

2009 Member of the Year

GEORGE FAHKOURI



CALIFORNIA SOCIETY OF TAX CONSULTANTS

REPORTER

Ten years after he joined the Modesto chapter of ISTC George Fahkouri became the Society President. He served two years (2001-2002). Through the years he worked his way up the ladder in both the Chapter and the Society, helping wherever he was needed. He has always been a strong advocate for CSTC and a vital part of the Modesto/Central Valley Chapter. George is the epitome of CSTC, a member who cares and is always willing to help or share information, remembering our motto, "We Care Enough to Share".

George's voice of reason was instrumental while working on the Society By-laws, Audit and Board Development committees. He has been the Northern Representative for the Chapter Assistance committee as well as a speaker for the Northern area. His own unique approach to teaching is usually "hands-on;" i.e., walking through the Quickfinder and the Tax Book at the same time.

Remember the Alamo! Not the battle in Texas but the education in Alamo, California. That is where you will hear from George come this summer. Host of this event since 1998, George designed the event to be set in a casual atmosphere where tax preparers could enjoy quality education while relaxing. Once you've been to the "Alamo" you always want to go back.

Thank you, George, for your dedication and loyalty to CSTC. Of course we do know that all of this would not be possible without Marlene, your devoted wife.

The California Society of Tax Consultants is proud and thankful for your service these past nineteen years. Congratulations on your well deserved honor of being chosen the 2009 Member of the Year.

2010 Officers:

President, Nicole LeBrun
1st VP, Linda Morlang
2nd VP, Sharon Hardy
Secretary, David Eastis
Treasurer, Barbara Marx Cleary
Congratulations! Thank you for your dedication.

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PRESIDENT'S MESSAGE

Dear Fellow CSTC Members,

Thank you for the opportunity to serve as your President for 2009 and 2010. CSTC and Chapter elections are behind us and the new Boards have been sworn in to guide us in 2010. We extend our **“Thank You’s”** to the outgoing Boards for all their hard work and efforts on behalf of CSTC and **“Congratulate and Welcome”** those newly elected and those returning to their Boards. I want to say “Thank You” to the 2009 Society Board of 1st VP Linda Morlang; 2nd VP Shari Hardy; Secretary David Eastis; Treasurer Barbara Marx Cleary; Parliamentarian Ruth Godfrey and Past President Anthony Bustos. “Congratulations” to our newly elected 1st & 2nd VP’s, Linda Morlang & Shari Hardy for winning in their respective categories. The 2010 Executive Society Board will remain the same as 2009.

I’ve had the incredible pleasure of visiting several of the Chapters last year and I’ve enjoyed meeting so many of you that I had not met in the past. Each Chapter has been most gracious in welcoming me to their education programs, giving me the opportunity to listen and talk to our members, as well as allowing me to participate in your Board meetings. Thank you all for your warm hospitality!! Baring any unforeseen circumstances, I plan on visiting the rest of the Chapters in 2010 and look forward to that time with you.

Your Society Board has worked very hard all last year with our Bylaws committee to update our Bylaws and the Policies & Procedures in the Chapter Guide for you. We’ll be continuing that project in 2010 to finish it up. I’d also like to say **“Thank You”** to all of our Chapter committee members who worked so hard for you last year with our Board – there are too many to list in this short space, but you know who you are!! I want you to know how much all your work and efforts have been appreciated. Rose Carter, our CTEC Rep resigned from her position and Karen DeVaney of Central Valley has accepted the position to represent us before the CTEC Board.

Starting in 2010 the CTEC continuing education requirements will now include 2 hours of annual Ethics; 12 hours of Federal; 4 hours of California and 2 hours of Federal or California. There has been much discussion and confusion about renewal registrations changing. Starting October 31, 2012 if a CRTP is late in applying for their renewal, a late fee of \$55 will be charged until January 15, 2013. After that date you will have to start all over by completing the 60 hour basic course again before you can re-register with CTEC AND before you can prepare tax returns again. CTEC was also invited by IRS to participate in their panel for the national tax preparer registration. IRS has just released their proposals in IR-2010-1 and that registration process is now underway. We will keep you updated on that process during the year as the registration program begins. This is another good reason to attend our EA Cram Course offered at our Summer Symposium at the Silver Legacy in Reno from June 6th to 9th !!!

We are still pushing forward on our goal of **“2012 by 2012”**. Everyone should be working towards this goal. Chapters receiving the annual **“Increase in Membership”** awards have been distributed. The first place trophy went to **Temecula Valley**, second place to **South Bay San Diego** and third place to **East County San Diego**. Remember that if you bring in a new member, and you have your name on the application as the “referral”, then you will receive a \$25 education certificate that is good for Society or Chapter education programs. They are valid until December 31, 2012. Save enough of them and you could pay your way to the Summer Symposium or the Tax Bridge!!!

