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The OSCPA Educational Foundation is proud to be associated with so many giving accounting professionals, and it asks that you continue giving back to your profession. Some facts about The OSCPA Educational Foundation:

- 58 scholarships totaling \$107,525 awarded to students in 2011
- More than \$1.3 million in scholarships awarded to 900 students since the Foundation's inception in 1985
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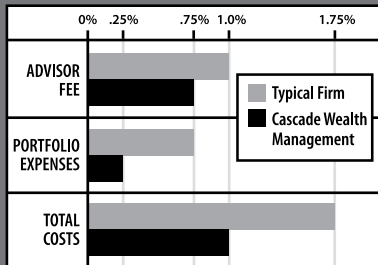
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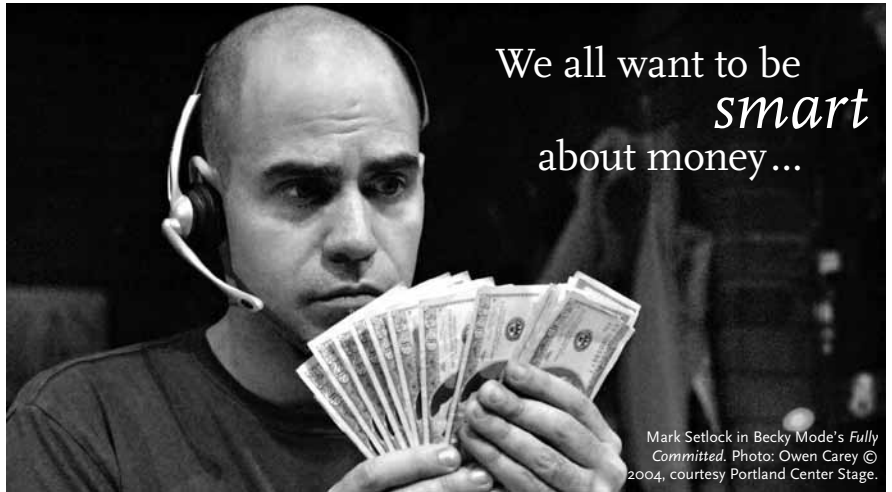
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Mark Setlock in Becky Mode's *Fully Committed*. Photo: Owen Carey © 2004, courtesy Portland Center Stage.

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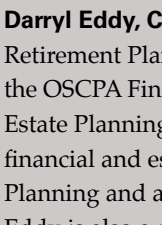
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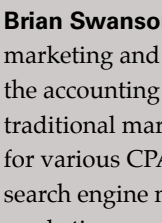
Jim Buttonow, CPA, is the cofounder and vice president of product development of New River Innovation and serves as chief architect of Beyond415™, a web-based application that enables tax professionals to manage their clients' post-filing compliance. Buttonow is a 19-year IRS veteran with expertise in IRS practice and procedure. While with the IRS, he led multifunctional teams stationed across the U.S. in the areas of examination, collection, filing, and appeals. He writes a popular blog, *IRSMind*, which provides practical solutions to IRS matters, and his postings have appeared in the Wall Street Journal. Contact him at jbuttonow@NewRiverInnovation.com. His article, *The Pressure Mounts*, appears on Page 16.



Darryl Eddy, CPA/PFS, CFP is the current chairman of the OSCPA Retirement Planning Conference Team. He is also a member of the OSCPA Financial Planning Knowledge Network group and Estate Planning Conference Team. His practice focuses on taxation, financial and estate planning. He is a Certified Specialist in Estate Planning and a member of the Estate Planning Council of Portland. Eddy is also a registered representative and licensed investment advisor with HD Vest Financial Services. He is a member of the firm Jarrard, Seibert, Pollard & Co. LLC in West Linn and can be reached at (503) 723-7600 or darryl@jscpas.com. His article, *'Wake Up! Hey, Wake Up to a Happy Day!'*, appears on Page 23.



Ryan Northcutt, CPA, is a senior audit manager in the financial services group of AKT LLP. Northcutt has 15 years of experience working in public accounting after graduating from Oregon State University. He works extensively with growing entrepreneurial companies and enjoys helping clients solve strategic business and accounting issues. He specializes in consulting on business growth, risk management, retirement plans, and technical accounting research. Northcutt works with clients primarily in the manufacturing, distribution, and automotive dealership industries. His article, *Ethical and Legal Engagement Considerations*, appears on Page 26.



Brian Swanson is a Principal with Flashpoint Marketing, a marketing and lead generation company focused on serving the accounting industry. He has over 14 years of experience in traditional marketing, business development and lead generation for various CPA firms across the United States. Swanson is also search engine marketing certified and focuses on providing mobile marketing programs and accounting firm SEO services. He has two articles in this issue, *Four Search Engine Optimization (SEO) Secrets that Drive Traffic*, on Page 32; and *Search Engine Optimization (SEO) Conversion Strategies*, on Page 34.



Publisher

Oregon Society of CPAs

Mailing address

PO Box 4555 / Beaverton, OR 97076-4555

Location

10206 SW Laurel St. / Beaverton, OR 97005-3209

503-641-7200 / 1-800-255-1470 • Fax: 503-626-2942

www.orcpa.org / oscpa@orcpa.org

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Nikki Kobliha

It's hard for me to believe that fall is already here and that 2011 is almost over. Each year seems to go by faster; especially as I watch my kids grow up. Fall is one of the busiest times for me with the kids heading back to school. It truly becomes a juggling act to try and get homework done, make it to soccer practice and games on time, fix a healthy dinner and even just find time to sit and talk about our day.

