



The Bulletin



East Bay Association of Enrolled Agents

To Enhance and Protect the Professional, Economic, and Educational Interests of all Enrolled Agents

July, 2006

General Meeting

NEXT MEETING Wed., July 19, 2006

Place: **CONCORD Crowne Plaza Hotel**

Go to <http://www.ichotelsgroup.com/h/d/cp/1/en/hd/ccrjg> then click on Map/Directions for personalized directions

4:30 Board Meeting

6:15 Hospitality

6:45 Dinner Buffet

8:00 Program-CRTs

Cost: \$35.00 with reservation by 5pm Fri. 7/14
\$45.00 without reservation

Reservations: (800) 617-1040 or (925) 691-1866
email: registration@ebaea.org

STANDING RESERVATIONS

Our Chapter maintains a "Standing Reservations" list for those EAs who attend most monthly meetings. If you are on this list, you need to contact the Chapter office only if you will NOT be attending the meeting. If you wish to be added to or removed from the "standing reservations" list, call (800) 617-1040

NOTE: July's dinner meeting is at the CONCORD Crowne Plaza and there is a dinner choice required. Please contact the Chapter Office and let us know if you want Rosemary Chicken or Thyme-Roasted Pork Loin. Chicken is the default – you've been warned!

July Topic: Charitable Remainder Trusts

by Philip Fiegler EA, Program Chair

I personally have never bothered to learn much about charitable remainder trusts. I have always been under the assumption that only the super wealthy needed to know about them, and that they would not affect my

own client base, some of whom might be moderately wealthy, but not super wealthy. Recently, I have read some things which make me think that in certain situations, they might work for some average taxpayers. I decided we needed someone who knew all the ins and outs to come speak to the chapter about it.

We are extremely fortunate to have Frank R. Acuña, who is a principal with Acuña & Casas, P.C., as our speaker. Frank has spoken to us on several topics over the last few years, and he is an excellent, knowledgeable speaker who is always well-received. Frank specializes in estate planning, corporate, and real estate matters. He was admitted to the State Bar of California in 1985, to the State Bar of New York in 1987 and is also a member of federal trial and appeals court bars. He has presented continuing education courses on legal and tax issues to the National Association of Enrolled Agents, the Practical Training Institute, the California Society of Tax Consultants, the American Institute of Certified Public Accountants Conference, Best in the West, and numerous local chapters and groups serving tax professionals. He is a graduate of Loyola Marymount University (BA Theology 1977) and the University of California, Los Angeles, School of Law (JD 1985).

PRESIDENT'S MESSAGE

by Bonnie Buhnerkempe EA, CFP®, CSA

It was great to see some new faces at the June dinner meeting. If you don't normally make it to the dinner meeting please make sure you're in a small group. If there is not already a small group meeting in your area, please contact the chapter office and we will help you get one started. The small groups are a great way to get to know other EAs, to share our stories, learn from others, and to help each other.

I need your help to be able to help new people who come to the dinner meetings. I need at least 12 people who can come a little early to the dinner meeting (6:15PM) and volunteer to be an ambassador for the night. If you want to be an ambassador at the next din-

ner meeting please let the chapter office know. To help the ambassadors I need everyone to wear their badge. If you don't have a badge please let the chapter office know or request a badge at the next dinner meeting.

You will notice that the dinner meeting is starting earlier, that is so we can end the program earlier and still have time to ask questions of each other. Do you want to know who else use the same software as you do so you can ask questions? This is one of the topics/groups we are trying to get established. What other topics/groups would you like so you can get answers at the dinner meeting? Come to the dinner meeting to find out more about this.

MARK YOUR CALENDARS

Art Werner, Esq presents "Estate & Financial Planning for the Older Client" on Monday, August 21, 2006 at the Pleasanton Crowne Plaza hotel

What you will learn:

*Understanding Medicare and Medigap insurance
Types of life insurance and the issues specific to the elder insured*

Understanding Social Security Issues

Issues surrounding the structure of long-term care insurance

Medicaid planning and its implications with trusts, insurance and annuities

Planning tips using Roth and other IRAs

Special estate planning issues for the older client

Housing and care alternatives

Gifting issues for the older client

8 Hours CPE for EA's and CFP's

Regular Cost \$189.00, includes lunch

Early Bird discount ends July 21 – act now and save!

Call Chapter Office for member prices.

