

CONTRIBUTORS



ADP is a leading provider of business outsourcing solutions with more than \$10 billion in revenues, offering an array of

diverse HR, payroll, compliance, tax and benefits administration solutions. Understanding that every practice is unique, ADP offers diverse options for accountants and their clients and provides valuable accounting resources at adp.com/accountant.



Tom Bray is an Enrolled Agent with over 35 years of finance and accounting experience, with a strong concentration in tax matters. His tax experience includes working in the tax department of a Big 4 public accounting firm and

serving as tax manager of the US operations of an international manufacturing, retail and real estate group of companies. Like his experience, Tom's practice has a strong concentration in tax matters in proper context with its clients' financial and operational needs. Toms maintains his membership in MSATP. He has represented the Maryland Chamber of Commerce before the Maryland Senate concerning pending tax legislation, has testified in Maryland Tax court as a tax/manufacturing expert, and has represented clients at the IRS National Office in Washington, DC. Tom is a proficient lecturer on tax matters speaking at client seminars and accounting and Realtor® professional societies. Tom also has been active in civic matters, serving on the boards of the Baltimore Chapter of Institute Management Accountants and several charitable organizations.



Jeremy Friedman started his professional career in web development in 1997, working on some of the earliest web-based software frameworks ever released to developers. While pursuing his education at University of ails, Delaware

he contracted for dozens of small-medium size companies as a freelance developer. After completing his education he started as a software engineer at a local web development firm. Jeremy gained valuable software development experience and was introduced to the procurement world. Upon leaving the web development firm Jeremy helped start both Greenwing Solutions and Greenwing Technology in 2009 and Websites For Tax Pros in 2014, all being software companies with specific niches of expertise.



Al Giovetti is a CPA in Maryland with over 35 years of public accounting experience. Accreditation in Business Accounting (ABA, 1989), Tax Advisor (ATA, 1984) and Retirement Advisor (ARA, 2007). Principal, Giovetti and Giovetti

Certified Public Accountants (1992 – current). Giovetti and Giovetti Certified Public Accountants is a full-service small CPA firm in Catonsville, Maryland. Al is currently serving as First Vice President on the Board of Governors for the National Society of Accountants (NSA).



Dave Kile is co-founder of Ease Technologies and a former Apple employee with over 25 years' experience in the IT industry. He provides an invaluable expertise working with clients in all aspects of IT support. Mr. Kile has lead teams implementing

projects ranging from healthcare patient portals, the creation of public safety IT help desks to the relocation of financial trading firms. Additionally, he is actively involved in providing education seminars, webinars and blogs sharing ways that businesses can improve security and productivity.



Darla McClure -When clients hire Darla McClure, of Stein Sperling, they work with a partner who understands their needs, approaches matters from their point of view and designs practical legal solutions to meet their business objectives. Darla's focus on serving her

clients' best interests and getting matters done successfully is underscored by her commitment to providing responsive answers, keeping clients informed and delivering the highest levels of service. Darla regularly counsels business clients on employment matters and resolution of employment disputes. Working closely with management, she helps ensure compliance with state and local laws, and assists in drafting employment policies, benefits and contracts, such as restrictive covenants and confidentiality agreements. Darla's extensive experience also includes organization and entity selection, structuring business ventures, developing shareholder and operating agreements, resolution of business disputes, commercial transactions, mergers and acquisitions, and joint ventures. In addition to her employment and business law practice, Darla is the Managing Principal of Stein Sperling's Frederick, Maryland office. A frequent speaker on topics involving business organization, disputes and employment matters, Darla has addressed various organizations throughout the region, including the Montgomery County Medical Society, where she sits on its Advisory Board. She also serves as the Legislative Affairs Director of the Montgomery County Chapter of the Society for Human Resource Management (MC SHRM), where she contributes to the organization's monthly newsletter and gives presentations on employment law topics. Darla has also spoken to groups of financial professionals, including the Maryland Society of Accountanting and Tax Professionals and various chapters of the Maryland Association of Certified Public Accountants.



The National Federation of Independent Business

represents 325,000 small businesses in all 50 states and Washington, D.C., and is dedicated to leveling the playing field with Big Business, Big Government, and Big Labor in every key area: taxes, healthcare, regulations, and more.



Jon Parks is a Financial Planner at Academy Financial Inc, a twenty-five year old financial services firm in Lutherville, Maryland. Academy has a staff of over twenty professionals and manages nearly \$1 billion dollars for its clients

across various asset classes. Jon has earned the designation of Chartered Retirement Plan Specialist, CRPS®, from the College of Financial Planning, and he leads Academy's 401K Strategies initiatives. The 401KStrategies.com website is dedicated to providing accurate, clear information about all kinds of retirement plans for small businesses. Academy Financial also has expertise in supporting business owners with Buy-Sell agreements, Estate Planning, and Business Succession planning. Jon has a BA from Franklin & Marshall College in Lancaster, PA, and a master's degree from Rutgers University. He is Series 7, Series 66, and a registered life and health insurance agent in over fifteen states. Jon is married with three kids and one dog. Jon enjoys politics, hiking, and entrepreneurship. Jon is an avid Shark Tank viewer and is passionate about helping small businesses grow and helping entrepreneurs achieve their retirement goals.



