

President's Message

Alexander B. Thomson, EA, CFP

It's hard to believe that another year has arrived and tax season has begun. The next couple of months will pass with days full of long hours and lots of hard detailed work. Before I send out a few more organizers and run a software update, I would like to recap some VASEA activities from the winter and take a look ahead to what is planned for the spring.



In October our *Current Tax Issues Seminar* was held in Richmond. The new date and location were well received by a record number of attendees. In 2010 this seminar will be held at the same location on October 26th.

Your VASEA Board of Directors continues to work on your behalf. At board meetings in October and January we recommitted to providing first class educational sessions to our members at a reasonable cost, through-out the state.

As part of that effort, VASEA has announced its partnership with GEAR-UP to present five 2-day 1040 Seminars, two 2-day Business Entities Seminars, one Individual Tax Update, one Assisting Small Business A-Z Seminar and one Federal Tax Update in 2010, (see detailed schedule and locations of educational sessions in this newsletter).

The Education Committee (chaired by Kenneth Whitley, Sr., EA) has put together a super program and scheduled a number of premier speakers for the Spring Seminar to be held in June in Fredericksburg. This year's Spring Seminar is sure to rival last years, which was called the "best ever" by some attendees. Our SEE classes (taught by *Barry Iacono, EA, CFP* and *William Robbins, EA, CFP*) are starting a new season with strong enrollment and a high rate of success by those taking the exam.

The Membership Committee (chaired by *Alisa Lam, EA*), with support from Administrator *Heather Greenwell*, continues to recruit new members, including a comprehensive mailing to over 900 tax professionals in Virginia. Additionally the Board

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VASEA Leadership

President	Alexander Thomson, EA, CFP
Vice President	Rosemary McMahon, EA, CPA
Secretary	Kenneth Whitley, Sr., EA
Treasurer	Barbara Taylor Roe, EA

Directors

Diane Beverly, EA	Jim Lam, Sr., EA
Julie Compton, EA	Gerald Machek, EA
Rebecca Donehew, EA	Steve Rue, EA, CTRS
Alisa Lam, EA	

Chapter Presidents

Blue Ridge	William Barbour, EA, ATA, ATP
Fredericksburg	Gerald Machek, EA
Hampton Roads	George Walsh, EA
Northern Virginia	Anne Uno, EA, CFP
Richmond	Jeffrey Bruce, EA

approved a joint effort with NAEA to offer a half-price one year membership to new individuals in Virginia who join by January 31st.

Our Government Relations Committee (chaired by *Steve Rue, EA, CTRS*) worked with the Virginia Department of Taxation on the now concluded state tax amnesty, and continues to keep enrolled agents in play as tax policy and legislation evolve in Richmond.

Director *Diane Beverly, EA* was successful in getting some good publicity for VASEA in interviews she did related to the release of the new *IRS Regulation of Preparers* program. Director *Gerald Machek, EA* has been working with Heather Greenwell to upgrade our website and on-line presence. VP *Rosemary McMahon, EA, CPA* and Treasurer *Barbara Taylor Roe, EA* are working with our auditor to make sure a full financial report can be provided to the membership in June.

In December we learned of the passing of Jim Reames, EA. Jim was a member of the Northern Virginia Chapter. He gave generously of his time, and worked his way up the volunteer ranks to serve as President of VASEA (1993-1995) and President of NAEA (1996-1997). In January the VASEA Board established the "Jim Reames Scholarship Fund" to provide grants to applicants who are studying to take the SEE. Our hope is that scholarships made in his name to aspiring enrolled agents will honor his dedication and commitment to our profession. VASEA members who wish to make contributions to this scholarship fund can send them to "**VASEA- Reames Scholarship**" at our Richmond office.