EBAEA AMBASSADORS

In an effort to promote networking and member retention, the East Bay chapter is launching an exciting opportunity. We are looking for Ambassadors to "work" the monthly dinner meetings. The role of the Ambassador is pretty simple: 1) When a new member comes to their first few meetings and is trying to get to know people, be willing to introduce them around, invite them to sit at your table, and include them in conversations. Have you considered yet a way to be involved? Is this something you can do? Well, can you answer warmly when a stranger comes to ask you a question? Can you introduce people? If you said yes, you could be an Ambassador! And best of all, this does not require a once-a-month-for-a-whole-year commitment. Can you do this

for at least 3 meetings a year? This will also be a great way for YOU to meet some of the new members that come in and be instrumental in making them see the benefit of coming back.

If this Ambassador Program sounds like something you can help us with, please contact Judi Gilmer, EA at 925-373-1468, or call the Chapter Office at (800) 617-1040. No one should ever leave a dinner meeting feeling like an outsider. The East Bay Chapter is about Education and Networking, and the first contact for that is at our dinner meetings. You CAN make a difference in another EA's career!

QUICKFINDERS SPECIAL DEAL!

by Diann Gross EA

Due to past difficulties with the deliveries of some of the orders, I had a meeting with the Quickfinders sales people, and I have made special arrangements with them this year. All orders with **our code (Q521)** on them will be **specialty group-priced** and will be **sent directly to you!** (Be sure to use the **GROUP PRICE on your order.**) **The Deadline will be 12/1/2006.** Quickfinders will also be **donating \$5 per book to scholarship at CSEA.** I am sure this will speed things up and be much more efficient for you this way. I urge you to make your orders early using the ***special code: Q521 See special forms below.*** Please call me at (925) 736-3853 voice/fax with questions.

DINNER SUBSCRIPTIONS RENEWAL

The Chapter has a program for convenient and cost-effective registration for dinner meetings – the annual subscription program. Pay in advance and you'll get some nice discounts and you'll never have to worry about calling in late or forgetting to bring your check-book. Here's the details:

Pay for ten dinner meetings (\$35x10 = \$350) and get the eleventh free, PLUS you also get a voucher for \$35 off a Chapter education activity during this fiscal year. That's the equivalent of getting **two** free dinners! You can pay the annual subscription at the July dinner meeting.

STANDING RESERVATION DINNER LIST

Now that the new fiscal year is here, the Chapter office needs to update the Standing Dinner Reservation list. If you are now on the list and would like to be taken off or would like to be put on the list, please call the Chapter office. Those who are on the Standing Dinner list, only have to call the Chapter office when you **can not** attend a monthly Dinner meeting. Note that if you are on the list and **DO NOT** cancel your reservation, you **WILL BE CHARGED** for the dinner we have to buy, regardless of whether or not you attend the meeting. Finally, if you are on this list, please check each month to see if you need to tell us your choice of entrée.

REMINDER - NEW DINNER POLICY

As most of you know the cost of everything keeps going up and we have been trying to keep the price of the dinner meeting low which means we have been losing money. Since that is not a financially responsible thing to do, at the February Board meeting we had a good debate on how to handle the situation. The conclusion was to raise the price of the dinner meeting but to have a larger discount if you register on time. Therefore, the cost of the dinner meeting effective May 2006 is \$45 but there is a \$10 discount if you register by 5:00PM the Friday preceding the meeting. If you have a reservation and need to cancel, you must do so by 5:00PM on the Friday preceding the meeting to avoid being charged. If you register at the door the cost is \$45 as long as there is room (so if you register early, the price is only \$35). **IF YOU MAKE A RESERVATION AND DO NOT ATTEND YOU WILL BE CHARGED FOR THE DINNER WE HAVE TO BUY.**

IN MEMORIAM, PRACTICE FOR SALE

We note with great regret the passing of Chapter member and Past President (1993-1994) James W. Hassing Jr. EA. The following is taken from the Contra Costa Times:

“James died June 6, 2006 in Walnut Creek, CA. He was born in Nebraska and raised in Washington State where he attended Eastern Washington University on a basketball scholarship. After serving for four years in the U.S. Army during World War II, he moved to CA and graduated from Golden Gate University with a degree in Business Administration. He was a tax accountant and the owner of an accounting and tax practice located in Alamo, CA.”

Although a family member is temporarily handling the modest tax and bookkeeping practice, the practice is for sale as a turnkey operation or it can be integrated into an existing practice. Condolences and inquiries may be directed to Jim's office number of (925) 831-8945 or to Lauren Hassing at (925) 708-9746.

GOT TOO MANY CLIENTS? WANT MORE CLIENTS?

Every year, some members hit or exceed their capacity. We just have too many clients and too much work to do. Most of these are good quality clients who have come from good referrals, so we feel guilty about saying “no”. How do you scale back to more reasonable working hours without losing the value of these clients?

