

February 2017

NY NATP E-News



2017 NY Chapter Board

Edward Arcara, CPA
Chapter President

George Powers, EA
Chapter Vice President
718-998-3106

Christina Parisi
Chapter Secretary

Christopher Bertuglia,
EA
Chapter Treasurer

Chapter Office:

NY NATP
1129 Front Street
Binghamton NY 13905
800-822-3260
Fax 607-723-1022

Newsletter Committee:

Kathryn M. Keane, EA
Christina Parisi &
Tricia Santana

Contributors:

Dan Paoletti, EA
Roman Bellusci, CPA
Raj Prashad, EA
Michael Novick, EA

Maintaining Equilibrium

By Raj Prashad, EA

The Month of February is usually one of the most challenging months in our profession. It is the month when we become more aware of our sleeping ulcers and our uncomfortable heartburns as they awake within our body with the fury of a storm. As we scurry around to meet the ever-demanding due diligence that our profession demands, it is not unnatural for us to ignore our own well-being in our quest to serve our customers.

Initially when I was asked to write something for a newsletter, I thought that I would expound on some of the issues facing the individuals who are Self-Employed.

As most of us know once you are self-employed, and you have more than a minimal amount of income, (Net earnings in excess of \$400) you will be subjected to Self-Employment Tax of 15.3%. In addition to that, we may have an additional 0.9% percent Medicare tax if self-employment tax exceeds certain thresholds. I wanted to discuss the unique planning opportunities that were available for these types of individuals (compare to those that are employees). Self-employed individuals have a variety of options to save for their retirement while deferring their income tax. Plans such as SEPS, Simple IRA or Individual 401K plans are good topics to start a discussion. I wanted to illustrate and to do a quick comparison with Simple IRA and traditional 401k so that we can help our clients make the right choice. I wanted to talk about the differences and the similarities between them and to emphasize that a firm with 100 or fewer employees can either set up a simple IRA or a Simple 401k and that the maximum deferral for either is \$12500 in 2017 and some individuals may also be eligible for a catch-up provision. I wanted talk about the importance of attending seminars such as those that NATP host so that Practitioners can become familiar with issues such as discrimination testing and the penalties of taking early withdrawal from these types of plans. I feel that in such a competitive environment, we the practitioner need to expand our knowledge so that we can provide better services to our clients.

Continued on next page...

Maintaining Equilibrium Continued

By Raj Prashad, EA

Rather than doing that however, I want to share with you some of my habits as a practitioner that has helped me maintain my equilibrium during these insane months. Here are a few of them, my daily rituals for lack of a better term.

1. I arise every morning around 5:30am with passion for the job that lies ahead of me. I know it will be challenging but I promised in my mind to do my best for my clients and in the process, get paid for my services.
2. I review my task for the day (a list that I created the night before of some of the things I need to accomplish the next day). I try to pick out two or three of the items that I must accomplish before noon of that day.
3. I do a quick review of my appointments to determine if any of my "A" clients are coming in that day. I want to make sure that I am well prepared to discuss their business. ("A" clients are my top clients because I generate more revenue from them than my other clients)
4. I know that once the day gets going it becomes insane so I put aside 5 to 10 minutes every two hrs. for myself. This is an important habit for I feel that a person can improve their mental function and efficiency considerably. Here is what I do. During this time, it is my time, I do not answer the phone or handle any business. I sit on my chair and put my feet on the desk. I closed my eyes and focus on my breathing. (You want to do this so that your thoughts don't get distracted with other tax issues). I try to do this at least three times a day. My health is more important than the client sitting in front of me. If I take care of my health I will have many clients in the future. I like what I do and I want to do it for a long time.
5. I smile and greet every client with passion and at the end of the engagement I ask them for a referral and thank them for their services.
6. At the end of the day, I sit at my desk and create a list of some of the things that I would like to accomplish the next day. I also review my client list from the prior year to see whom I need to send a reminder to.
7. When I arrive at home I leave the day behind I do not dwell on any issues nor do I sacrifice the present moment for anything that happened in the past. Tomorrow is a new day to meet different challenges.