Marion Thompson is a long time resident of Montgomery County, MD and a graduate of VA Tech (1980), Marion joined Thompson Tax Associates full time in 1983. After additional study and more accounting classes, she earned her

CPA designation in 1989. She has been involved in many community and professional organizations. She was President of the Maryland Society of Accountants from 2007 – 2008 and is past chair of their Education Committee. She is a member of the National Association of Tax Professionals.



Maryland Society of Accounting & Tax Professionals, Inc.

92 York Street
Taneytown, MD 21787
(410) 876-5998 | (800) 922-9672
Fax: (443) 881-4146
www.msatp.org |
info@msatp.org



BUY

SELL

Effective Business Succession Planning

by Jon Parks

Business owners invest significant amounts of time and financial resources to make their enterprises successful. Quite often, due to the quick pace of day-to-day operations, planning for succession of ownership is relegated to a low-priority task. But there comes a point in the lifecycle of any business when the owner is no longer able to manage the firm that he or she founded.

Because the timing of death or disability is difficult to predict, it's prudent to have a succession plan in place now to safeguard your family's financial well being, and to provide your business with leadership during a transition period.

One logical solution—and one that most entrepreneurs may want to choose—is to turn the reins over to their children. However, despite its emotional and intuitive appeal, the odds are stacked squarely against a business surviving a transfer down the bloodline.

According to the U.S. Small Business Administration, two-thirds of family-run enterprises fail to make the successful transition to a second generation of ownership, and less than 15% survive into the third generation. Making a successful transition even trickier are issues brought on by divorce, blended families, or rivalries among children.

The best course of action may be either to identify strong candidates within your company who can continue to run the business and provide a source of financial security for your family, or to look at the potential for selling the business to an outside party.

Whichever course you eventually decide is right for your business, there are steps you can take now that will ease the transition.

- Groom new management. Who is best able to run the business in your absence? Perhaps your children have spent years growing up in the business and have become capable managers in their own right. If not, look to your existing management team, and make your

intentions known. Be sure that candidates are capable and interested in taking over.

- Determine a value. Work with a valuation specialist to get a fair assessment of what your business might be worth. While valuation analysis may be an art as much as it is a science, you should place a value on your business in the event you decide to sell. There are several valuation methods, including book value, discounted cash flow, or you could hire a professional appraiser. If you decide to transfer the business to your children, a professional appraisal is generally required to withstand IRS scrutiny.
 - Draft a buy-sell agreement. Depending on the structure of ownership, this document will be a binding agreement detailing the terms of ownership transfer between you and your offspring, you and a non-family successor, or you and your partners. Be sure to specify how the agreement will be funded.
 - Proceeds from a life insurance policy are frequently used as a way to fund a buy-sell arrangement. Other options include loans from a bank or company earnings that are paid back through an 'earn-out' arrangement with your successor, whereby the loan is paid back in regular installments.
 - ESOPs. If you have a large number of employees, another option is an Employee Stock Ownership Plan (ESOP), whereby a bank lends money to the ESOP to purchase your interest in the business, and the employees then buy the shares through regular payroll deductions.
- Planning for succession can be an unpleasant task, although the outcome can be even more unpleasant if you fail to plan. You'll have a lot more options if you start to plan when things are going great. What you don't want is a situation where your family is scrambling to salvage some value from the business after you're gone. •