If you fit this profile, and you want to turn these clients (and maybe some of next year's incoming referrals) over to another EA instead of some unqualified shmoe down the street, please call the Chapter Office. We will put you in contact with some Chapter members who are looking to grow their practices. Suitability,

compensation and other issues are up to you to work out – we're matchmakers, not marriage counselors!

Similarly, if you are looking to expand your practice, please give us a call and we'll add you to the corresponding list.

NEW EA LOOKING TO HELP YOU

Yvette Koehler, EA (new member) is willing to do your simple easy returns and take them off your hands. Call (925) 735-2407 or email to ykoehler@sbcglobal.net. I thank you very much, Yvette.

IT IS NEVER TOO EARLY TO PLAN AHEAD

Word has come to us that the usual site of the CSEA Super Seminar in Las Vegas – the Stardust Hotel - is scheduled to be demolished and so will not be available in 2007. However the new location will be the South Coast Hotel & Casino and there will be two consecutive Super Seminars. The dates are 6/11/07 – 6/13/07 and 6/14/07 – 6/16/07. Also, there will still be a Super in Reno but the one in Hawaii will be eliminated.

TAX PRACTICE WANTED

EA interested in buying a Tax Practice. Will consider immediately buying part or all of a practice, or a gradual multi-year buy-in transition. Prefer Hayward/Castro Valley/Pleasanton and surrounding areas. Contact mchang402@cs.com

PRACTICE MANAGEMENT GROUP?

by Duncan Sandiland EA

Put any three EAs together, and pretty soon we'll start talking about practice management and clients. Some of those conversations can be extremely informative, but there comes a time when talking just isn't adequate. Over the last few months, a surprisingly large number of Chapter members have asked me if we could get together some sort of discussion group which could travel to different members' offices to see how things worked there. That sounds like a grand idea.

Since most of my good ideas were originally learned from other people and then adapted to my own changing needs, I will volunteer to be the guinea pig in this project. We are looking for maybe a half-dozen members willing to have some Chapter members visit their office, conduct a tour and answer question about office procedures and related topics. I expect we'd visit one office per month or thereabouts until the end of this year, and each visit might take from one to three hours, depending on turnout and questions.

All Chapter members are invited to participate, whether freshly minted, heavily experienced or somewhere in between. We might need to put a limit on how many can comfortably fit into some offices, so please respond early for best selection. Call me at (925) 691-1040 for more details.

AUDIT ON SALE OF RESIDENCE

by Tom Johnston EA

At a recent meeting of the San Ramon/Pleasanton breakfast group, a number of topics were discussed and we all benefited from the experience and wisdom of others in the group. Of particular note were discussions on 1031 exchanges and using property tax rolls to establish fair market value of real estate at a date in the past. I was requested to share with the chapter the following on a recent audit of one of my clients.

The audit involved Schedule D items which included sale of mutual fund shares at a small profit and sale of the client's personal residence. The gain on the sale of the residence was below the \$250,000 Section 121 exclusion amount. Because the sales price was nearly one million dollars, I chose to report the sale on the client's tax return hoping to avoid a CP2000 audit on the large 1099S. Using Lacerte software the sale was reported on two lines of the Schedule D. The first line shows the house sale with sales price and adjusted cost basis and gain, which was around \$50,000. (There was a step up in basis for community property at the death of the husband two years prior to the sale.) The second line on Schedule D shows "Section 121 Exclusion" -50,000. I asked the auditor what triggered the audit and the answer was the large loss on Schedule D.

It appears that it would be better to take a chance with a CP2000 audit and follow the IRS instructions not to report the sale of a residence if the gain is within the Section 121 exclusion amount. My following the IRS instructions would have avoided stress and worry for my elderly client on her first ever audit.

As a side note the auditor thanked me for the copies of the code (Sec. 1014) and regulations (Reg. Sec. 1-1014-1 and 2) concerning step up in basis for community property and the fact that a Form 706 does not have to be filed and payment of estate tax is not needed to get the step up in cost basis. The auditor commented that he had to document everything and justify the "no change audit" with his supervisors who would review the file.

TAXTALK BROCHURES MAILED

by Diane Jaworski-Faulhaber EA

TaxTalk is off and running this year, as you have probably discovered by the brochure in your mailbox. Major thanks go to Julia Nakao, Laimdota Maizitis and LaRee Jensen-Graham for helping with the Tax Talk mailing. Julia edited the mail lists. LaRee labeled the brochures and Laimdota posted them on my Pitney Bowes. It would have taken me two days to do all that on my own, but these three did it all in a few hours. Many hands do make light work, and that gives me more time to work with the speakers and facilities to keep improving TaxTalk. If you do not get your brochure by July 15, please call me at (510) 538-0948 and I'll send you one.