At work, my team is busy preparing our annual budget, oftentimes working long hours to get things done that come in at the last minute. So all those things I mentioned about the family are usually performed by my husband until I can get a little relief in my schedule. Work-life balance really becomes a stretch for me, particularly when it comes to finding time to volunteer or even spending time on one of the hobbies I enjoy. Somehow I manage to make it work. September is by far my busiest month of the year and I am very glad to see it is over!

I know there are many of you out there just like me who manage to juggle numerous commitments, including volunteering for a worthy organization or involvement in a unique hobby. We would love to hear more about you and your life inside or outside of work. You might recall seeing articles in prior magazines where we learn a little bit more about our members.

We Want to Tell Your CPA Story

I was featured in an article immediately preceding my appointment as chair in which you got to know a little more about me and my family.

The July/August 2011 magazine featured an article about one of my fellow board members, Ryan Smith, in which we learned you can find an accounting job associated with a sport you enjoy. Ryan is the Chief Financial Officer of Nike Golf, for those of you who missed the article. In this month's magazine you won't want to miss the profile on Suzanne Taylor. Suzanne, who works for the not-for-profit health care provider Legacy Health, has been active on the Not-for-Profit Strategic Interest Team since 2008 and was appointed to our board this past April. Do you remember Dave DeLap? He was featured in December 2009, and we learned accounting runs in his family with his grandfather having founded Delap LLP in 1933. How about Nina Martin from the July/August 2009 magazine? Nina works at Pittman & Brooks PC, where they have an on-site daycare and flexible hours during the off-season.

These are just a few examples that demonstrate there is more to the average CPA than meets the eye and we want to know more about each and every one of you. I know it can be difficult to write about yourself, particularly something that praises the hard work you might be doing for a worthy organization. The staff at the Society is happy to conduct an interview or provide questions via email that prompt you to think about what to say. If you or someone you work with is a candidate for a magazine profile, please contact

Cam Sivesind, editor of *The Accountant*, at csivesind@orcpa.org.

If you are not ready to be profiled, how about submitting an update for the "Members in Motion" section? These brief snippets are a great way to highlight a particular accomplishment. Please consider taking a few moments for us all to get to know you better. Send your Members in Motion news items (and photos) to Joel Weiler, assistant editor, at jweiler@orcpa.org.

Finally, I would like to remind you about our upcoming 2011 Fall Professional Issues update on Thursday, Dec. 8, at the Oregon Convention Center. You might remember this update as our Town Hall or Tour Stops where a team of board members and other hot topic experts traveled throughout the state stopping in various locations to provide local, regional and national updates. While we enjoyed this format, it wasn't always possible for the expert on a particular topic to make all the scheduled stops. Effective with last fall's Professional Issues Update, we changed the format to have one session at the Convention Center in Portland that would be simultaneously webcast for those who could not make it in person. No matter where you are, you can join us for this invaluable update. Visit www.orcpa.org/fall_piu for more information and to register. See the full lineup of speakers and topics on Page 21. I look forward to seeing you there.

As usual, feel free to contact me at any time at ChairNikki@orcpa.org. ☺



Haley Fish



Julie Fahey



Lauren DeLorenzo



Monica Parker



Chris Telfer



Tim Gillette

Pittman & Brooks PC in Portland was listed among the 2011 Best Accounting Firms to Work For by *Accounting Today*.

Talbot Korvola & Warwick LLP in Portland promoted **Haley Fish** to Audit Manager and **Lauren DeLorenzo** and **Monica Parker** to seniors. The firm also announced that **Julie Fahey**, Senior Audit Manager and **Tim Gillette**, Partner, received the Certified Fraud Examiner (CFE) designation from the Association of Certified Fraud Examiners.

Kernutt Stokes LLP in Eugene announced the promotion of **Chris Palmer** to Level Two Associate and **John Mlynczyk** to Manager.

Hoffman Stewart & Schmidt PC in Lake Oswego promoted **Chad English** from senior accountant to manager, and **Derya Duyum**, **Eddie Francis** and **Keenan Schnider** from staff accountant to advanced senior accountants.

AKT LLP in Lake Oswego acquired Portland-based WEL Group. **Brian Long**, **Richard Cunningham** and **Eric Groves** joined AKT LLP from WEL Group in the acquisition.

Lori Boyd, LBoyd Consulting LLC in Bend, attended the Sage Software Summit in Washington, D.C., and served on the Partner Collaboration group, planning for redevelopment of software database structure and future importing and exporting functionality.

Jerry Levey, a sole practitioner in the Hillsboro area and on the island of Maui, recently received the AICPA's Certified Financial Forensics (CFF) designation. He has been active in fraud and related work for over 20 years including being the founding president of the Oregon Association of Certified Fraud Examiners (OACFE) and receiving the ACFE Distinguished Service Award. He is also a Certified Fraud Specialist (CFS) and a Certified Management Accountant (CMA).

Kevin Minkoff, Kevin R Minkoff CPA LLC in Portland, spoke to the East Portland Chamber of Commerce on the "Hierarchy of Business Needs" in September and was featured in the *Sellwood Bee*.

Amanda Beitel, Business Oregon in Salem, was featured as "Today's Young Professional" in the *Statesman Journal*.

Brenda Bartlett joined SGA Certified Public Accountants & Consultants in Bend and will manage the firm's audit practice.

Chris Telfer, Republican State Senator for District 27 in Oregon, was appointed to the Governor's Business Regulatory Advisory Committee, which was created to examine Oregon's regulatory environment.