MSATP 2016-2017 Board of Directors

President:
Robert Medbery

First Vice President:
William Feehley

Second Vice President:
Ellen Silverstein

Secretary:
Richard Messenger

Treasurer:
Barbara Smith

Delegate:
Leslie Agro

Delegate:
Thomas Bray

Delegate:
Richard Gottfried

Delegate:
Donya Oneto

Delegate:
Betty Stehman

Board of Trustees Delegate:
Dave Churchman

Immediate Past President:
Patricia Mager

Executive Director:
Sandy Steinwedel

MSATP EDUCATION SEMINAR

Buying & Selling a Practice

October 26, 2016 • 10 a.m. – 12 p.m.
Doubletree Pikesville

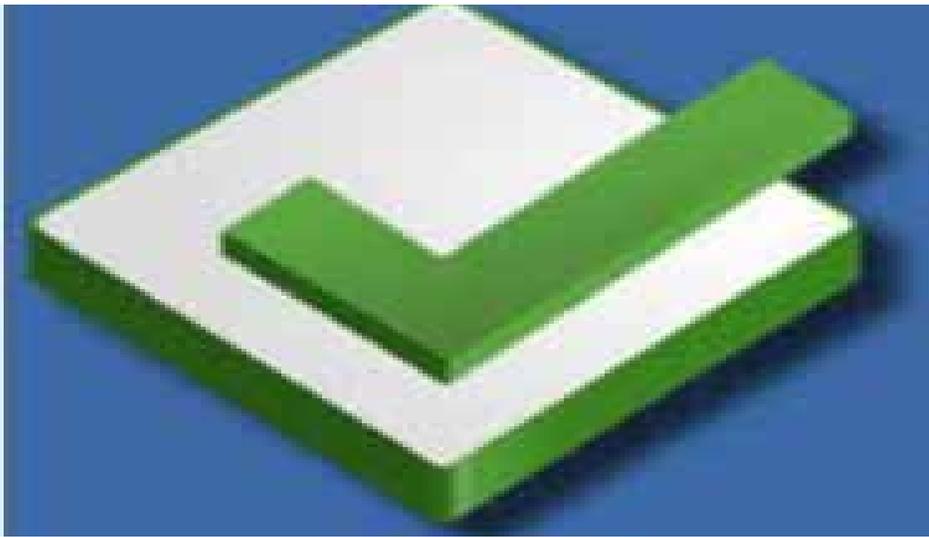
Focusing on what the accountant/tax professional needs to know about practice sales.

FACILITATOR: David DeJong, Esq.

HOURS: 2 (Recommended)

DELIVERY: Group Live, Group Internet Based, Webinar

REGISTRATION: www.msatp.org • (800) 922-9672



Less Annoying Client Relationship Management Software

by Al Giovetti

Have you ever become frustrated with annoying software? Have you gotten to the point where you just want to smash your iPhone, iPad, iPod, laptop, notebook, tablet, or other device on the cement sidewalk? Have you dreamt of your monitor and desktop with its wrist-pain-inducing mouse on the bottom of a swimming pool or ocean? Well, then, Less Annoying Client Relationship Management (LACRM) software (www.lessannoyingcrm.com) may be a step in the right direction.

At least the software developers appear to be developing a bit of humility, and realize that their creations can cause more problems rather than solve them. What are the most annoying things about software? Take a minute to reflect on what has really gotten your goat so many times with the applications you buy.

Every single year, software adds more complexity, making software more difficult to use and more expensive, when all we really want and need is something easy to use that does the job. For example, Microsoft kept adding feature after feature, year after year, until now Word is so difficult to use that you no longer can sit down and just type. It has made many of us long for the days of the simple IBM Selectric typewriter with interchangeable typeface balls.

LACRM claims to be simple, thus solving the problem of ever-increasing complexity. The website makes claims about the software that are not inconsistent with claims from every other Client Relationship Management (CRM) application or program – to wit, “With Less Annoying CRM, you’ll finally have a place to store everything you need to know about your contacts. From one simple screen you can see

all of the notes, files, tasks, events, and pipeline information related to a contact. Plus, with our simple search feature, you’ll never have trouble finding a contact again.”

After reading this I asked myself, “self, what the heck is a pipeline?” So I looked up CRM pipeline online. Google gave me the website for another piece of CRM pipeline software named “Pipe Drive” (<https://www.pipedrive.com/>), which bragged “Sales pipeline software that gets you organized. Helps you focus on the right deals, so easy to use that salespeople just love it. Great for small teams.” Now I was even more confused and less informed than I was before I checked with Google search.

So I decided to go to Wikipedia (www.wikipedia.org), which is almost as inaccurate and unreliable as the rest of the Internet. When I searched for CRM pipeline or sales pipeline, I was redirected to “sales process engineering” (https://en.wikipedia.org/wiki/Sales_process_engineering). My confusion increased, and my knowledge of the subject was not yet enhanced. According to Wikipedia, published works on sales process management history goes back to 1900. Just using my imagination, I can see early man, perhaps Cro-Magnon, engaging with “Prospecting, initial contact, pre-approach and planning the sale, identifying and cross questioning, need assessment, presentation, meeting objections, gaining commitment, and follow-up that is involved in sales process engineering.”

Email logging allows you to log email from any email application so that the email contacts are associated with the potential client account. The program identifies potential clients or

customers as prospects. This enhances the feature that all information is in one application.

Another claim is that the importing of information is easy. Most of us are in the tax preparation business, and I don’t imagine any easy importing of information from a tax software package. Anyone who has tried or been forced to switch tax preparation software and has used the “easy importing” feature of the software has learned at some point that not everything was imported and that the “easy” part was when you manually input the information into the new tax software from your old tax software. (I have not asked anyone at Thompson Creative Solutions, which is the software I use, about integration with LACRM, but I would not hold my breath.)

LACRM is entirely web-based. Any user can access LACRM from any computer, tablet, or modern smartphone, anywhere in the world where there is Internet. LACRM handles the security, data backups, and software updates “... so that you don’t have to worry about the boring technical stuff anymore.” I like the fact that LACRM handles all the boring technical stuff.