AT NAEA

In November the NAEA Affiliate Presidents Exchange (APEX) and the NAEA Board of Directors met in Arlington. *Rosemary McMahon, EA, CPA* and *Heather Greenwell* represented VASEA at APEX while I attended the Board sessions. The exchange of ideas and resources continue to strengthen both NAEA and the state societies. NAEA announced that the National Tax Practice Institute (NTPI) will be held in Las Vegas at the Mandalay Bay Hotel, August 8-11. The board approved the addition of new educational sessions at NTPI which will expand the representation program to include **preparation** and **practice management** classes.

During the November meetings, *Doug Shulman*, IRS Commissioner spoke to a luncheon of all attendees. In his remarks he said "EA's have made their point" regarding the regulation of return preparers and indicated that the forthcoming regulations would include all four pillars of the NAEA proposal, (initial competency testing, continuing education, OPR over-site and public education).

REGULATION OF PREPARERS

On January 4th, the IRS released the results of Commissioner Doug Schulman's [Return Preparer Review](#). NAEA played a significant role shaping this process, with 5+ years of lobbying Congress and the IRS and serving as a resource as the Commissioners plan was prepared. The monumental changes that flow from the report will alter the face of professional tax return preparation forever.

The newly regulated preparers will need a place to study for their initial testing, get continuing education, and network with fellow professionals. We expect many to bypass the new regulatory scheme by taking the SEE and becoming enrolled agents. Both VASEA and NAEA have been making plans to accommodate an increase in membership. While this influx of new members will give us greater strength, a bigger voice and new revenue, to be successful we must continue to provide 1st class educational opportunities and services that justify the cost of membership. The next few years will be challenging for our association leaders and members as the rules and procedures for preparer regulation evolve.

A CLOSING THOUGHT

A decade or two ago a piece called "The World of 100" circulated to illustrate the diversity of the people who inhabit Earth. I came across a similar article recently which updated that information as compiled by a study from the University of Wisconsin.

The World of 100 People	
50 are female	8 speak Hindustani
50 are male	8 speak English
	7 speak Spanish
20 are children	4 speak Arabic
80 are adults	4 speak Russian
14 of which are over 65	52 speak other languages
61 Asians	89 are heterosexual
12 Europeans	11 are homosexual
13 Africans	
14 Western Hemisphere	82 can read & write
	18 cannot
27 are White	
73 are non-white	18 are undernourished
	15 are overweight
31 Christians	
21 Muslims	83 have access to safe drinking water
14 Hindus	17 do not
6 Buddhists	
28 Other or None	
17 speak Chinese	1 has a college education
	1 owns a computer

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Debate on public issues has become increasingly divisive. Politics has become more partisan. Reports of hate crimes are on the rise in some parts of our nation. While we can't change these things overnight, every one of us has an opportunity to do our part. If we look at what the World of 100 would look like, the need for tolerance, acceptance, compassion and education is clear. We should never forget the advantages we have in this great country.

When the day is done, what we leave behind is not what is written on our tomb stone, it is what is woven into the lives of those we have touched. Winston Churchill said "We make a living by what we get, we make a life by what we give."

My warm wishes to each of you for a smooth and prosperous tax season. If I can be of any assistance please give me a call, and I look forward to seeing you at our Annual Meeting in June.

Warm regards,

Al



Welcome New Members and Associates!