I hope all of you have a great tax season.

Cyber Security & ID Theft Tip of the Month- Passwords!

By Dan Paoletti, EA

A password is a secret word or phrase that must be used to gain admission to something. Unlike the secret phrase you may have used as a kid to enter the neighborhood clubhouse, today's passwords are "digital keys" you use to access your computer, software and internet sites. For this reason, it is critical for the security of your business practice and client data that you not only have strong passwords, but that you protect those passwords, by keeping them discrete and changing them regularly.

How do you create your passwords? Do you use the same one for all your computer software or online sites? Most of us use some combination of our name, birth date, anniversary, address or that of our spouse, or even our kids or pets. While using a password that associates with personal information may help you to easily remember the password, it may put you at risk for a breach of security. Most of this information is available publicly, via social media or a simple internet search. When this information is put into the hands of cyber-thieves, your password can sometimes be easily "cracked." For example, while posting a seemingly innocent picture of you & your spouse on a trip to celebrate your anniversary, a cyber thief viewing that same post can gain knowledge of both of your names, your anniversary date, depending on the information that not only you post, but through information offered by well-intentioned friends and family, such as "Happy 25th Anniversary Bob & Sue!". Next thing you know, you may find yourself in a security breach. Another problem-area that is often unforeseen, is that our passwords can be stolen from those we expect to have high security protocols, like banks or credit card companies. By using a password for your bank account that is the same, or even similar, to your email account, you have just provided a cyber thief with access to two opportunities of theft, instead of limiting it to just one.

Where do you currently store your passwords? On a "cheat sheet" in your desk or wallet? Maybe on your smartphone? All these methods can be easily accessed, lost or stolen. There is a newer alternative that is gaining popularity: the use of a password manager. This is an online service, or cloud portal, that you store your passwords in. The best part about a password manager is that you need to remember only one password, which gains you access to the portal and will automatically log you in to your secure websites! The connection to your online storage portal is a secure connection similar to that when you access your bank account or other financial account. Some of the more popular password managers are LastPass, Dashlane or Sticky Password. Most have free versions!

Continued on next page...

Cyber Security & ID Theft Tip of the Month- Passwords! *Continued*

By Dan Paoletti, EA

To help us effectively manage our passwords, IRS Security Awareness Tax Tip Number 8 1/25/17, offers these tips:

- Longer passwords are safe and more difficult to guess. A strong password should be a minimum of eight characters. It should include a combination of letters, numbers and symbols or special characters. Your password should include at least one uppercase letter, one lowercase letter, one number and one symbol or character.
- Personal information should not be included in your passwords. Names of siblings, children, pets, etc., are generally available on social media, which makes it easier for cyber criminals to figure out your password.
- Avoid using the same password for all of your information systems, accounts or devices. If someone does guess one password, they will not have access to all your systems, devices or data.
- Substitute numbers and symbols for letters in words or phrases to make it more difficult to guess a password.
- Do not share your password, and be careful of attempts to trick you into revealing your password.

In addition to what the IRS has outlined above, there are other suggestions that security experts offer us. The most effective way to achieve consistent security is to change passwords frequently. Consider changing them every 30 to 90 days. Another method is the use of 2-factor authentication, when available. This is where a text or email message with a temporary pass code is sent to the phone number or email address that you have put on file with them, and they use that contact information to send you a verification code. In conjunction with entering your password, they will require you to enter the verification code, ensuring that it is truly you attempting to access the website. Many banking institutions and services, such as Intuit's QuickBooks Online service, are actively using the 2-factor authentication process.

The IRS regularly puts out update bulletins. At www.irs.gov, search on "IRS Security Awareness Tax Tips" for the latest updates on everything Cyber Security and Identity Theft trends.

Look for future installments in this series! We will continue to discuss cutting-edge protections and procedures designed to help us in our tax practices. Questions and comments can be directed to Dan Paoletti at DPaoletti@stny.rr.com.

Education Corner

Tentative Dates for the NY NATP Seminars!

