

ASA NEWS

News & Information for Accounting Professionals



Notes from ASA President - Dee Hare

Will You Serve?

Happy New Year! Did you stay up until midnight last night and throw confetti at the drop of the ball? Before you think I've lost my mind, let me explain! I asked this same question to a group of kids last Sunday at Children's Church. They did look at me like I had lost my mind. Then I went on to explain that while it was not January 1st New Year's Day, it was a new year. It was a new school year, and that meant they could start over - fresh and new. The same is true for us at ASA. September 1st marks our new fiscal year. My time as president is up, and it is time for us to elect new governors and officers for the Board. It is time for a fresh start!

I would like to encourage all of you to consider joining the ASA Board of Governors. The time commitment is not huge, and we do not meet at all during tax season. There are four scheduled meetings throughout the year. Meetings are usually held in person in conjunction with a CPE seminar or through Zoom in the case of virtual seminars. The ASA Board serves as representatives for the members. The Board monitors proposed constitution and by-law changes, Society educational programs, and legislative action affecting the Society and accounting profession in general. If you have ideas for ways the Society can serve its members better, then this is the place for you.

While this was my first year as president, I have been a member of the Board of Governors for several years now. I have enjoyed meeting new people and have really benefited from the professional relationships I have built with my peers. I plan to continue to serve for at least one more year. Now I ask you, will you serve? If you are interested at all and would like more information, please contact me. I would love to visit with you about the Board and answer any questions I can. New governor and officer appointments will take place on September 26th.

For those of you who have served with me this year or who have served in the past, thank you for the time you have devoted to the Arkansas Society of Accountants and to all its members.



Dee Hare, CPA

I look forward to seeing you all at our Business Entities seminar in Benton on September 26th. The seminar will be put on by TaxSpeaker, but we will also have someone from the Arkansas Department of Finance and Administration there to speak on the new pass-through entity tax.

Dee Hare, CPA
ASA President
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2022 ASA Seminars

- **TaxSpeaker Business Entities Live Seminar**
September 26, 2022 - 8 hrs.
Benton Event Center
17322 I-30, Benton, AR
Hotel Accommodations: Fairfield Inn & Suites - 501-722-6330

+ **BONUS** 1-hour Presentation by the Arkansas Department of Finance & Administration on the New Pass-Through Entity Tax to follow the TaxSpeaker Business Entities Seminar! There is no additional charge for the added session for seminar participants.

- **1040 Live Seminar - Fayetteville**
November 10-11, 2022 - 16 hrs.
Fayetteville Town Center - 15 W. Mountain St., Fayetteville, AR
Hotel Accommodations: The Graduate Hotel, 70 N. East Ave., Fayetteville - 479-442-555

- **1040 Live Seminar - Benton**
November 28-29, 2022 - 16 hrs.
Benton Event Center
17322 I-30, Benton, AR
Hotel Accommodations: Fairfield Inn & Suites - 501-722-6330

All seminars will be presented by TaxSpeaker.

Register online at:
arksocietyofaccountants.com
or call 501-305-9110 for additional information.

Security Summit Creates Sample Security Plan for Tax Professionals

The Security Summit partners today unveiled a special new sample security plan designed to help tax professionals, especially those with smaller practices, protect their data and information.

The special plan, called a Written Information Security Plan or WISPPDF, is outlined in a 29-page document that's been worked on by members of the Security Summit, including tax professionals, software and industry partners, representatives from state tax groups and the IRS.



Federal law requires all professional tax preparers to create and implement a data security plan. The Security Summit group – a public-private partnership between the IRS, states and the nation's tax industry – has noticed that some tax professionals continue to struggle with developing a written security plan.

In response to this need, the Summit – led by the Tax Professionals Working Group – has spent months developing a special sample document that allows tax professionals to quickly set their focus in developing their own written security plans.

"Tax professionals play a critical role in our nation's tax system," said Carol Campbell, director of the IRS Return Preparer Office and co-lead of the Summit tax professional group. "But for many tax professionals, it is difficult to know where to start when developing a security plan. The Summit members worked together on this guide to walk tax pros through the many considerations needed to create a Written Information Security Plan to protect their businesses and their clients, as well as comply with federal law."

Each year, the Security Summit partners highlight a "Protect Your Clients; Protect Yourself" summer campaign aimed at tax professionals. This is the fourth in a series of five tips for this year's effort. These are issued each Tuesday to coincide with the Nationwide Tax Forums, which help educate tax professionals on security and other important topics.

There are many aspects to running a successful business in the tax preparation industry, including reviewing tax law changes, learning software updates and managing and training staff. One often overlooked but critical component is creating a WISP.

"There's no way around it for anyone running a tax business. Having a written security plan is a sound business practice – and it's required by law," said Jared Ballew of Drake Software, co-lead for the Summit tax professional team and incoming chair of the Electronic Tax Administration Advisory Committee (ETAAC). "The sample provides a starting point for developing your plan, addresses risk considerations for inclusion in an effective plan and provides a blueprint of applicable actions in the event of a security incident, data losses and theft."