Eleanor Blayney, EA
McLean, VA

Joon Chi, EA
Stephens City, VA

Shirley Decker
Chesapeake, VA

Clarence Elliott, EA
Richmond, VA

Betty Gardner, EA
Woodbridge, VA

Joseph Gates, Jr.
Norfolk, VA

Stephen Michael Glass, EA
Goodview, VA

Gary Hamilton
Mauertown, VA

Karen Koontz, EA
Fredericksburg, VA

Han Kwahk, EA
Chantilly, VA

Donna McReynolds, EA
Virginia Beach, VA

Kyoung Moo Lee, EA
Annandale, VA

Linda Passaro, EA
Virginia Beach, VA

Franke Paulett, EA
Midlothian, VA

Andrew Pernell, EA
Glen Allen, VA

Terry Plaughter
Stafford, VA

Donna Reed, EA
Alexandria, VA

Paula Marie Thoresen, EA
Woodbridge, VA

Paul Veres, EA
Falls Church, VA

Lydia Weston, EA
Stafford, VA

Adeel Zafar, EA
Manassas Park, VA

Tri-State Books for Sale

The 21st annual Tri-state Seminar, hosted by the Northern Virginia Chapter, was held January 23, 2010. The seminar went well, and we received excellent reviews from this year's participants. While we had a record attendance this year, we still have a few case books left which we would like to offer for sale at \$75 each.

The case book contains 9 different tax scenarios for Virginia, Maryland and the District of Columbia. Each scenario includes tax returns for the state jurisdictions, accompanied by a detailed narrative explaining the tax treatment by each jurisdiction. The case book also includes a tri-state comparison chart which summarizes the 2009 tax laws for Virginia, Maryland and the District, including state conformity and non-conformity with recent federal legislation.

If you would like to purchase a Tri-State book, please contact Sherry Loop via email at swloopea@aol.com.

Speakers Bureau Update

by Rosemary McMahon, EA, CPA

The Speakers Bureau is a joint venture between members of the Virginia Society of Enrolled Agents and the IRS Stakeholder Liaison – Field (SL) section. Our volunteers have presented the Small Business Workshop to several small business groups throughout the state in 2009. The Workshops are off to a great start with the help of more than 33 VASEA members who have signed up to be presenters!

Wayne Coughenour, EA and Al Walker, EA, both of Richmond, spoke to two different groups sponsored by the Better Business Bureau of Central Virginia in October and November 2009. If you're interested in presenting a workshop through the Better Business Bureau in your area, you can find your local contact at www.BBB.org.

Cyndie Jeanguenat, EA gave two presentations to participants from the Hampton Roads Small Business Development Center. She is also working with a bank in her area to bring the workshops to the bank's small business clients. If your bank caters to small businesses, you may want to talk to the manager of your branch to see if they'd be interested in sponsoring a workshop in your area.

In Northern Virginia, Tom Butler, EA, met with the Executive Director of the Loudoun County Small Business Development Center. They are planning workshops for their small business clients for 2010. There are Small Business Development Centers in each region of the state. To find the one closest to you, visit www.asbdc-us.org.

We have contacted the Small Business Development Centers in Warsaw and Fredericksburg, VA and plan to contact more in the coming year. If you have relationships with the SBDC in your area, we'd like to hear from you.

Ley Mills, IRS Stakeholder Liaison, and Rosemary McMahon, EA presented the Small Business Workshop seminar to attendees at the Northern Virginia Community College (NVCC) in August. Ley has four more workshops scheduled at NVCC for 2010. Anyone signed up for the Speakers Bureau in Northern Virginia is welcome to speak with Ley at the NVCC seminars this year. Just let us know if you're interested.

Many community colleges sponsor small business workshops. They typically have representatives from the Small Business Administration, local banks and business finance centers, and the federal, state, and local governments come to disseminate information that is beneficial to people who have already started a small business or those who are planning to start a business.

Local Chambers of Commerce are also a great place to promote the Workshops. If you are a member of the Chamber of Commerce in your area and think they'd be interested in the Small Business Workshop, please let us know.

We have a Power Point presentation prepared for the workshops and have access to IRS publications and other handouts that we can get to you.

We appreciate your interest in the Speakers Bureau. As we've said before, this is a win-win proposition for Enrolled Agents, the IRS, and the small business community. We look forward to hearing from you. You may contact Rosemary McMahon at roy@mcmahoncpa.com or (703) 272-8840.



Left to right: Ley Mills, IRS Stakeholder Liaison, Rosemary McMahon, EA, CPA, VASEA Vice President, Barbara Lindahl, IRS Stakeholder Liason.