We are currently working to finalize our schedule of classes, please keep an eye out on our website (NewYorkNATP.com) for up to date information.

Before we can give you these dates, we must finalize all locations and sites, get CE approved by the IRS and request approval of our program from NATP. We are working diligently to provide our members an outstanding program. Information will be uploaded as soon as all the arrangements have been finalized.

Mark your calendars! Below is a TENTATIVE schedule of when we will be hosting our Seminars around the state.

Summer Series

Topics Include: NYS Business Topics, including the Life Cycle of a Business and other NYS based topics!

Fall Series:

Topics Include: Tax Season Issues, Education Tax Issues, Retirement, NYS Update

Basic 1040/201

Topics Include: Preparing a Basic 1040/201, Inputting W2, 1099

July/August:

- Saratoga
- Fishkill
- Turning Stone
- NYC
- Long Island

Week of 10/23:

- Turning Stone (An Mtg)
- Fishkill
- NYC
- Long Island
- Rochester
- Buffalo

Week of 11/27:

- Albany
- Binghamton
- Western LI
- Tarrytown

January 2018:

- Buffalo
- Syracuse
- Albany
- Long Island
- Tarrytown

Save the Dates!

National Conference

Washington, D.C August 7-10, 2017

NATP Tax Forums

Atlantic City, NJ September 18-19, 2017

Las Vegas, NV September 26-27, 2017

TENTATIVE NY NATP Annual Meeting

Turning Stone (Verona, NY) Week of Oct 23,2017

Best Practices Tip of the Month

By Roman Bellusci, CPA

What are the ERO's responsibilities with regard to e-signature?

If the taxpayer uses the e-signature option, the ERO must use software that includes identity verification. The software must record the following data:

- Digital image of the signed form;
- Date and time of the signature;
- Taxpayer's computer IP address (remote transaction only);
- Taxpayer's login identification — user name (remote transaction only);
- Results of the identity verification check validating that the taxpayer's ID verification was successful; and
- The e-signature method used to sign the record.

The ERO is also responsible for maintaining a tamper-proof record in a secure, access-controlled storage system for 3 years from the due date of the return or 3 years from the IRS return receipt date, whichever is later. ERO's must be able to retrieve and reproduce legible hard-copies of the signed form.

A REMINDER:
SOMETHING TO LOOK FORWARD TO (?): 2017
EDITION
Michael Novick, EA

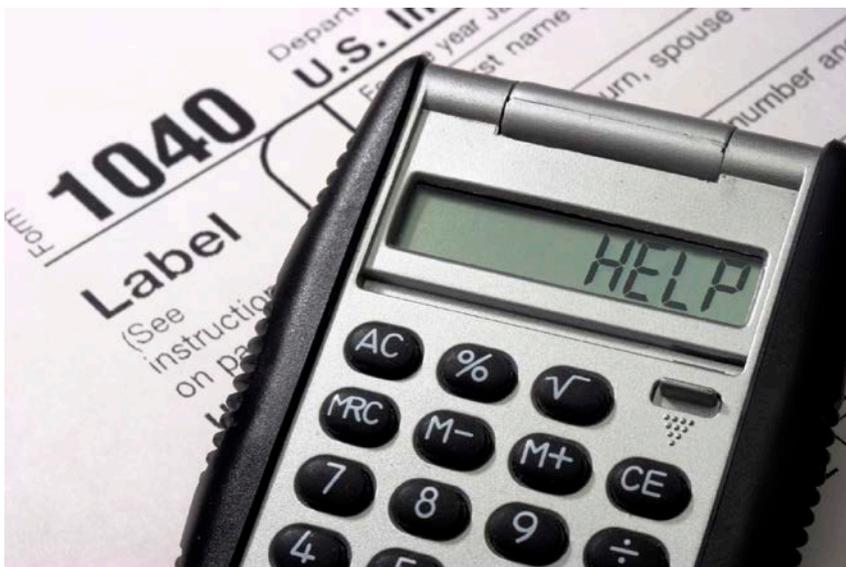
You probably remember that we were “blessed” with 3 additional days of tax season last April. It happened because of the District of Columbia observance known as Emancipation Day which normally happens on April 16. However, because April 16, 2016 fell on a Saturday, Emancipation Day moved back to Friday, April 15. Accordingly, the IRS’ main office was closed and the deadline got extended. Of course, the season can’t end on the weekend and as a result, Monday April 18 was the proverbial red letter day (except in Massachusetts and Maine where they observe Patriots Day on that Monday and their returns were due on Tuesday, April 19.)