Julie Huisman, Huisman Consulting LLC in Silverton, was featured in the *Silverton Appeal-Tribune* for her pottery exhibit in Silverton at Lunaria Gallery in September. ♡

Been in the news?

We want to know! We do our best to highlight our members' achievements in each issue of *The Accountant*. However, we can't catch them all. Make sure to let us know about new hires, promotions, awards and any community service events that you and your firm participate in. Send your news items and photos to Joel Weiler at marketing@orcpa.org.



Fellner & Kuhn PC in Portland recently started a staff wellness program and this summer challenged staff members to walk in the Portland Marathon. Jim Kuhn, Debbie Patten, Alex Edgell, Paul Fellner, Joan Edgell and Teri Johnson participated in the marathon. Paul Fellner finished first in the 85-89 age group.

OSCPA Members Receive AAA Auto Club Discount

AAA Auto Club offers OSCPAs a discount on new AAA memberships. The regular price for AAA membership is \$67 for the primary auto club membership and \$33 for the associate. OSCPAs can purchase the primary AAA membership for \$57 and add one associate membership for \$16.50. Additional associate memberships are \$33 each. For more information, contact Kym Hibbs at 503-222-6348 or kym.hibbs@aaaoregon.com.

Keep Your OSCPAs Record Current on Our Website

An accurate membership record helps the OSCPAs maintain the highest level of customer service and ensures the accuracy of mailings and the online Membership Directory. You can update your record anytime on the OSCPAs website by logging into your account at www.orcpa.org. Click on the "Members" tab and then "Update Member Information." This form allows you to change your home address, website password, email address, areas of interest, and more. To include your email in the member directory, scroll down to "Contact preferences" and check the box that says "Display my email in the member directory." For help updating your profile or for more information, contact Member Services at 503-641-7200 / 1-800-255-1470, ext. 4; membership@orcpa.org.

CCH 25% Discount on 2012 U.S. Master Tax Guide

We are pleased to announce that OSCPAs members will receive a 25 percent discount on the 2012 U.S. Master Tax Guide through the end of the year (Dec. 31, 2011). Remember, OSCPAs members will not be billed until their books ship and can cancel their order at any time prior to shipment. To take advantage of this OSCPAs member discount,

go to the "Business Discounts" tab at www.orcpa.org/members/benefits and follow the easy steps. At checkout you must enter the OSCPAs Member Priority Code to obtain the preferred pricing (member priority code is available on the members' only web page listed above). If you have any questions, contact Tonna Hollis at 503-597-5471 / 1-800-255-1470, ext. 29; thollis@orcpa.org.

2012 OSCPAs Scholarships Open to College Students

The OSCPAs Educational Foundation 2012 scholarship applications are available online. For information on eligibility requirements and to apply, visit www.orcpa.org/educational_foundation/scholarships. Applications must be completed and submitted online by Jan. 23, 2012 to be considered for a fall 2012 scholarship. If you have any questions, contact Tonna Hollis at 503-597-5471 / 1-800-255-1470, ext. 29; thollis@orcpa.org.

Attend the OSCPAs 2011 Professional Issues Update in Person or Via Live Webcast on Dec. 8

There's no better way to get up to date on the accounting profession locally, nationally and internationally than by attending the OSCPAs 2011 Professional Issues Update on Thursday, Dec. 8, at the Oregon Convention Center in Portland. Earn 4 hours of CPE (3 technical; 1 non-technical). Cost to OSCPAs members is \$79; the non-member fee is \$129. The cost to full-time accounting faculty is \$39, and students can attend for \$19. The program runs from 8 a.m. to 12 p.m. For more details on the stellar lineup of speakers and topics, view the ad on Page 21, or visit www.orcpa.org/fall_piu, where you will find links to sign up to attend in person or via webcast.

Be a CPE Administrator and Attend Classes for Free

Sign up to be a CPE Administrator for an OSCPAs class, and you can attend the class for free. CPE Administrators are responsible for distributing materials, checking in participants and other tasks to help keep the seminar running smoothly. Contact Renita Marchant, OSCPAs Professional Development Division, to sign up to be an administrator. She can be reached at 503-597-5483 / 1-800-255-1470, ext 24; rmarchant@orcpa.org.

OSCPAs Participates at Three Meet the Firms Nights

The OSCPAs exhibited at three Meet the Firms Nights – University of Oregon on Oct. 3, Portland State University on Oct. 4 and Oregon State University on Oct. 5 – handing out literature about the Society, applications for scholarships, and lots of helpful information to potential Student and CPA Candidate members. Thanks to the Beta Alpha Psi chapters of each university for hosting the events and inviting the OSCPAs to exhibit once again this year.

Final Portland Brown Bag Luncheon on 'Managing Up, Managing Down'

The final installment of the Portland Fall Brown Bag series will tackle the topic of "Managing Up, Managing Down" at KPMG's Training Center in Portland on Tuesday, Nov. 8. Brought to you by the OSCPAs Career Development Team, speakers for the event include Mary Ludtke of Maginnis & Carey LLP and Craig Weeks, a business consultant.

To sign up for the luncheon, visit www.orcpa.org/about/events and search for "Portland Brown Bag." Though the event is free, pre-registration is required and seating is limited. Thanks to KPMG for hosting the spring and fall luncheons, as well as Robert Half for sponsoring and providing the lunches.

Eugene Brown Bag Luncheon Features Former Ducks' Kicker-Turned-CPA

The OSCPAs Emerald Empire Local Service Area will host a special Brown Bag luncheon from noon to 1 p.m. on Friday, Nov. 18, at PacificSource Health Plans in Springfield. The topic will be "Developing Networking Skills," featuring Jared Siegel of Delap LLP in Lake Oswego.