UPCOMING EBAAE CALENDAR

07/19/2006	EBAAE Dinner Meeting Charitable Remainder Trust Frank Acuna Reg. 6:15 pm Dinner 6:45 pm Crowne Plaza Concord Hotel 45 John Glenn Drive Con. CA
08/16/2006	EBAAE Dinner Meeting Crowne Plaza Pleasanton
08/21/2006	Mini-Seminar- Art Werner Esq Crowne Plaza Pleasanton
09/20-2006	EBAAE Dinner Meeting Crowne Plaza Pleasanton
09/21/2006	Town Hall Meeting Stockton
10/18/2006	EBAAE Dinner Meeting Crowne Plaza Pleasanton
11/1-3/2006	Tax Talk Crowne Plaza Pleasanton
11/15/2006	EBAAE Dinner Meeting Crowne Plaza Pleasanton
12/20/2006	EBAAE Dinner Meeting Crowne Plaza Pleasanton

Small Group Tax Meetings

<u>Antioch /Brentwood</u> Brentwood Café, Brentwood Ken Seamann EA	Every Fri 8:00am (925) 634-8297
<u>San Ramon</u> Contact Bonnie for location Bonnie Buhnerkempe EA	2 nd Fri, 7:30am (925) 855-0829
<u>Danville Area</u> Pascals French Oven, 155 Railroad Ave, Danville Michael Power EA	4 th Tues, 9:30am (510) 366-8836
<u>Livermore Area</u> Beebe's Sports Bar&Grill, 915 Club House Dr, Livermore Richard Goudreau EA	1 st & 3 rd Wed, 7:30am (925) 606-6672
<u>Oakland/Berkeley</u> Contact Phil for details and location Philip Fiegler EA	3 rd Fri, 10:30am (510) 530-1174
<u>So. Alameda County</u> Dino's, 1 block W of I-880 on Industrial Blvd, Hayward Sal Romo EA or Walt Thomas EA	1 st Wed, 9:30am (510) 487-1691

2006 - 2007 Board of Directors and Committee Chairs

Web Page <http://www.eastbayea.org>

President: Bonnie Buhnerkempe EA, etc 925-855-0829
1st VP: Thomas Johnston EA 925-828-4500
2nd VP: Walter Nygaard EA, etc 510-547-0440
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Secretary: Peggy Hall EA 925-388-1040
Past President:
Duncan Sandiland EA, etc 925-691-1040
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Barbara Sparks EA 925-634-8630
Norman Madge EA 408-398-5737
Charleen Daefield EA, etc 925-872-4075
1 Year Directors:
Janet Bridges EA 510-538-0401
Judi Gilmer EA 925-373-1468
Joanne Harteau EA 510-683-4688
Eleanor Power EA 510-525-9987
Dagmar Bedard EA 510-537-3883

Communication Committee, (2nd VP)

Chair: Walter Nygaard EA 510-547-0440
Membership: Barbara Sparks EA 925-634-8630
Judi Gilmer EA 925-373-1468
Outreach: (vacant)
Public Affairs: Michael Barrick EA 510-339-7039

Social Affairs: Janet Bridges EA 510-538-0401
CSEA Directors: Thomas Johnston EA 925-828-4500
Walter Nygaard EA 510-547-0440

Education Committee, (1st VP)

Chair: Tom Johnston EA 925-828-4500
Inter-chapter Liaison: (vacant)
Tax Talk: Diane Jaworski-Faulhaber EA 510-538-0948
Program: Philip Fiegler EA 510-530-1174
Charleen Daefield EA 925-872-4075
Scholarship: Norm Madge EA 510-489-8713
Continuing Ed: Joanne Anderson EA 925-938-9086
Mini Seminar Team: (vacant)

Administration Committee (IPP)

Chair: Duncan Sandiland EA 925-691-1040
Audit: Dave Britton EA, etc 510-794-1040
Bylaws/SOP: Sal Romo EA 510-417-9492
Budget & Finance: Walt Thomas EA 510-725-8356
Chapter Off.: Bonnie Buhnerkempe EA 925-855-0829
Legislative Affairs: Lillian Lea EA 510-526-2220
Nominating: Kim Kastl EA 510-537-2122
Strategic Advisory: (vacant)
Bulletin: Eleanor Power EA 510-525-9987
TAX Agency Liaison:
LaRee Jensen-Graham EA 510-601-0409

EAST BAY ASSOCIATION OF ENROLLED AGENTS

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