The website claims that the program is “always backed up.” LACRM claims that they use two types of backup and that they use the next generation Amazon.com servers to back up your information.

Should you expect to try LACRM, they do provide a 30-day free trial. Be warned that LACRM may require quite a bit of manual data entry for the average tax and/or accounting business. The work of trying before you buy may be more work and time than could be justified.

I especially liked the section which was headed: “We’re serious about being Less Annoying.” The best part of this website paragraph is the description of all the bad things LACRM could do to be dishonest. It appears LACRM has given being dishonest a lot of thought: “There are tons of commonplace underhanded tactics that we could use to try to get more money from our users. We could make it hard to cancel your account. We could ask for a credit card up-front and hope you forget to cancel when your trial ends. We could try to spam all your friends on social networks. We don’t do any of these things because we hate when other companies do them to us. I promise we’ll never do anything that we think will annoy our users.”

I like the low price, at \$10 per user per month; \$120 annual fee per user is affordable. The software is backed by free updates and free phone and email support. The only thing that would be better is a \$5 per user per month user fee. Being accountants, we know that nothing is free. Updates, support, and backups are included in the user fee. I do not believe that we are required to prorate these costs and break them into component parts to account for them correctly when paying the monthly users’ fee. •

EaseTechnologies Inc.

Jason Shirdon
410.992.7268
www.easetech.com

websites for TAXPROS

Jeremy Friedman
302.401.4717
www.websitesfortaxpros.com



Accountant Partnerships
855.408.3751
www.adp.com/accountant

401K STRATEGIES

Jon Parks
410.372.3231
www.401kstrategies.com

PARTNERS

Visit the MSATP membership table for information on valuable discounts available from the following businesses:

- | | |
|------------------------|---------------------|
| Becker | MetLife |
| CCH | Office Depot |
| Cost Seg | Roger CPA |
| Energy Services | Review Course |
| Forrest T. Jones & Co. | TaxAnswers |
| Healthcare Assistance | TaxSpeaker Webinars |
| | UPS |

The Implications of Having No HR for Employees

Thrive by ADP®

When it comes to developing roles in your company, it is important to consider the business implications of having no HR department. Most organizations have either a single employee dedicated to HR or a small team that keeps the personal aspects of the business moving smoothly. Others turn to an outsourced HR model and have a knowledgeable professional who speaks to employees if questions arise. Businesses may also designate an employee who handles HR responsibilities in addition to his or her primary role.

From a business standpoint, having no form of HR puts companies at risk of violating a number of employment laws. However, what about employees? How might they be affected by having no HR professionals to turn to?

HOW HUMAN RESOURCES IS PERCEIVED

A report from the Society for Human Resource Management indicates an organization's size often determines the impact of not having an HR representative or a limited HR team.

"In smaller organizations, the HR function or department ... may have interactions with other staff that more often than not center around duties directly related to human capital management, contributing to a feeling of having a primarily transactional role," it states.

In other words, the smaller the organization, the more likely HR is only associated with transactional duties such as managing benefits and payroll. The bigger the organization, the more HR engages in strategic decision-making and employee welfare.

WHAT'S AT STAKE FOR EMPLOYEES

The potential implications of having no HR are related to the valuable activities HR professionals perform. These issues could damage both the organization and the well-being and productivity of its employees. There are many scenarios in which HR can be vital to a positive outcome.

Employees can reach out to HR with complaints about workplace harassment, bullying and violence. HR staff can advise management on the best course of action and conduct investigations. HR can also answer

employee questions about benefits enrollment and support, especially when it comes to benefits such as health insurance. For example, they should know about updates to health care reform laws.

HR is also widely responsible for developing and promoting a company's culture and keeping employees engaged with it. If they aren't around to drive employee engagement efforts and recruit employees who fit the culture, who will? HR may also host company events that improve employee engagement and satisfaction.

It's clear having no HR could leave employees feeling unsupported. According to a report from the Human Resource Management Journal, there are a number of ways an organization's HR practices can foster a collective level of commitment in its workforce. These include candidate selection and hiring, training and development efforts, performance management systems and open communication and participation.