Technology Committee Update

by Gerald J. Machek, EA, Technology Committee Chair

I hope our members have noticed the recent improvements to our website. The main page was too cluttered and needed less verbiage. You can now register for events with your own login, the chapter meetings are posted in a timely manner, and a calendar of events will be added soon. The newsletter will now be emailed as well as being posted on the website. Improvements have been made but it remains a work in progress.

One thing that should certainly be on everyone's mind is security. As a Circular 230 professional, you are required to protect the information you store in your offices and computers. Also, you are now required to password protect all electronic transmissions in accordance with IRS regulations. Several products come to mind to accomplish this encryption: WinZip and Adobe Professional. I have used both with success. Any correspondence to your clients must also be sent securely and strong password protection assures that this is accomplished.

On last note on computers, by now most of us have used tax software for many years. I have stopped creating paper copies to fill up file cabinets. My tax software comes with its own document management system. I send my file copy of the completed return my DMS, I scan in W2's, 1098s, 1099's and other supporting documents and maintain them there. Additionally, I now create a "new client" file for my payroll clients in the DMS software when I do not prepare their tax returns. Tax software has really matured and permits us to keep a permanent file copy without generating a warehouse of paper. You should really consider the savings and benefits of a good scanner and DMS program.

Jim Reames Memorial Scholarship

As many of you may know, Aaron G. "Jim" Reames passed away late last year. Jim was well-known in the VASEA community. He generously gave of his time, working his way up the volunteer ranks to serve as President of VASEA (1993-1995) and went on to volunteer at the national level and served as President of the NAEA (1996-1997) as well.

In honor of Jim and his contributions to the EA profession, we are proud to announce a special scholarship program for VASEA's Special Enrollment Exam (SEE) Review Course.

We are accepting donations to the scholarship fund from anyone who would like to contribute in honor of Jim. Your donation would be appreciated and will help support an EA candidate in passing the SEE. All funds received by March 1, 2010 will be awarded to deserving individuals for the 2010 SEE Review Courses which will begin in May 2010. Over \$600 has been raised so far.

Please send donations made payable to the Virginia Society of Enrolled Agents with a notation in the memo section "Reames Scholarship Program" to:

Virginia Society of Enrolled Agents
Attn: Reames Scholarship
2415 Westwood Avenue
Richmond, VA 23230

Anyone wishing to apply for a scholarship in the future may request an application form from the VASEA Administrator, 2415 Westwood Avenue, Richmond, VA 23230.

Thank you for your support and if you have any questions, please call Heather Greenwell, VASEA Administrator at (804) 340-5225 or 1-800-344-8732 toll-free.

2008-2009 VASEA Financial Reports

Barbara Taylor Roe, EA, VASEA Treasurer

Following are the balance sheet and profit & loss statements for the 2008-2009 fiscal year. VASEA is committed to open and transparent governance of the Society. You may now access Society financial information on the “members only” section of the website. To login to the “members only” section of the website, use your email address as your username and Password1 as your temporary password if you have never logged in before. Always feel free to call the VASEA office at (804) 340-5225 or 1-800-344-8732 if you have any trouble accessing the website.

Virginia Society of Enrolled Agents	
Balance Sheet	
As of June 30, 2009	
	Total
ASSETS	
Current Assets	
Bank Accounts	
Cash in Bank - VASEA	97,422.74
Other Cash - Chapters	63,090.48
Petty Cash	150.00
Total Bank Accounts	\$ 160,663.22
Other Current Assets	
Inventory for Resale	500.00
Total Other Current Assets	\$ 500.00
Total Current Assets	\$ 161,163.22
Fixed Assets	
P & E - Cost	3,489.00
P & E - Depreciation	-3,489.00
Total Fixed Assets	\$ 0.00
TOTAL ASSETS	\$ 161,163.22
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-5.87
Total Accounts Payable	-\$ 5.87
Credit Cards	
Capital One - Heather Greenwell	71.44
Total Credit Cards	\$ 71.44
Other Current Liabilities	
Sales Tax Payable	-91.38
Total Other Current Liabilities	-\$ 91.38
Total Current Liabilities	-\$ 25.81
Total Liabilities	-\$ 25.81
Equity	
Net Assets - Chapters	63,090.48
Retained Earnings	113,977.63
Net Income	-15,879.08
Total Equity	\$ 161,189.03
TOTAL LIABILITIES AND EQUITY	\$ 161,163.22

