** 2 Hours Tax

### April 26, 2003

After Tax Season Social

**PLACE:** Rainbow Theatre

## Central Chapter Continued

### May 20, 2003

Time/ Stress Management

Memory/ Motivational Techniques

**CPE:** 4 Hours Other

## Lehigh Valley Chapter

All chapter meetings are held on the third Tuesday of the month at the Holiday Inn east, Bethlehem unless otherwise noted.

### January 21, 2003

**TOPIC:** Tax Savings for the Self-Employed with Section 105 Plans

**SPEAKER:** Frank P. Griscti, Regional Sales Director, TASC

**CPE:** 2 Hours Tax

## Philadelphia Chapter

All chapter meetings are held on the Inn at Reading in Wyomissing unless otherwise noted.

### January 20, 2003

**TOPIC:** Annual Meeting with City of Philadelphia

**CPE:** 2 Hours Tax

### February 3, 2003

**TOPIC:** Tax Potpourri

**SPEAKER:** David Zalles & Company

**CPE:** 5 Hours Tax

## Pittsburgh Chapter

All meetings are held at Edgewood Country Club.

### January 15, 2003

**TIME:** 4 to 9 pm

**TOPIC:** Offers in Compromise/ Collections and E-file Update IRS Representative Estate Planning for Small/ Closely Held Business

**SPEAKER:** Robert S. Markovitz, CPA, CVA, JD

### February 19, 2003

**TIME:** 4 to 9 pm

Roundtable Question & Answer Session

**CPE:** 2 Hours Tax

## South Central Chapter

All chapter meetings are held at the Mechanicsburg Officer's Club unless otherwise noted. Meetings begin at 1:00 P.M.

### January 22, 2003

Package X Seminar

**SPEAKER:** Frank Kelly, EA

Offering a morning and afternoon session

**CPE:** 4 Hours Tax

### April 23, 2003

Roundtable Discussion





# Seminar Dates

## Gear Up Accounting Seminars

### **September 24 & 25, 2003**

Radisson Hotel, Trevoise

CPE: 12 Hours Accounting, 4 Hours Ethics

Sponsored By: Buxmont Chapter

### **December 8, 2003**

Springfield Country Club, Springfield, PA

CPE: 8 Hours Accounting,

Sponsored By: Philadelphia Chapter

## Gear Up 1040 Seminars

### **November 13 & 14, 2003**

Holiday Inn Bethlehem

CPE: 16 Hours Tax

Sponsored By: Lehigh Valley Chapter

### **November 18 & 19, 2003**

Springfield Country Club, Springfield, PA

CPE: 16 Hours Tax

Sponsored By: Philadelphia Chapter

### **December 11 & 12, 2003**

Radisson Hotel, Trevoise

CPE: 16 Hours Tax

Sponsored By: Buxmont Chapter

## Gear Up Business Entities Seminars

### **October 16 & 17, 2003**

Radisson Hotel, Trevoise

CPE: 16 Hours Tax

Sponsored By: Buxmont Chapter

## BUREAU OF CORPORATION TAXES TO ELIMINATE JEOPARDY SETTLEMENTS

On March 1, 2003 the Bureau of Corporation Taxes will implement a policy that will eliminate the use of "jeopardy settlements" and broaden the utilization of estimated settlements as follows:

- If, while reviewing a PA Corporate Tax Report, the Taxing Officer determines additional information is required, the Taxing Officer will continue to initiate correspondence requesting this information. If the taxpayer fails to respond to this correspondence, the action taken by the Taxing Officer will be dependent upon the nature of the missing information as follows:
  - If as a result of the missing information the Taxing Officer is unable to calculate a Capital Stock Value, PA Taxable Income, or Taxable Indebtedness, the report will be removed from the corporate tax ledger as an incomplete report and the Taxing Officer will impose estimates on the Tax Types involved. Examples of this missing information would be a copy of the Federal Income Tax Return, Balance Sheets (Separate Company and/or Consolidated), Income Statement, and History of Earnings. Once the information is received the report will be posted as received on that date. The Taxing Officer will then complete the settlement and the estimate will be stricken. Authority for this position can be found in Section 403 of the Tax Reform Code of 1971.
  - If, as a result of the missing information the Taxing Officer is unable to verify one of the components used in the calculation of Taxable Capital Stock Value, PA Taxable Income or Taxable Indebtedness, the Taxing Officer will initiate the settlement, making all adjustments in favor of the Commonwealth. Examples of this type of information would include apportionment information, details of increases to retained earnings reported on Federal Schedule M-2, or a schedule of taxes expensed on the Federal Income Tax Return.

The purpose of this policy is to reduce the number of incomplete reports submitted to the Bureau of Corporation Taxes annually.

This policy will apply to all unsettled tax reports received prior to or after March 1, 2003.

Now that you  
have your  
"Tax Season"  
nest egg...



...isn't it time  
to write that  
check...



and invest in  
that "put-off"  
malpractice  
insurance  
policy?