Looking to the future, Emancipation Day is going to throw another monkey wrench into the end of the 2017 season. April 16 will be on Sunday and when that happens, Emancipation Day moves ahead to the next day business day which is Monday April 17.

So here we go again. The season can’t end on a weekend so that means April 15 and April 16 are out. It also can’t end on Emancipation Day so that takes care of April 17 as well which means that the deadline (for everyone) will be Tuesday, April 18.

One more note for Jewish practitioners who observe Passover. The 2017 observance begins at sundown on Monday April 10. The 2 Seders will be held on April 10 and 11 (which is not great but we’ve dealt with worse). Work is permitted on the 4 intermediate days of the holiday (sundown April 12 through sundown April 16) but it’s not permitted on the 17th and 18th. OY!!!!

Have fun; I know I will (not).





We want to hear your
**Tax Season
Issues!**

Did you encounter a strange tax issue this past season?

Did you have a taxpayer who asked a tricky tax question that you just couldn't answer?

Did you encounter a tax issue not common in your practice and need some guidance?

Send them to the NYS Chapter!

For the past two years, we have gathered your questions and sticky situations into our Tax Season Issues Module for our Fall Series and it has been a HUGE hit!

For this coming year we would love to keep Tax Season Issues fresh and exciting for our seminars, but we can't do it without your help!

Send your "Tax Season Issues" to Rick Rottkamp at rh1040@aol.com

You may just find the answer in our 2017 Fall Seminar!

The NY Chapter is proud to announce our new website:

NewYorkNATP.com

Visit our website to stay up to date on the most recent developments from NYS DTF, to learn more about our upcoming seminars, catch the newest edition of this newsletter and so much more!

In
LOVE
with
NATP!

In
LOVE
with
NATP!

In
LOVE
with
NATP!

NATP offers so much value to its members that the below NY Chapter Members couldn't wait to participate in the NATP Member-Get-A-Member Challenge.

Alexander Riazanov, EA

Anne DeRienzo

Anthony Mauriello, EA

Bernard J Ruda

Antonio Gianfrancesco

Makeeva Darden

Raymond M Lombardi

Juan F Martinez

Daniel L Coccia, CMA EA

James M Dickerson, EA

Mardochee Louis Besson

Kathryn M Keane, EA

Victoria C Brush, EA

Durpatty Misir

John Fall

Raquel Mateo

Philip Ronzo

Rebecca Patterson, CPA

Richard Rottkamp, EA

Woody A Raymond, EA

Joseph E Rodriguez

Want to participate?

To start recruiting, send your friends to NATP's [Join page](#), or download the [enrollment form](#) to pass along.

Why not get rewarded for sharing all of these great perks with others?

Complete information and a listing of Prizes is available at:

<https://www.natptax.com/MemberCenter/MemberRecognition/Pages/Member-Get-a-Member.aspx>

NY Chapter of NATP

1129 Front Street
Binghamton NY 13905
800-822-3260
607-723-1022 Fax

PHONE:
800-822-3260

FAX:
607-723-1022

E-MAIL:
nynatpstateoffice@att.net

**NY Chapter
Founders Award
Past Winners**

Ralph Sommers
2013

Wendy C. Loomis
2014

Karl Herba
2015

Dwayne "Rocky"
Rhodes
2016

We're on FaceBook!
Search for NY NATP!



Is there something you want to see in this newsletter?

Let us know!

We are always looking for fresh ideas and new articles for our newsletter. Please email info@macanta.com or Fax (718) 998-3156 with any suggestions!