Profit & Loss Statement for FY2008-2009

Barbara Taylor Roe, EA, VASEA Treasurer

If you have any questions about the Society's Balance Sheet or Profit & Loss statements, please feel free to contact the VASEA office at (804) 340-5225 or 1-800-344-8732 or email admin@vasea.org.

Virginia Society of Enrolled Agents	
Profit & Loss	
July 2008 - June 2009	
	Total
Income	
Fee Income	90,450.85
Membership Receipts	36,224.90
Merchandise Sales	1,285.54
Sales Tax Discounts	4.57
Total Income	\$ 127,965.86
Expenses	
Bank Charges (Merchant fees)	3,297.05
Conference fees	105.00
Cost of Sales	1,695.00
Dues and Subscriptions	34.95
Fees	101.06
Gifts	1,019.72
Hotel and Lodging	43,243.48
Insurance	500.00
Licenses and Taxes	134.85
Meals & Entertainment	1,980.65
Mileage Reimbursement	4,723.11
Miscellaneous	1,053.44
Office Supplies	1,188.94
Postage	4,275.55
Printing	7,010.63
Professional Fees	45,960.00
Promotion	713.64
Rent -Storage	1,020.00
Reproduction	622.00
Speakers Fees & Costs	17,471.64
Supplies	3,486.82
Telephone	6,128.55
Website Management	111.75
Total Expenses	\$ 145,877.83
Net Operating Income	-\$ 17,911.97
Other Income	
Interest Income	2,032.89
Total Other Income	\$ 2,032.89
Net Other Income	\$ 2,032.89
Net Income	-\$ 15,879.08

Special Enrollment Exam (SEE) Review Courses

Plan Now for Spring 2010!

VASEA is committed to promoting the EA designation and providing assistance to EA candidates in their efforts to pass the Special Enrollment Exam. This is the third year that VASEA has partnered with Gleim to offer a 15-Week SEE Review Course that combines online course work with live classroom instruction.

This year we were able to offer the program in Virginia Beach, Fredericksburg, and Vienna. Our instructors are Barry Iacono, EA, CFP, Gerald Machek, EA, and William Robbins, Jr., EA, CFP, respectively.

We have received positive feedback on this program and plan to offer it again next year. However, we need at least 4 students to start a class. Class locations will be determined by student concentration levels. For example, if we have 4 students in Williamsburg, we will put a class together in Williamsburg. Our goal is to start classes in May so they do not conflict with tax season.

If you or anyone you know is interested in participating in an SEE Review Course in 2010, **please let us know now** so we can start putting classes together. Please contact Heather Greenwell, Society Administrator, 1-800-344-8732, admin@vasea.org or Barry Iacono, EA, CFP at (757) 671-7000, biacono@barryiacono.com.

2009 Current Tax Issues Seminar

A picture is worth 1,000 words!



1: Loren Johnson of the IRS presents at VASEA's 2009 Current Tax Issues Seminar in Richmond. 2: Pat Inman, EA and Sherry Loop, EA arrive for the conference ready to learn. 3: Brenda Hayes, EA, Winston Macon, EA and Jill Davies, EA network during the refreshment break. 4: Thom Oldis, EA asks Felicia Jones of the Virginia Department of Taxation questions about return filings.