Nowhere else can HR have a bigger impact on employee attitudes and performance than as a crucial part of the executive team. Here, their knowledge and experience is valued by all. •

Want to learn more? access this link for a free guidebook:

[HTTP://WWW.ADP.COM/SITECORE/CONTENT/INSURANCE/INSIGHTS-AND-TOOLS/GUIDEBOOKS/HEALTH-AND-BENEFITS-101.ASPX](http://www.adp.com/sitecore/content/insurance/insights-and-tools/guidebooks/health-and-benefits-101.aspx)

MSATP EDUCATION SEMINAR

Sub Contractor vs Employee

September 22, 2016 • 1:00 pm – 3:00 pm
 Hunt Valley Inn, Hunt Valley

Independent Contractor or Employee: The Truth Could be Very Costly

FACILITATOR: James Dawson, JD • Kirsten Eriksson
 HOURS: 2 (Recommended)

DELIVERY: Group Live; Group Internet Webinar
 REGISTRATION: www.msatp.org • (800) 922-9672



Accounting Services: A Rapidly Changing Industry

by Tom Bray

In the April 2016 Issue of NASBA's State Board Report it was reported that "the State Boards' Executive Directors were surprised to hear AICPA is considering reducing the number of its peer review administering entities (AE) from 41 to 8-10 within the next few years". These changes would follow on the heels of substantive changes made last year with respect to the peer reviewers in the peer review process that became effective January 1, 2016.

There is nothing on the AICPA website to corroborate NASBA's report. Arthur Flach, Chairman of the Maryland State Board of Public Accountancy reported the same information at the May 3, 2016 meeting of the Board. Even without confirmation from AICPA, this information is believed to come from two credible sources.

Although information on this subject is incomplete, awareness of these proposed changes is important for the following two reasons: 1) Mr. Flach mentioned at the May Board meeting that AICPA has a comment paper out and comments from state Administrative Entities are due August, 2016. The time to analyze the concept paper and respond will be very compressed, and 2) this proposed change is on the heels of a significant change year and confirms that our industry is rapidly changing.

In January 2016 Rick Seltzer reported on the announced mergers of Stegman & Co. into Dixon Hughes Goodman LLP and Cardoni Waddell LLC into Dembo Jones. Mr. Seltzer's Baltimore Business Journal headline read "Accounting industry consolidation is underway in Greater Baltimore". The Baltimore Business Journal went on to say "the accounting

business is getting more complex. Standards are proliferating, while new laws need to be taken into account are popping up all the time".

As accounting professionals, we have two choices. We can let others like the Maryland Legislature or AICPA regulate the industry. Then our only choices are to comply or do something else. Alternatively, we can try to be involved in the change or self-regulation process.

To become involved, you need to know what is going on. MSATP members attended the NASBA Eastern regional conference in June where this topic was discussed at length. Additional information on this topic will be shared as it is obtained.

For those interested in working with colleagues on a concept paper or proposed legislation, or to be involved with the monitoring legislative activities, contact the MSATP office. You will benefit from decades of service of MSATP members who have forged significant relationships and alliances. MSATP will benefit from your participation and contributions. Would you like to volunteer? Please email info@msatp.org or call 1-800-922-9672. •

Does your Website Pass the Google Mobile Friendly Test?

by Jeremy Friedman

In the past year, Google has made a dramatic change to the way it ranks websites in its search results. For the first time in the history of its algorithm, Google is now beginning to punish websites that are not mobile friendly.

Google's tool to test your website's mobile-friendliness can be found here <https://www.google.com/webmasters/tools/mobile-friendly/> and if your website doesn't pass, Google warns that it may suffer in the search rankings. Google checks your website for a few main factors, the crux of which is whether the website scales, resizes, and adapts for phones and tablets to give your users an immediately legible and usable experience.

As of the past year, Google has started to down-rank websites that do not adapt perfectly to phones, due to the fact that up to 50% of all web traffic is now coming from mobile devices. When a potential client searches for your keywords on a mobile device, Google will automatically sort your website's result below that of your mobile-friendly competitors. Mobile friendliness is becoming less of an option and more of a requirement.

Sites built by Websites for TaxPros pass Google's test with flying colors because they employ responsive design. Responsive design means the webpage detects the size of the screen that is viewing it and adjusts accordingly, giving your viewers the perfect font size and element positioning to remain easily readable on a small screen. The website scales and adapts to whatever device is being used to view it.

In this strange new world where everyone carries a computer around in their pockets, is your web presence adapting to this new reality? If not, you could be suffering the consequences!



2016 Maryland General Assembly Review of Major Legislation

by NFIB

Mandated Paid Sick Leave – HB580/SB472

Outcome: Died in Senate Finance Committee after passing the House.

NFIB Position: OPPOSE

Summary: Paid sick leave got further than it is ever had passing the House of Delegates with less than a week to go in the legislative session. As passed the House, the bill would have required employers with 15 or more employees to provide up to 7 days of paid sick leave per year. Employers with less than 15 employees would have to provide unpaid leave. In both cases, employees 18 or older that work an average of 8 hours per week would be eligible for leave. Agricultural workers, unionized construction workers and employees working fewer than 90 days per year would be exempt.

Note: This legislation will be reintroduced next year with increased odds of passage. If this mandate will impact your business please contact us.

State-Run Retirement Planning – SB1007/HB1378

Outcome: Passed. Expected to become law.