Jared Siegel, Delap LLP

During his four years as the University of Oregon's starting place-kicker, Siegel established several school records, including all-time leading scorer, most consecutive

kicks made, and the longest field goal in school history (59 yards). Siegel will talk about ways to maximize and expand your network.

To sign up for the luncheon, visit www.orcpa.org/about/events and search for "Eugene Brown Bag." Though the event is free, pre-registration is required and seating is limited. Thanks to PacificSource for hosting the Emerald Empire luncheon, and to Robert Half for sponsoring and providing the lunches.



CPAs, Financial Planners and Lawyers Mingle at Wine and Cheese Shop

More than 70 members of the Oregon Society of CPAs, Financial Planners Association and Multnomah Bar Association gathered for a wine tasting and networking event at Blackbird Wine and Atomic Cheese Shop in northeast Portland on Sept. 21. This annual event at NE 43rd and Fremont provided attendees with a relaxed evening of networking along with tastings of six wines and a variety of cheese, bread and other delectable nibbles. ☺

OSCPA member Dim Annand of Delap LLP, left, talks with FPA member Erin Dwyer of Ameriprise Financial.



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FEEL THE POWER

New Members Add to Our Strength

We welcome these new members of the OSCP, people who appreciate access to valuable benefits such as members-only pricing on professional training, OSCP events, insurance, office products, CPA review courses, publications, and more. OSCP membership: Power. Strength. Value. These applicants were approved for Society membership during August and September 2011.



Benton-Linn

- Cheryl L. Cowgill, Albany
JMA LLP dba Johnson McGowan & Associates LLP

Central Oregon

- Laurel D. Boldenow, Bend

Eastern Oregon

- Linda Cyr, Baker City

Metro Portland

- Rachel M. Cummings, Portland
Moss Adams LLP
- Meghan O. Dion, Tigard
- Kimberly R. Drew, Portland
Gary McGee & Co LLP
- Molly J. Edmunds, Portland
- Jaclyn M. Huehn, Portland
- Robert B. Kehoe, Welches
- Victoria D. Kimsey, Portland
- Aditi Kulkarni, Hillsboro
- Christopher S. MacLeod, Portland
- Natalie L. Mueller, Portland
Moss Adams LLP
- Christine M. Russell, Portland
Moss Adams LLP
- Rosemarie R. Sibley, Seaside
Rosemarie Sibley CPA
- Ryan P. Stanton, Portland
- Michael W. Stephenson, Portland
- Allegra K. Stuart, Bend
- Quynh-Lam B. Truong, Portland
- Tae J. Yoon, Lake Oswego

Southern Oregon

- Adrian M. Brokowski, Medford
Moss Adams LLP

Out-of-State

- Holli A. Agee, Chicago

CPA Candidates

- Ryan Beason, Douglas
- Jamie R. Bentley, Roseburg
- Jeremy C. Chappell, Roseburg
- Michelle J. Gregg, Aloha
- Tanya Harger, Tualatin
- Tawny Hubbard, Beaverton
- Erica D. Moore, Hillsboro
Jones & Roth PC
- John B. Perkins, Camas
- Jeremy L. Pierce, Eugene
Jones & Roth PC
- Will Sargent, Roseburg
Neuner Davidson & Cooley LLC
- Sandra L. Spence, Bend
- Tara J. Wilson, Vancouver
- David J. Yorgesen, Corvallis
Spectrum CPA Group LLP
- Kimberly A. Yorke, Aloha
- Yvonne D. Zbranak, Bend

Students

- Edward J. Asquith, Gladstone
- Sarah E. Bacon, Tualatin
- Christopher R. Bullard, Wilsonville
- Lisa A. Burton, Portland
- Charles Cox, Veneta
- Rebecca Doran, Talent

- Maria E. Everts, Sherwood
- David Frias, Portland
- Justice Goredema, Portland
- Anthony P. Gulick, Portland
- Marie E. Greig, Eugene
- Paul C. Hecker, Eugene
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- Daniel S. Platt, Tigard
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- Josie E. Seppala, Stayton
- Matthew W. Shockey, Portland
- Veda C. Taylor, Gresham
- Carmen B. Teixeira, Bend
- Truc Tran, Forest Grove
- Nicole M. Unck, Oregon City
- Victoria J. Walker, McMinnville
- Tom Wiederrecht, Tigard
- Lindy J. Woodcock, Redmond
- Joanna F. Yocum, Portland

2012-13 OSCPA Board of Directors Candidates

In accordance with Article VII of the Society Bylaws, the OSCPA Nominations Committee and the 2011-12 Board of Directors recommend the following slate of candidates to serve as OSCPA Officers and Directors for the 2012-13 fiscal year, commencing April 1, 2012.

Officers: One Year 2012-13

Chair

Deborah J. Hollingsworth
Deborah J. Hollingsworth, CPA LLC
Tigard, Oregon

Chair-Elect

Michele C. Henney
University of Oregon
Eugene, Oregon

Vice Chair

Jason R. Orme
Talbot Korvola & Warwick LLP
Portland, Oregon

Directors: Two Years 2012-14

Elizabeth D. Almer
PSU School of Business Admin
Portland, Oregon

Lawrence H. McNamara, Jr.
Lawrence H. McNamara, Jr., CPA
Bend, Oregon

John C. Mlynczyk
Kernutt Stokes LLP
Eugene, Oregon

The following will continue service during fiscal year 2012-13:

Board of Directors:

Tracy M. Allen
AKT LLP
Lake Oswego, Oregon

Mark D. Cruzan
Sherwood, Oregon

Ryan K. Smith
Nike, Inc.
Beaverton, Oregon

Suzanne B. Taylor
Legacy Health
Portland, Oregon

Immediate Past Chair:

Nikki L. Kobliha
PacifiCorp
Portland, Oregon

Secretary and Treasurer will be appointed from the elected Directors.