**Just do the math...**

**A \$100,000/200,000 policy =  
\$500.00 in first year costs !**

*Divided by the \_\_\_\_\_ "1040" tax  
return clients your office has =  
a cost of only \$\_\_\_\_\_ per return!*

**How can you "put-off"  
that investment any longer?**

1. Name of Firm: \_\_\_\_\_ Est.: \_\_\_\_\_  
(or simply attach your business card for 1 - 3 below)

2. Business Address: \_\_\_\_\_  
\_\_\_\_\_

3. Business Phone: ( ) \_\_\_\_\_ Fax: ( ) \_\_\_\_\_

Please Contact: \_\_\_\_\_

4. Do you have Accountants Professional Liability? Yes \_\_, No \_\_

Name of Carrier: \_\_\_\_\_ Renewal Date: \_\_\_\_\_

Deductible: \_\_\_\_\_ Limits: \_\_\_\_\_ Cost: \_\_\_\_\_

5. What is your current prior acts (retro) date: \_\_\_\_\_

6. Had a financial institution client since 1991? Yes \_\_, No \_\_

7. Do you perform S.E.C. work: Yes \_\_, No \_\_

8. Number of: CPAs \_\_\_\_\_ PAs \_\_\_\_\_  
Staff Accountants \_\_\_\_\_, Bookkeepers \_\_\_\_\_, Per diems \_\_\_\_\_

9. Gross Billings: Last year \$ \_\_\_\_\_

Anticipated this year \$ \_\_\_\_\_

10. Had any claims or potential claims? Yes \_\_ No \_\_

11. Areas of Practice (%):

Audit - Other: _____%	Trustee Activity: _____%
Audit- Public Cos. _____%	Securities Activity _____%
Taxes- Personal _____%	M.A.S. _____%
Taxes-Business _____%	Bookkeeping _____%
Compilation _____%	Other ( ) _____%

**CUSTOM BROKERS INSURANCE**

**3659 Green Road, Suite 209 Beachwood, Oh 44122**

**(800) 969-7475 or (216) 831-0333 Fax (216) 831-6819**

## **Omnibus SSARS Approved by AICPA**

The Accounting and Review Services Committee (ARSC) has issued an Omnibus Statement to existing Statements on Standards for Accounting and Review Services (SSARS). The Omnibus revises SSARS No. 1 and SSARS No. 4. Revisions include:

- Current standards allow an accountant who may be associated with financial statements of a public company, but has not audited or reviewed such statements to state that he or she has not audited the unaudited information and includes example report wording. This guidance is also appropriate for compilation and review engagements; however, SSARS currently do not include example wording. This amendment will revise SSARS No. 1, Compilation and Review of Financial Statements (AICPA, Professional Standards, vol. 2, AR sec. 100.03), to include wording that may be appropriate under the circumstances.
- The accounting literature does not require the statement of retained earnings to be presented as a financial statement. Accounting Principles Board Opinion No. 12, Omnibus Opinion-1967, requires disclosure of a change in capital. This can be done by preparation of a separate statement in the notes to the financial statements or as part of another basic statement. In addition, the example reports currently do not refer to the statement of comprehensive income. This amendment will include two footnotes to SSARS No. 1 (AR sec. 100.14 and AR sec. 100.36), stating (1) the statement of retained earnings is not a required statement and, if not presented as a separate statement, reference in the compilation and review report is not needed and (2) if the statement of comprehensive income is presented, reference should be made in the appropriate paragraphs of the report.
- SSARS No. 1 has been amended to specifically require a signature of the accounting firm or the accountant on a review or compilation report. The signature can be manual, stamped, electronic, or typed.
- The current guidance found in SSARS No. 1 (AR sec. 100.29) requires the accountant to obtain a representation letter from management. The guidance is not specific about the content of the letter, the dating of the letter, and current management's responsibility regarding previous years. This amendment will require specific representations for the accountant to receive from management when performing a review engagement and will provide guidance on the dating of the letter and guidance regarding obtaining representations from current management when they were not present during all periods covered by the accountant's report.
- SSARS No. 1 (AR sec. 100.44) includes the guidance on reporting for supplementary information. Currently the guidance is unclear with respect to separate reporting on supplementary information in a compilation engagement. This proposed amendment would explicitly allow for a separate report on supplementary information in a compilation engagement, consistent with guidance on supplemental information in a review report.
- SSARS currently do not refer to the Statements on Quality Control Standards (SQCSs) and how those standards interact with SSARS. The proposed amendment will clarify that although an effective quality control system is conducive to compliance with SSARS, deficiencies in or noncompliance with a firm's quality control system do not, in and of themselves, indicate that an engagement was not performed in accordance with the applicable professional standards. This amendment would be included as the last section of SSARS No. 1.
- SSARS No. 4, Communications Between Predecessor and Successor Accountants (AICPA, Professional Standards, vol. 2, AR sec. 400), provides guidance on communications between accountants when the successor accountant decides to communicate with the predecessor regarding acceptance of an engagement. This amendment defines predecessor and successor accountants, provides guidance regarding acceptance of an engagement, suggests inquiries the successor accountant may decide to ask the predecessor accountant, and includes an example successor accountant acknowledgment letter, which the predecessor may want to use in connection with granting access to the working papers.

### **Tax Filing for Pennsylvania Armed Services Personnel**

Pennsylvania has special rules for individuals serving in the armed forces of the United States in an area currently designated by the President by executive order as a "combat zone." In such a case, Pennsylvania's filing rules, and therefore its payment rules, parallel Federal requirements. The taxpayer should write "Military-Combat Zone" at the top of the return and fill in the extension oval. He/she should attach a letter explaining he/she is requesting an extension due to being in a combat zone and attach the military orders or reporting instructions that detail the call to active duty.

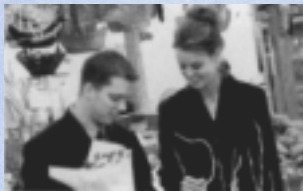


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