It’s going to be another 1-o-n-g tax season for 2010. I hope you will utilize your **“Yellow Pages”** in our Rosters to help you with those pesky questions from your clients and the uncertainty of what will remain in the “temporary” tax code we’ve been using since 2001. Watch the **“Education Calendar”** on our website for topic programs that suit your needs. Remember, a member of CSTC is given member pricing at any CSTC education program whether it is Society or ANY Chapter sponsored meeting. Don’t forget our “on-line” education programs that are up and running. We have our 4 hour CA class and a 2 hour CA class that will be added shortly. We also offer 2 hours of Ethics that was written by Beanna Whitlock and also has an audio version.

I’d like to express my personal “Congratulations” to our very deserving George Fahkouri (of CV), the newest CSTC “Member of the Year” that was long overdue!! I wish you all a stress free, healthy and prosperous tax season!!

Best Regards, Nikki LeBrun, EA
CSTC President, 2010



ABOUT THE REPORTER

2010 SOCIETY OFFICERS

PRESIDENT.....Nicole LeBrun
 1ST VP.....Linda Morlang
 2ND VP.....Shari Hardy
 SECRETARY.....David Eastis
 TREASURER.....Barbara Marx
 PAST PRESIDENT.....Anthony Bustos

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ADD YOUR LINK TO CSTC'S WEB SITE
Call 714-750-2782

2009 CALENDAR OF EVENTS

5/7, 8	Society Board of Directors Meeting
6/6-9	Summer Symposium, Reno, Nevada
6/10	Leadership Workshop, Las Vegas, Nevada
9/20	Society Board of Directors Meeting
11/15	Society Board Meeting

Fresno Tour

Part Two of Four

By Linda Beckett & Kathy DeMonte

After the mail is sorted, it is transferred to one of the two rooms for further sorting by issue. The size of each room can be compared to that of a football field. These rooms are secured by air-tight sealed glass sliding doors that are opened only by authorized personnel. The employees may not wear hats or take any personal items into these rooms. In these rooms, employees sit at "Tingle tables" which is their workstation. On the table the work surface is rather small. Each table is equipped with a U-shaped shelving unit that has 18 see-through cubby holes each labeled with a description of what type of document is to be placed (i.e. checks, enclosures, amended returns, and correspondence). Each employee is expected to sort 186 pieces of mail an hour. As the employee opens the mail, it is stamped with a document locator number and receipt date, the checks are stamped with "US Treasury," the nature of the document is determined, and placed in the appropriate cubby hole. Another employee periodically picks up the stack of items that have accumulated in the cubby holes and places them into specific mail carts for transport to the next area of processing. It was very interesting to learn that if any currency (even a penny) is found in the envelope, the employee is required to shout "Money" at which time a supervisor will witness the enclosure and log it appropriately. Also, should any foreign substance be found in an envelope, the employee is required to immediately report the finding to a supervisor. No matter what they "think" the substance may be, the entire area is quarantined by air-tight security, the air conditioning is automatically shut down, and access to this area is denied until the substance is identified to be nonhazardous. We were told not to prepare tax returns in the kitchen as the paperwork may pick up powders such as flour, sugar, crumbs, etc. Payments are sorted into "Perfect" and "Imperfect" classifications. "Perfects" clearly identify where the payments are to be applied and can be pre-batched for processing. Pre-batched payments are forwarded to the "Deposit Team" to be balanced and to be prepared for deposit. All deposits are balanced to the penny. "Imperfects" are payments that do not clearly identify where they should be applied and are sent to a special team for research. It is important to insure the following items are included on a check or money order when submitting any payment: Complete 9-digit identification number (SSN or EIN); Year or period for the payment to be applied; Form number for the payment to be applied; Name of the taxpayer for whom the payment is being made

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Fresno Tour — Continued from page 3.

The IRS regularly receives payments by a person on behalf of another taxpayer. In effect, the name on the check or even the name on a money order is not the name of the taxpayer for whom the payment is made. For instance, parents sending in a payment for a child or an individual who pays tax for a corporation or other entity.

Correspondence is sorted into common and uncommon issues. Uncommon issues would go to a “Fine Sort Team.” For instance, an item that has an unknown location for processing or a special legislative item such as the Rebate Recovery would be sorted by this “Fine Sort Team.”