VASEA Announces Partnership with Gear Up

In addition to VASEA's Spring Seminar and Current Tax Issues Seminar, the Society is pleased to announce its partnership with Gear Up to provide further outstanding tax CPE to its members and associates throughout the Commonwealth. Gear Up is a nationally networked CPE provider with 37 years experience providing tax CPE to professionals like you. **As part of our partnership with Gear Up, VASEA members receive a 10% discount off the normal seminar prices.** In addition, VASEA receives a royalty for each member that attends making your participation in a Gear Up seminar a win-win-win for you, Gear Up, and VASEA. Please review the calendar of events on page 10 of this newsletter for the list of Gear Up seminars we will be offering in 2010. We hope you will support VASEA's new partnership with Gear Up!

Nominating Committee Report

The Nominating Committee is pleased to present the following slate of nominees for election at the June 4, 2010, Annual Business Meeting at the Fredericksburg Convention & Expo Center:

President	Rosemary C. McMahon, EA, CPA
Vice President	Steve Rue, EA, CTRS
Secretary	Kenneth W. Whitley, Sr., EA
Treasurer	Gerald J. Macheck, EA
Directors – 2 year term	Jeffrey S. Bruce, EA Julie M. Compton, EA Edward P. Griffing, EA George Walsh, EA
Directors – 1 year term*	Barbara Taylor Roe, EA

Individuals who will remain on the Board are:

Directors	Diane Beverly, EA James E. Lam, Sr., EA
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*Steve Rue, EA, CTRS is currently a Director on the VASEA Board. He will have just completed the first year of his two-year term at the time of the election in June. Barbara Taylor Roe, EA has been nominated to complete the second year of his two-year term should he be elected Vice President.

The Nominating Committee members are: Cynthia M. Jeanguenat, EA, Chair; Deborah Gladden, EA, Nancy H. Lynch, EA, Winston A. Macon, EA.



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Phone: (804) 340-5225 / (800) 344-8732
Fax: (804) 288-3551
Email: admin@vasea.org
Website: www.vasea.org

2010 Calendar of Events

Wednesday, June 2, 2010

VASEA Board Meeting, Fredericksburg, Virginia

Thursday-Saturday, June 3-5, 2010

VASEA Spring Seminar (22 hours CPE)
Fredericksburg Convention & Expo Center, Fredericksburg, Virginia

Wednesday, June 16, 2010

Gear Up Individual Tax Update Seminar (8 hours CPE), Reston, Virginia

Thursday, June 17, 2010

Gear Up Assisting Small Business A-Z Seminar (8 hours CPE), Reston, Virginia

Thursday-Friday, August 26-27, 2010

Gear Up 2-Day Business Entities Seminar (16 hours CPE), Fairfax, Virginia

Wednesday-Thursday, November 18-19, 2009

NCPE 1040 Individual Income Tax Workshop (16 hours CPE)
Crowne Plaza Dulles Airport, Herndon, Virginia

Wednesday-Thursday, October 6-7, 2010

Gear Up 2-Day Business Entities Seminar (16 hours CPE), Tyson's Corner, Virginia

Wednesday-Thursday, October 20-21, 2010

Gear Up 2-Day 1040 Seminar (16 hours CPE), Tyson's Corner, Virginia

Tuesday, October 26, 2010

IRS/VA Department of Taxation Current Tax Issues Seminar (8 hours CPE)
Crowne Plaza Richmond Downtown, Richmond, Virginia

Thursday-Friday, October 28-29, 2010

Gear Up 2-Day 1040 Seminar (16 hours CPE), Roanoke, Virginia

Thursday-Friday, November 4-5, 2010

Gear Up 2-Day 1040 Seminar (16 hours CPE), Norfolk, Virginia

Thursday-Friday, November 18-19, 2010

Gear Up 2-Day 1040 Seminar (16 hours CPE), Fredericksburg, Virginia

Friday, December 3, 2010

Gear Up Federal Tax Update Seminar (8 hours CPE), Falls Church, Virginia

Thursday-Friday, December 16-17, 2010

Gear Up 2-Day 1040 Seminar (16 hours CPE), Reston, Virginia