NFIB Position: OPPOSE

Summary: The legislature passed a heavily amended retirement bill for the private sector. Any employer using an automatic payroll system who does not offer a retirement plan to their employees will be required to offer a state-run retirement plan. All employers that currently offer retirement plans or those offering the new state-run plan will receive an exemption from the Department of Assessments and Taxation's annual \$300 filing fee. Employers offering the state-run plan are free of any fiduciary responsibility. All employees will be automatically enrolled unless they elect to opt out. The penalty for not offering an employee retirement savings program is forfeiture of the filing fee waiver.

Income Tax Relief and Increase to Earned Income Tax Credit (EITC) – SB840

Outcome: Died in Conference Committee

NFIB Position: SUPPORT

Summary: Both the House and Senate passed their own tax relief packages. The Senate version spread roughly \$300 million in tax cuts across all tax brackets providing relief for small business owners paying business taxes on their personal income tax returns. It also increased the value of the State's personal income tax exemption for certain filers. Both the House and Senate chose to increase the amount and expand eligibility for taxpayers claiming the EITC. The House's tax cuts focused on middle to lower income earners. Ultimately, negotiations failed and plans for tax relief were shelved.

Note: Negotiations failed on the final day of session when it was reported that House conferees demanded paid sick leave legislation pass the Senate before any tax relief was agreed to. It is expected these negotiations will continue with the 2017 legislative session.

“Equal Pay” – HB1003/SB481

Outcome: Passed. Expected to become law.

NFIB Position: OPPOSE

Summary: An amended version of HB1003/SB481 passed this year after prior attempts fell short.

The bill expands the State’s equal pay law to prohibit wage discrimination based on gender identity. Additionally, an employer may not provide less favorable employment opportunities (assigning an employee less favorable position, tasks, etc.) based on gender or gender identity. An employee must prove the employer knew or reasonably should have known their actions were discriminatory if the employee is to prevail in a court action.

Note: The bill was amended to include the high standard of “knew or reasonably should have known” in order to protect employers from frivolous lawsuits. The statute of limitations was also amended to ensure against an employee filing a lawsuit more than three years after leaving employment.

Personal Property Tax Credit – HB69

Outcome: Passed. Expected to become law.

NFIB Position: SUPPORT

Summary: This bill allows a county or municipal government to provide up to a 50% property tax credit on personal property that is owned or leased by a business that has been in operation for less than two years or has 15 employees or less.



“Fair Scheduling” – HB1175/SB664

Outcome: Died in committee.

NFIB Position: OPPOSE

Summary: The proposed bill would have required employers to post employee work schedules three weeks in advance of a shift. Any changes made to the schedule within those three weeks require the employer to pay an hour of “predictability pay” for each shift affected. Changes or cancellations made within 24 hours would require four hours of “predictability pay.” Additionally, an employer would be required to offer any extra hours of work to current employees before they are allowed to hire new employees, temps, or subcontractors.

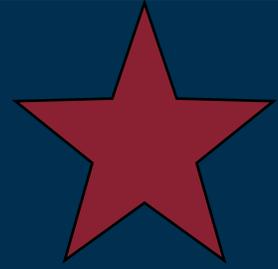
Poultry Litter Management Bill – SB496/HB599

Outcome: Died in committee.

NFIB Position: OPPOSE

Summary: This bill would have fundamentally changed how poultry producers and their contract growers operate by shifting control and responsibility of poultry litter used for agricultural and commercial purposes. It would have also required additional recordkeeping and permitting by producers and growers. Additionally, this bill would have instituted severe criminal and civil penalties.

Note: This bill or similar legislation is expected to be introduced next session. If this will impact your business please contact us.



DONATE

**MSATP
Political
Action
Committee
(PAC)**

A Political Action Committee provides an organized way for a group to support political candidates, causes, legislation, regulations, or initiatives that promote its cause.

A Political Action Committee collects contributions from individuals and aggregates them into a fund that is used to support its cause.

Your contribution supports the candidates and legislators who support your right to practice. The MSATP PAC has been involved in issues including: sales taxes on services, the 20% tax increase, right to compile financial statement, mandatory peer reviews, and MD inheritance tax exemption. Support the committee today and get involved!