Members' Right to Submit Additional Candidates

Members have a comment period of 60 days, ending December 15, 2011, to consider the list of candidates, after which, if no additional nominations are received, the slate will be declared elected. If during the comment period a group of at least 10 Regular voting members petition the Society to nominate other candidate(s) not on the proposed slate, a contested election would be held.

For Additional Information:

If you have questions regarding the OSCPA Board of Directors nominations and elections process, please contact OSCPA President/CEO Sherri L. D. McPherson at 503-597-5480 / 1-800-255-1470, ext. 20; smcpherson@orcpa.org.

You may obtain a copy of the OSCPA Bylaws at <http://tinyurl.com/oscpa-bylaws>.



Oregon Society of CPAs
www.orcpa.org

OSCPA Volunteers Encourage Community to 'Save for a Rainy Day'

The OSCP Financial Literacy Team sponsored participation in several community events this summer, encouraging the public to "Save for a Rainy Day." OSCP volunteers wore T-shirts that read, "It rains 151 days a year in Oregon. \$ave for a Rainy Day," and they wielded umbrellas as well. The OSCP participated in the Eugene Celebration Parade on Aug. 27; a Portland Sunday Parkways street fair in Portland on Aug. 28, and the Susan G. Komen Race for the Cure Health Expo at the Oregon Convention Center in Portland on Sept. 16-17.

OSCPA volunteers handed out 1,500 Piggy bank-shaped stress balls with Feed the Pig branding on them to attendees who practiced their saving skills on the OSCP's "Feed the Pig Bean Bag Toss" game.

Interested in learning more about the OSCP's commitment to financial literacy in the community? Hear from Linda Barkus, Wilken & Company PC CPAs, on our YouTube channel: www.youtube.com/oregonsocietycpas, and make sure to follow our efforts online at www.facebook.com/OregonSaves and www.twitter.com/Oregon_Saves.



Lisa Zauner, Perkins & Co. and Allen Xiao, Ashland Partners & Company LLP, look on as a young Portland Sunday Parkways participant attempts to put money bean bags in the piggy bank.



Barbara Evarts, Houck Evarts & Company LLC, and her husband David Evarts practice their umbrella choreography before the Eugene Celebration Parade.



OSCPA Volunteers, their family members and canine companions march in the Eugene Celebration Parade.



Linda Barkus, Wilken & Company PC CPAs, explains FeedthePig.org to a Portland Sunday Parkways attendee.



Liz Crowe, Maginnis & Carey LLP, helps apply piggy bank tattoos at Portland Sunday Parkways.



Sally Gregory, Portland Community College, helps apply a piggy bank tattoo at the Komen Health Expo.

Students, Business Reps Make Connections

The 2011 OSCPA Career Showcase brought together 330 students and 27 firms/vendors for an evening of mutual learning at the Oregon Convention Center. Graduating or soon-to-graduate accounting students from the Portland metro area and beyond had the opportunity to learn about the firms' philosophies and opportunities. In exchange, firms had the opportunity to make initial introductions with potential hires. The OSCPA would like to thank all of the firms that exhibited as well as Kaplan CPA Review and Becker Professional Education for their sponsorships. Watch a video recapping the event and get tips for next year's event on the OSCPA's YouTube Channel: www.youtube.com/oregonsocietycpas. ☺



Attendees talk with representatives from The Regence Group.



Portland State University student Josie Seppala, center, talks with Tracie Melchior from Becker Professional Education. Lois Moll of Becker is in the background, and Becker representative Maria Young is in the foreground.



John Lauseng, left, and Melissa Berndt from AKT LLP discuss opportunities with students.



Josh Helm, Geffen Mesher & Co. LLP, speaks with a student about the firm.



Nicole Hee, left, from Maginnis & Carey LLP, talks about her firm with attendees.



Students learn more about Perkins & Co. from Colleen Murray, right.

Stay Up to Date on PTIN and IRS Tax Return Preparer Program Rules

The IRS reopened its preparer tax identification number (PTIN) processing in October. CPAs, certain non-signing staff of CPA firms, and others must renew their PTINs on a calendar year basis using the online application or paper Form W-12 and pay the required fee (\$64.25 for 2012) before Jan. 1, 2012. The IRS will issue provisional PTINs at least through April 18, 2012. The IRS also issued Notice 2011-80 with details on PTIN renewals.

Non-signing staff with provisional PTINs will not be required to complete the fingerprinting part of the suitability check before the 2012 filing season. However, once provisional PTINs stop on April 18, 2012, it is believed that these staff will need to be fingerprinted for PTIN renewals at locations to be determined by IRS and at a fee of between \$60 and \$90.

It is unclear whether CPAs will remain exempt from the fingerprinting requirement, and whether non-signing staff at public accounting firms who handle tax returns in any fashion will have to submit to the fingerprinting portion of background checks as well.

For the latest on the PTIN and IRS Tax Return Preparer Program rules, watch for ecommunications from the OSCPA, as well as the OSCPA home page at www.orcpa.org.

Resolution Sends a Strong Message to FAF to Create an Independent Board for Privately Held Companies

The AICPA governing Council on Oct. 18 overwhelmingly approved a resolution that sends a strong message to the Financial Accounting Foundation (FAF): adopt the Blue Ribbon Panel on Standard Setting for Private Companies' recommendations for

an independent standard-setting board – which is the AICPA's preference – or the Institute will consider other options.