Returns are sorted into “Amended” and “Original.” Amended returns and returns where the entity information is incomplete go to the “Entity/1040X” department. “Entity” information includes data such as name, address, SSN, spouse and dependent info, and filing status. “Original” returns go to the “Code and Edit” department.

The primary duty of “Code and Edit” is to perfect the return for processing. “Coding” uses up to 76 codes which are entered on the paper return for computer processing. “Editing” is necessary because many paper returns are incomplete, contain invalid or misplaced entries, or are computed incorrectly. Employees in the “Code and Edit” department process 77 documents an hour. After coding and editing the return it is sent to the data entry team for input. However, if there are problems with the return it will be sent back to the taxpayer requiring correspondence. These would be items such as missing signature, photocopied signature, missing W-2 Forms and/or schedules, incomplete return, or that the return is illegible. Delays in processing can also be caused by forms and schedules being out of order (see IRS sequence order on the top right of the form under the tax year).

Amended Returns, Original Returns with incomplete information, and Correspondence go to “Entity/1040X” department. Clerks are responsible for sorting all incoming correspondence. They also attempt to identify and correct entity information for processing. When unable to complete entity information or there are missing forms or signatures, correspondence is generated. These are “CP” notices such as CP54 which is an inquiry about name or SSN or CP09 which is an inquiry for Earned Income Credit missing information. “CP” is an acronym for computer program.

Amended returns are now processed using a new program called “JEEDA” which means, “Gee! Duh! Why didn’t we do that before?” This new program separates the amended returns into non-complex and complex issues. The complex issues are sent to “Accounts Management” for further processing and may take up to 9 months for completion. Many complex returns are sent to the Holtsville campus. The non-complex issues can be processed in as little as 30 days at the Fresno campus. Of all Forms 1040X received about 45 – 50% qualify as “easy” (non-complex) by IRS definition. It takes approximately 6 minutes (10 per hour) for a tax examiner to work or enter an easy Form 1040X on the computer system to generate a refund or balance due on the taxpayer’s account. Please note, for non-complex issues you only need to send in the 1040X without attaching a 1040. This expedites processing.

Complex issues include: Change in ITIN to a SSN for a primary or secondary taxpayer; Request for a refund to a temporary address or in another name; A filing status change except single to head of household or head of household to single; A refund with a deceased taxpayer; Health Savings Account, Form 8889; Alimony paid with recipient’s SSN provided; IRA deduction or contribution; Domestic Production Activity deduction, Form 8903

Changes to the Alternative Minimum Tax; Foreign tax credit, Form 1116; Change of employee classification, Forms 4137 and 8919; Schedule H; Non-taxable combat pay election; Changes to estimated tax penalty

Carryback and carryforward claims not related to Schedule D

When sending an amended return that contains complex issues, it is not necessary to send in the entire corrected return with the 1040X. Include with the 1040X only the corrected forms, supporting schedules, and explanations to support the change(s). The IRS will scan the entire return and supporting documents for complex amended returns. This assists IRS personnel with communication and follow-up because they can view the return that was submitted.

Great news! Beginning in 2012, Prior Year Returns may be processed electronically.



WELCOME NEW MEMBERS

East County San Diego

Georgina Nunez, El Centro
Andrew Shaw, San Diego

Greater Long Beach

Timothy Douglas, Sr., Compton
Martha C. Joseph, Norwalk
Erick Sanchez, Harbor City

Inland Empire

Mary Lou Balao, Rncho Cucamonga
Vincent J. Griffith, Murrieta
Melissa Northrup, Chino Hills
Norma A. Vargas, Upland

Member-At-Large

Rola Hajeb, Laguna Niguel
Angie Terzian, Pasadena

North County

Craig S. Fortin, San Diego

Orange County

Gitonga Kanampiu, Santa Ana
Marti Rogna, Mission Viejo
Paul Shisbey, Lake Forest

San Diego

Pati De Palma, El Cajon
Ashley Disharoon, Bonita

Franz Kroellian, Cardiff
Min Leonard, San Diego
Richard Patrick, San Diego
Timothy A. Phariss, San Diego
Bob Schlessinger, San Diego

San Francisco Bay

Richard Martin, San Francisco

South Bay

Cristina Alcantar, Calexico

Temecula Valley

David P. Leonhart, Temecula

24th SUMMER TAX SYMPOSIUM

Will be held at the Silver Legacy Resort, Reno, Nevada on June 6, 7, 8, & 9, 2010. Don't miss the Early Bird registration and sign up by **March 15**, to save up to \$125. We have some new speakers and many requested hot tax topics to aid you in your practice. There will be a Social to start off the event, so plan on getting to Reno early on Sunday, June 6, and plan on staying an extra day for the **Leadership Workshop** that will follow the next day on Thursday, June 10th. Be sure to make your hotel reservations directly with the Silver legacy Resort 1-800-687-8733 **before May 5, 2010** and use the group code of **CSTC10** to receive the room rate of \$64 for single or double. See registration on page 7.