Security issues for a tax professional can be daunting. The Summit team worked to make this document as easy to use as possible, including special sections to help tax professionals get to the information they need.

"We have tried to stay away from complex jargon and phrases so that the document can have meaning to a larger section of the tax professional community," said Campbell. "It is not intended to be the final word in Written Information Security Plans, but it is intended to give tax professionals a place to start in understanding and attempting to draft a plan for their business."

A security plan should be appropriate to the company's size, scope of activities, complexity and the sensitivity of the customer data it handles. There is no one-size-fits-all WISP. For example, a sole practitioner can use a more abbreviated and simplified plan than a 10-partner accounting firm, which is reflected in the new sample WISP from the Security Summit group.

Once completed, tax professionals should keep their WISP in a format that others can easily read, such as PDF or Word. Making the WISP available to employees for training purposes is encouraged. Storing a copy offsite or in the cloud is a recommended best practice in the event of a natural disaster.

ADDITIONAL RESOURCES

Tax professionals also can get help with security recommendations by reviewing IRS Publication 4557, Safeguarding Taxpayer DataPDF, and Small Business Information Security: The FundamentalsPDF by the National Institute of Standards and Technology. The IRS Identity Theft Central pages for tax pros, individuals and businesses have important details as well. Publication 5293, Data Security Resource Guide for Tax ProfessionalsPDF, provides a compilation of data theft information available on IRS.gov. Also, tax professionals should stay connected to the IRS through subscriptions to e-News for Tax Professionals and social media.

The IRS also recommends tax professionals create a data theft response plan, which includes contacting the IRS Stakeholder Liaisons to report a theft.

In case you missed it: IRS Commissioner Chuck Rettig published an op-ed on *Yahoo Finance*:

As the nation's tax administrator, the IRS plays a unique role in our nation. It can be a difficult job. After all, does anyone really like paying taxes? Of course not. But they're essential to fund the roads we drive on, the schools our children attend, support our military and so much more. Unfortunately, given the nature of this work and historical stereotypes, the IRS is often perceived as an easy target for mischaracterizations of what IRS employees do — and that's exactly what's happened in recent weeks.

The recent debate over providing badly needed funding to the IRS is filled with outright false suggestions about what the agency and our hard-working employees do — as well as how the additional resources will be handled.

The bottom line is this: These resources are absolutely not about increasing audit scrutiny on small business or middle-income Americans. The investment of these important resources is designed to support honest, compliant taxpayers. Our investment is designed around a Treasury directive that audit rates do not rise relative to recent years for households making under \$400,000.

We all want a fair and impartial system where everyone contributes their fair share, no more and certainly no less. A robust, visible tax enforcement effort focused on high-end tax evaders and those supporting them is a priority. Underpayments by tax evaders shift the burden of operating our great country onto honest, hard-working Americans who follow the law.

With this new law, honest taxpayers will see badly needed, meaningful service improvements at the IRS. The IRS should be able to answer the phones and process information — including tax returns — in a timely manner. Enhanced IT systems and taxpayer services will mean that honest taxpayers will be better able to comply with the tax laws, ultimately resulting in a lower — yes, lower — likelihood of being audited and a reduced burden on them.

LOOKING FOR A SERVICE OPPORTUNITY IN YOUR COMMUNITY?

Help your hardworking neighbors file their taxes for free and claim valuable credits with Arkansas Asset Builders' volunteer income tax assistance (VITA) program! Participants can also earn up to 18 CE credits from the IRS. Remote and in-person volunteer opportunities are available, both during tax season and year-round. Training for the upcoming season begins in November.

Email volunteer@arkansasassetbuilders.org
or visit https://bit.ly/tax_volunteer for more information.



WELCOME NEW MEMBERS

Jason Lenderman – Glenwood, AR

Sherry Hickman – Marianna, AR

Sandra Herron – Marianna, AR

Marlene Hooker – Camden, AR

Gwenna Krabbenhoft – Rogers, AR

Garilyn Green – Mountain View, AR

Wanda Gore – Fayetteville, AR

Jacquelynn Cadena – Hot Springs, AR



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Selling your firm is complex. We can help. . .

Contact us today to start the process or receive a free market analysis. Completely risk-free and confidential.

Ready to purchase a firm?

FOR SALE: NEW: Benton County (Metro) Gross \$523k;
NEW: Rural NWA Gross \$110k; NEW: Washington
County Gross \$220k; NEW: Little Rock Gross \$750k;
NEW: Ft. Smith Gross \$350k; NEW: Springdale Gross
\$650k; Metro Pulaski County Gross \$550k; Jonesboro
Area Gross \$497k; Harrison Area Gross: \$275k;
NWA-Benton County Gross \$419k.