If FAF continues to pursue its current proposal, the AICPA Board of Directors will look at other solutions for addressing the needs of private companies. This could include creating a separate standard-

setting body to develop private company generally accepted accounting principles (PCGAAP) or a comprehensive private company-specific basis of accounting that would deliver meaningful, lasting improvement to private company financial reporting consistent with the Blue Ribbon Panel's recommendations.



Keeping in Touch with the Oregon Society of CPAs and Staying on Top of All Things Accounting is Easy

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 <p>Oregon Society of Certified Public Accountants www.orcpa.org</p>	

On Oct. 4, the Financial Accounting Foundation (FAF) released its proposal in response to the recommendations of the Blue Ribbon Panel (BRP) on Standard Setting for Private Companies. Despite receiving more than 3,000 letters from private company constituents and state CPA societies supporting the creation of a separate standard-setting board to modify GAAP for private companies, FAF instead recommended a council whose decisions are subject to ratification by the Financial Accounting Standards Board.

An executive summary of FAF's proposal, as well as links to provide comments, can be found on FAF's site. Comments will be accepted until Jan. 14, 2012. Visit the OSCP website and watch for OSCP newsletters for more information.

Bill Bans Tax Strategy Patents

In September, President Obama signed the *American Invents Act* into law, prohibiting the Patent & Trademark Office from issuing tax strategy patents. The White House held the signing at Thomas Jefferson High School in northern Virginia, which is a nationally renowned science & technology-focused high school.

Tax strategy patents now becomes one of only three types of business method patents that the Patent & Trademark Office is prohibited from issuing; the other two are medical procedures (because doctors should be able to use any technique to save a patient's life) and nuclear technology (for obvious reasons).

The passing of the *American Invents Act* is seen as a significant victory for taxpayers. If allowed to proliferate, allowing patents of tax strategies would have complicated tax compliance for countless Americans and exposed many to royalty fee charges and patent infringement litigation.

In effect, tax strategy patents erect a barrier to the use of legitimate methods to

reduce or defer tax liability. That can lead to disparities in which one taxpayer faces a higher tax burden than another, even when the two have essentially the same tax situation. Eliminating the issuance of new tax strategy patents will level the playing field so that every American can take all legal steps to keep his or her taxes as low as possible.

The new law deems any "strategy for reducing, avoiding, or deferring tax liability" to be "prior art" under patent law, and therefore not patentable. Under the law, "tax liability" is broadly defined to mean any tax liability under federal, state, local or foreign law. ☪

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The Pressure Mounts

The IRS Gets More Serious About Using QuickBooks Files in Small Business Audits

By Jim Buttonow

Most small businesses in the United States have entered the electronic age – especially when it comes to using QuickBooks, Peachtree and other accounting software. No one is more aware of this trend than the Internal Revenue Service and its auditors.

A long-standing debate in many audits

has centered on records – and the preferred format of those records – that taxpayers and practitioners make available. Tax practitioners have tried to limit the records they provide to the IRS in an audit to control the depth of the IRS inquiry. IRS agents are now starting to request client back-up files from QuickBooks and Peachtree software, and many practitioners are alarmed about

how much information the IRS is requesting, and how the IRS is using the information.

This article explores the IRS' legal authority and long-standing use of electronic records in audits and takes a closer look into the practices of the IRS and CPAs in requesting, providing and using electronic files. It offers tips for practitioners in responding to IRS requests for small business accounting files and for their clients in adjusting bookkeeping practices to minimize undue IRS inquiry during a small business audit.

Background

For years, the IRS has used taxpayer electronic files when auditing large and mid-sized businesses that used proprietary electronic accounting systems. Computerized records became the standard in the 1970s, creating the need for the IRS to establish methods to audit electronic records. The IRS employed computer audit specialists, who were large business auditors trained in extracting and examining data files most often obtained from proprietary accounting systems. They streamlined IRS audit processes by creating sophisticated queries and programs that extract and analyze the most relevant data.

As smaller organizations and businesses began to use electronic accounting systems, the need for computerized audit techniques increased. Many small businesses use off-the-shelf accounting software, with reportedly more than 85 percent using QuickBooks. With electronic recordkeeping becoming the norm, the

IRS needed to change with the times. This change brought the opportunity to make IRS audits more efficient by accessing and using the most common programs.

In October 2010, partially at the request of tax practitioners during IRS focus groups, the IRS announced it was expanding its audit capabilities by training a cadre of agents to be proficient in auditing QuickBooks and Peachtree accounting files. The IRS said it wasn't favoring any particular software, but QuickBooks and Peachtree were logical choices for the initiative because they were predominant in the small business market and relatively simple to use. According to the IRS, it has trained 1,100 revenue agents and has given them copies of the software to become proficient in using them and other programs

in the future. It also encouraged agents to start requesting electronic files from taxpayers and practitioners.

In a March letter to Christopher Wagner, former commissioner of the IRS Small Business/Self-Employed (SB/SE) division, the American Institute of CPAs (AICPA) expressed concerns about the presumption of efficiency in using computer files to audit small business taxpayers. Patricia Thompson, chair of the AICPA Tax Executive Committee, cautioned in the letter that electronic records from large and small businesses are not comparable.

"The large (business) taxpayer undergoing an IRS examination is routinely represented by tax professionals, and the data being turned over in electronic for-

mat does not contain extraneous information unrelated to the LB&I (Large Business and International) examination involved," Thompson stated. "By contrast, because the small-business taxpayer often maintains his own accounting software file and is not a trained bookkeeper or accountant, the data in the software file is not necessarily directly relevant to the IRS examination."