ANNUAL FILING SEASON CONTINUING EDUCATION REQUIREMENTS

by IRS

Return Preparer Categories	Description of preparer category	Annual Federal Tax Refresher (AFTR) Course & Test	Tax Law Update CE Credits	Federal Tax Law CE Credits	Ethics CE Credits	Total CE Credits
1. AFTR Course Exempt Preparers						
- State based return preparer program participants						
Oregon Board of Tax Practitioners	Return preparers who are currently registered with Oregon	N/A (Exempt)	3	10	2	15
California Tax Education Council (CTEC)	Return preparers who are currently registered with CTEC					
Maryland State Board of Individual Tax Preparers	Return preparers who have passed the Maryland examination and/or are currently registered with Maryland					
- Organization based return preparer program participants						
Former IRS Registered Tax Return Preparers	Return preparers who passed the RTRP test	N/A (Exempt)	3	10	2	15
IRS Special Enrollment Exam (SEE) Part 1	Tax preparers who have passed the Special Enrollment Exam Part I within the past two calendar years. i.e. for Filing Season 2017, return preparers must have passed within calendar years 2015 or 2016					
IRS Volunteer Income Tax Assistance (VITA) volunteer	VITA quality reviewers, instructors and preparers who pass the basic and/or advanced VITA examination with active PTINs					
Accreditation Council for Accountancy and Taxation (ACAT)	Return preparers who hold either an Accredited Tax Preparer (ATP) or the Accredited Business Accountant/Advisor (ABA) credential					
2. Non-exempt preparers – AFTR Course REQUIRED						
Non-exempt or non-credentialed preparer	All other non-credentialed return preparers who do not meet one of the exempt categories listed above	6 hour AFTR course and test is required annually	N/A	10	2	18
3. Credentialed preparers - AFTR Course Exempt						
Certified Public Accountant (CPA)	Exempt as long as preparer holds current credential	N/A (Exempt)	3	10	2	15
Attorney						
Enrolled Retirement Plan Agent (ERPA)						
Enrolled Agent (EA)		N/A (Exempt)	3	10	2	15
		Note: If an Enrolled Agent opts to take an AFTR course, they will not receive credit toward their Enrolled Agent CE requirements				



Are You Ready for the Internet of Things (IoT)?

by Dave Kile

It is estimated there are already 6.4 billion devices as part of the Internet of Things (IoT). As we add more devices, are we considering the security and privacy of these devices? We have been shoring up security with our servers, desktops, laptops and mobile devices. IoT is now beginning to extend into our lives with TVs, coffee makers, thermostats, light bulbs and even our bathroom scales.

The IoT has actually been around for some time. However, only now has it been recognized and labeled as a category within technology industry. Governments have been using remote sensors across the Internet to monitor traffic and road conditions like those used by Maryland's CHART System. Commercial accounts have been using devices to monitor and provide better energy management in facilities. Now, the home and personal use explosion of products is flooding the market with all sorts of devices.

So what is IoT?

Gartner Research defines IoT as, "The Internet of Things (IoT) is the network of physical objects that contain embedded technology to communicate and sense or interact with their internal states or the external environment."

This is a broad definition, but it signals how large the market is expanding. With more IoT devices sneaking into our lives, what is being done to manage the security and privacy that should come with this?

The Federal Trade Commission's (FTC) has sent comments to Department of Commerce raising concerns about the maintaining the security of these devices. The comments recognize the benefits but are quick to identify security risks, too.

"Although similar risks exist with traditional computers and computer networks, they may be heightened in the IoT, in part because many IoT chips are inexpensive and disposable, and many IoT devices are quickly replaceable with newer versions. As a result, businesses may not have an incentive to support software updates for the full useful life of these devices, potentially leaving consumers with vulnerable devices." – Federal Trade Commission's Bureau of Consumer Protection and Office of Policy Planning, June 2, 2016

The biggest issues for IoT include the lack of built-in basic security measures, meaning devices can be exploited, be used to exploit other systems and can also include physical threats with medical devices. Besides security, privacy issues are at stake. The types and amounts of often personal data being collected

are at risk with many of these devices. This is not just a video camera being compromised, but health data being collected and stored by yet another vendor.

So, what do we do?

Use IoT devices wisely for work or home knowing the risks.

It is critical to identify vendors that utilize security features, are trusted, and can communicate a clear security policy about the devices they offer. For the home, recognizable brands like Apple, Google, Microsoft and Amazon are responsible vendors. They are not the only ones of course, but are four examples of outspoken companies taking a proactive approach to security and documented privacy policies with their products.

Also, look for IoT products with the ability to be updated like you would do on your computer. It seems strange to think that you would need an update for your IoT coffee maker, but it is important to fix bugs and improve security.

As you identify devices that fit into your Internet world, look for devices that fit into ecosystems that work together. Apple, for example, has released HomeKit, which is a platform for Apple and third party devices to speak to each other. With the right devices, you could easily control home devices and in a safer and more secure environment.

Much of this is early, but trustworthy platforms and ecosystems will help IoT be the best experience possible. •

MSATP EDUCATION SEMINAR

Microsoft Windows 10

September 22, 2016 • 10:00 am-12:00 pm
Hunt Valley Inn, Hunt Valley

What is new and improved with Windows 10? Windows 10 has been out for over a year - how has the market reacted?

FACILITATOR: Steve Deming

HOURS: 2 (Recommended)

DELIVERY: Group Live; Group Internet Webinar

REGISTRATION: www.msatp.org • (800) 922-9672

Solo and Small Firm Principals Conference

by Marion Thompson

Hey! It's less than 5 months away – plan now! No, not the 2016 election, It's the Solo & Small Firm Conference. The Society greatly appreciates the time, talent and effort of the outgoing chair – Jim George. He chaired this committee for many years. He continues to work with the event but has passed the chairmanship to me, Marion Thompson. I hope to live up to the excellent service he has given the conference.