PASS THE WORD

WE HAVE 4 HOURS CALIFORNIA & 2 HOURS ETHICS CE ON LINE

Go to: www.cstcsociety.org and click on the Education Button



REGISTRATION

2010 SUMMER SYMPOSIUM FORM

Name _____ Nickname for badge _____

Address _____

City/State/Zip _____ E-mail _____

Day Telephone () _____ Member of _____ CSTC Chapter

Guest Full Name _____ Guest Nickname for badge _____

Circle One: CRTP EA CPA Other Number: _____

Member.....@ \$390 / \$440 / \$515..... x=\$ _____

Staff.....@ \$415 / \$465 / \$540..... x=\$ _____

Non-Member.....@ \$475 / \$525 / \$595..... x=\$ _____

*Focus Session A, B & C..@ \$75 Total x=\$ _____

Guest@ \$100 x=\$ _____

Any One Day..... x=\$ _____

***Sunday Night Social..... x=\$ _____

(One free ticket per attendee)

***Extra tickets to Sunday Social \$40 x=\$ _____

Dues (\$130) & Initiation fee (\$25)=\$155... x=\$ _____

Comedy Club @ \$13..... x=\$ _____

Join CSTC - Take advantage of the member rate

TOTAL \$ _____

*Focus A, B & C - EA Cram Course Limited Enrollment

Charge my: (circle one) VISA MC

Card No. _____ Sec Code _____ Exp. Date _____

Billing Address _____

Signature _____

REGISTRATION FEES

Full Registration (3 Days)

Postmarked by 3/15/10 By 4/23/10 After 4/23/10

Member \$390 \$440 \$515

Staff \$415 \$465 \$540

Non-Member \$475 \$525 \$595

Any One Day

Postmarked By 3/15/10 By 4/23/10 After 4/23/10

Member \$215 \$240 \$260

Staff \$230 \$255 \$295

Non-Member \$265 \$280 \$340

Surcharges (in addition to other fees)

EA Cram Course \$75 \$75 \$75

*Limited Enrollment

Check here if you require special accommodations.

SESSION SELECTION

Day 1 8:00 - 9:45 _____ 10:00 - 2:50 _____ 3:20 - 5:00 _____
(Select 1, 2, 3 or A) (Select 4, 5 or 6) (Select 7, 8 or 9) **Note: If A or B is selected, it is an all day session - Surcharge - Limited Enrollment**

Day 2 8:00 - 9:45 _____ 10:00 - 2:50 _____ 3:20 - 5:00 _____
(Select 10, 11, 12 or B) (Select 13, 14 or 15) (Select 16, 17 or 18) **Note: If C selected, it is a 4-hour session - Surcharge - Limited Enrollment**

Day 3 8:00 - 9:45 _____ 10:00 - 11:40 _____ 1:10 - 2:50 _____ 3:20 - 5:00 _____
(Select 19, 20, 21 or C) (Session 22, 23 or 24) (Session 25 & 26 General)

Mail Completed Registration Form To:

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12419 LEWIS STREET #106
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(714) 750-CSTC (2782) Fax (714) 750-2722
Email: cstcsociety@sbcglobal.net

GUEST BADGE PRIVILEGES FOR ALL 3 DAYS INCLUDE:

- Free access to the Exposition Area
- Sunday Night Social
- Continental Breakfast * Refreshment Breaks
- Dues **NOT** allow class admittance

YOUR REGISTRATION FEE INCLUDES:

- Educational material for all sessions **except Focus Session**
- Continental Breakfast each day
- Coffee & Refreshment Breaks each day
- Sunday Night Social

Materials for Focus Session - EA Cram Course - will be available at a separate charge.

- NO SMOKING IN MEETING ROOMS • NO SHOW POLICY: NO REFUND • SYMPOSIUM MATERIALS MAY BE REQUESTED
- LIMITED SEATING ALL SESSIONS • REFUND FOR CANCELLATION: Fee less 15% for costs & handling will be made only if requested before May 21, 2010.



California Society of Tax Consultants

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CSTC MISSION STATEMENT

To promote professionalism by providing quality educational events for tax professionals, creating and encouraging networking opportunities for members, and advocating professional standards and positions within the tax industry.

"2012 by 2012"

**CSTC members in good standing
that bring in a new member will receive a \$25
Society Education Voucher for each new
member they bring into CSTC**