IRS Authority to Request Electronic Records

It's clear in IRS regulations and precedent that electronic records can be requested and used in audits.

Internal Revenue Code section 6001, Treasury Regulation 1.6001-1(a), and Revenue Procedures 71-20 and 98-25 pro- ▶



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vide the IRS with broad authority to examine electronic records to establish the taxpayer's correct tax liability. Regulation 1.6001-1(e) requires the taxpayer to make these records "at all times available for inspection by authorized internal revenue officers or employees, and shall be retained so long as the contents thereof may become material in the administration of any internal revenue law."

Revenue Procedure 98-25 allows for a small business exception (\$10 million and less in assets) to the recordkeeping requirements. But the exception does not apply if "all or part of the information required by section 6001 is not in the taxpayer's hard-copy books and records, but is available in machine-sensible records (electronic books and records)." Because most small businesses store all or part of their information electronically, the exception is obsolete.

The IRS set precedent for requesting and using these files in 1971 with Revenue Procedure 71-20. Revenue Procedure 98-25 removed any confusion about whether the IRS has a right to electronic records. If these records exist, the taxpayer must provide them upon request. These administrative precedents for electronic files in audits have been consistent for the past 40 years.

Be Careful What You Ask For

According to the IRS, the push to start using small business accounting files in audits originated with feedback from tax practitioners in 2008 focus groups. Practitioners indicated they wanted the IRS to be more efficient in examining records and reduce the volume of paper involved in audits. The IRS saw this as a win in making audits more efficient for its agents. Also, IRS auditors prefer reviewing and assessing the original books of entry –

"Electronic records are, in general, considered less reliable than paper counterparts due to the ease at which they can be manipulated,"

– IRS Internal Revenue Manual, May 27, 2011

not translated or interpreted versions – to evaluate audit trails and the reliability of records.

The push for more electronic records in the hands of IRS agents has not been entirely driven by CPAs and tax practitioners. On May 27, the IRS modified its Internal Revenue Manual (IRM) to provide guidance and rules on how revenue agents should evaluate taxpayers' electronic books and records. The IRS description of electronic books and records also includes taxpayer websites, e-commerce activities and web marketing material, which the IRS finds useful for audit trails in tracing income, such as e-payments.

The recent IRM update also provides insight into how the IRS views electronic records. In the IRM 4.10.4.3.7.5(6), the IRS expresses some skepticism about the reliability of electronic records and provides guidance to agents on what to look for in evaluating these records.

"Electronic records are, in general, considered less reliable than paper counterparts due to the ease at which they can be manipulated," the IRM states. "Software may include features to create a second set of books and records, or allow manipulation of sales by reducing and/or deleting of sales transactions entirely."

This IRS perception is feeding practitioner concerns about how the IRS will review taxpayers' electronic records. Many practitioners question how, if the IRS is skeptical of small business electronic records, the records could make IRS audits more efficient.

CPA Jason K. Hamilton of the firm Decosimo CPAs in Knoxville, Tenn., points out this concern. "SaaS applications like QuickBooks and Peachtree have taken the bookkeeper out of the process – and business owners do not necessarily make good bookkeepers," he said.

Hamilton pointed out that he has to correct many entries made by business owners who try to keep their own records. "As a result, the QuickBooks file looks like the client is a poor record keeper or is trying to change what actually happened when, in fact, they just did not understand how to account correctly for some transactions," he said. Hamilton is concerned that the IRS will jump to conclusions by perceiving these errors as clients attempting to manipulate books and records.

F. Whit Addicks, a CPA in the firm of Addicks CPA, has received an IRS request for QuickBooks records in a small business audit. He said his firm wants to supply the IRS agent with the information needed, but that he shares the concern of many practitioners about providing the entire back-up file to the IRS. In response to IRS Information Document Requests, Addicks said that he has provided only summaries of information that was outside the year under audit. "We explained what we gave to the agent and how we summarized the prior year information, and the IRS appeared to be OK with it," he said.

The IRS has commented publicly about taxpayers providing redacted prior year files. On April 20, Wagner addressed the redaction issue in a letter to the AICPA. In the letter, Wagner confirmed the long-standing position of the IRS to have original documentation in an audit:

"It is important an exact copy of the

original electronic data file be provided to the examiner and not an altered version. Only an exact copy of the original file includes the unaltered metadata which allows examiners to properly consider the integrity and veracity of the electronic files through use of such means as reports generated by the software program that may help to identify deleted or altered entries. For example, the original data file may provide the date a transaction was originally created, dates of subsequent changes, what changes were made, and the username of the person who entered or changed that transaction. This type of information is directly relevant to the evaluation of the taxpayer's internal controls."

Wagner said that it's acceptable for practitioners to "condense" prior year information "as long as the condensed data does not include transactions created or changed for time periods under audit, or for transactions from prior years that have an effect on the years under audit." That is exactly what Addicks did, he said. "We gave the auditor condensed versions of the prior years' data, and they seemed fine with it," Addicks said.

Wagner also noted a software limitation best solved by software companies – allowing single-year files in the back-up process. Wagner suggested that before a long-term solution is found, taxpayers and practitioners should consider making their own back-up files for individual years.