The conference will be November 4-5-6, 2016 in beautiful Shepherdstown, WV at the Clarion Hotel and Conference Center. This **all-inclusive weekend retreat** is a celebrated practice management weekend with your peers. All the attendees are like you with similar issues and experiences. From a one member firm to those with staff, we learn from each other. You may be new to your practice, or you may have years of experience. In any case you have something you want to learn and something you can share with the other attendees. There is no one way to manage our firms, and the variety of information at the conference is essential.

The committee has, from evaluations with prior attendees, put together a slate of topics to inform, illustrate and intrigue the attendees. Some of the sessions are with the entire group, yet some are smaller roundtable sessions.

Wondering how to keep your client data safe? How to handle it when your clients do business cross state lines? How a Sec 1031 exchange strategy can separate us from the crowd of professionals? Does your PTIN have the correct number of digits?

Topics we will discuss include – Technology – Cyber Security, Client Relationship Management software, Managing Online Presence, Apps for Accountants & Tax Pros, Quickbooks and more. Other topics include Human Resource issues, 1031 Exchange as a Practice Builder, Client Communications, Multi State Issues, Value Billing, Logo Owners FAQ, The Marijuana Industry – what the accountant should know, and more. The schedule includes time to network with others and time to ask your specific questions.

We are planning a trip to nearby Charlestown Races with a great buffet and fun watching the horses or a little gambling. We are also developing a list of other activities nearby for spouses and significant others.

The conference ends on Sunday morning with a presentation to the group by Allan Hirsh – Know Your Why! He is an interesting speaker

with a challenging and motivating question for all of us.

This **all-inclusive weekend** includes Meals from Dinner Friday to Breakfast Sunday as well as the accommodation Friday and Saturday nights.

Here is a brief description of some of the hot-topics we will be hearing about in Shepherdstown:

1031 Exchange Solutions & Investing in Private Placements gives CPAs an overview of an IRS Section 1031 real estate exchange, and how investing in a private real estate offering may provide tax advantaged distributions for your clients. The presentation discusses the use of the Delaware Statutory Trust (DST), fractional interest ownership of real estate, cash (non-Section 1031) investments and passive income and passive losses, which may be generated by this type of investment. The presentation also provides information about a unique solution for Section 1031 exchanges in which the exchangers are unable to place all their equity into the replacement property.

The Contract Choices We Make Matter! The presentation will address issues with contracts and related due diligence (of vendors), contract terms, privacy and data breach issues. The presenter will dive into a lot of detail on vendor selection and due diligence (particularly relating to privacy/security concerns) and what the immediate data breach steps are. Points include things to consider when deciding whether to outsource projects (whether or not cloud based) and when it makes sense to do so, due diligence considerations in picking a vendor, what information a vendor will have as part of the contract services and how to control access and flow of that information, best practices contract terms (including insurance, service levels, warranties, limits on liability), and what immediate steps to take if a data breach happens.

What Accountants Need to Know About the Marijuana Industry The cannabis industry has grown exponentially over the past years. Not only is it a big business, but it has had unprecedented growing pains – banking, taxes and accounting. The breakout session will introduce the attendee to the different aspects an accountant can expect.

The committee hopes to see a great turnout for this conference. Please contact me or the Society if you need any additional information. •



ONE PRINCIPAL \$525
TWO PRINCIPALS \$450 EACH
PRINCIPAL & SPOUSE \$760

Click to REGISTER TODAY!

SOLO & SMALL FIRM PRINCIPALS CONFERENCE

**November 4-6, 2016
Shepherdstown, WV**

**Clarion Hotel & Conference Center
Shepherdstown, WV
304-876-7000**

Enjoy a beautiful all inclusive weekend in Shepherdstown, WV!

Situated along the Potomac River in the beautiful lower Shenandoah Valley, Shepherdstown is the oldest town in West Virginia.

Experience the history and ambience of a town that pre-dates the Revolutionary War while, at the same time, enjoying wonderful restaurants, many unique shops and a very lively music and arts scene.

Nearby to Shepherdstown you can visit the Civil War sites at Harpers Ferry or Antietam, hike or bike the C&O Canal path and enjoy rafting, tubing or kayaking on the Potomac and Shenandoah rivers.

PRICE INCLUDES:

- 13 hours of Continuing Education
- Hospitality Room for Networking
- Charles Town Races with Prime Rib & Seafood Buffet on Saturday
- Comprehensive Manual
- Dinner and Fun on Friday Night
- Breakfast on Saturday and Sunday
- Lunch on Friday, Saturday and Sunday
- Hotel Accommodations on Friday & Saturday