CPA Danny Snow, who chairs the AICPA IRS Practice and Procedure Committee, eagerly awaits the IRS position on redacted files. "We are aware that CPAs are providing selective data using vendors such as QB or not QB Inc.," he said. "We are waiting to see if the Service challenges

"My clients may only use QuickBooks for payables – the IRS needs to understand that this electronic file does not make up the entirety of my client's books and records,"

– F. Whit Addicks, CPA

the altered files because critical audit trails may be deleted when providing the selective data." Snow said that the IRS has used restraint so far and that the new SB/SE Commissioner Faris Fink appears to want to work closely with the AICPA on this issue.

Hamilton, who sits on the Tennessee Society of CPAs Federal Tax Committee, said that some Tennessee CPAs have been hiring firms to parse only the data needed for the year in question. "It costs about \$300 to have it done, but it comes down to a liability issue for the CPA," he said. Hamilton said that if CPAs disclose more than necessary in an examination, they could expose themselves to professional liability.

In fact, practitioners have raised that concern with the IRS. In the IRS Issue Management Resolution System (IMRS), IRS stakeholder liaisons have been pondering the malpractice question from practitioners. In March, as a result of inquiries by practitioners, the IRS posted IMRS Issue 11-0001433, Disclosure of excess information when QuickBooks provided during audit.

Specifically, the IRS liaisons were asked to comment on the question of practitioner liability when turning over electronic records, and whether practitioners can obtain assurances that the IRS will not use or view other years' information. But the IRS has made no comment. In the June 2011 IMRS Quarterly Review, released July 5, the IRS did not comment on or address the QuickBooks issue – nor was it listed as a "hot" issue topic.

The IRS in Training?

For most IRS revenue agents, using electronic records in small business audits is a relatively new approach, becoming increasingly prevalent since October 2010. The IRS has more than 14,000 agents, and only 1,100 have been trained in the use of QuickBooks and Peachtree. Clearly, this IRS audit technique is in its infancy. There's evidence in current audits that the IRS is still learning how to use these electronic files and, as a result, has not established a standard operating procedure.

Some CPAs are optimistic that using electronic files could streamline the audit process. Hamilton is optimistic, but proceeds with caution for his clients. "If the IRS uses discretion and understands that the QuickBooks data may not be complete, then use of these files may actually make a more efficient audit," he said. "However, until CPAs are assured that the IRS will not make premature judgments and look at more than the year under audit, we must take precautions for our clients." Hamilton advocates written communication with the auditor to be clear about which electronic records are being delivered to the IRS and the scope to which the IRS is going to use them.

Other IRS audit activity also suggests that the IRS is still training on the issue. Most of the requests for electronic files have been informal requests or on Information Document Requests. Neither Addicks nor Hamilton is aware of the IRS pursuing QuickBooks files via summons. However, neither is aware of CPAs denying the IRS access to these files. Hamilton said that it appears the IRS and CPAs are trying to feel each other out on the details.

"We are trying to comply. Our goal is ►

the same as the IRS: Get the audit done as efficiently as possible," Addicks said. He said that auditors are reconciling the electronic files to the tax return, but they have also recognized that other records are necessary to fully explain the tax return. "My clients may only use QuickBooks for payables – the IRS needs to understand that this electronic file does not make up the entirety of my client's books and records," he said.

In North Carolina, CPA Susan Allen has experienced an IRS learning curve with her small business clients who have had audits. "We cannot tell how the agents have been using the files. There appears to be no changes to their current procedures yet. The process appears new to them, and the agents I have dealt with appear to be using restraint in how they are using the records," Allen said. "I do not think the IRS will push the issue unless they have some indication of wrongdoing and want to get the entire picture, such as unreported income."

That's good news for now. Still, some CPAs want to proceed with caution when it comes to electronic records in audits.

"We have not heard of agents abusing their discretion on this issue – but currently there is no way to tell if they are reviewing records besides the year under audit," Snow said.

Representing Your Small Business Clients

The 2001 tax gap study concluded that the non-farm small business compliance rate was only 43 percent, and that small business underreporting of income contributed \$109 billion annually to the U.S. Treasury shortfall. As a result, practitioners can expect their small business clients to encounter more IRS scrutiny, especially in the form of audits.

To protect clients from unnecessary inquiry and audit depth, here are some tips:

Provide the IRS only the data needed for the year under audit by condensing transactions in non-audit years. In the future, create separate back-up files for each year. Be clear when responding to the IRS Information Document Request about exactly what data you are providing and not providing. If you use QuickBooks utility programs such as QB or not QB to remove prior year data, explain exactly what you did, in writing, to the agent when you provide the file.

If your client is a poor bookkeeper, request that he or she relinquish that duty to someone who is more qualified. You can encourage your client by explaining that the IRS may review every right, wrong or erroneous keystroke in an audit. Legitimate errors may cause undue scrutiny. Follow a good, old-fashioned cliché: "Measure the transaction twice, post the entry once." This also makes the CPA year-end audit easier.

If possible, consider consolidating your client's electronic systems into one complete system. Use of several systems confuses the IRS and adds complexity in an audit. One system to record revenue and another to record payables is confusing for everyone. Consolidate them.

If the electronic file cannot be provided in a format limited to the year and transactions under audit or the electronic records do not provide a clear financial picture, ask the IRS agent whether he or she will accept an alternative, such as printouts of accounts with detailed explanations. Before 2010, that was the method used in most SB/SE audits. Explain to the agent why it is a better approach; after all, it is how the return was prepared.

Snow said practitioners call him with

the same concerns: "What should I do and what can I do?" Snow said there's not much that can be done, given the IRS' summons powers, but he suggested that practitioners visit with the IRS group manager to discuss the need for the electronic files, and if your client is adamant about not turning over the files – meet with the territory manager. If your client authorizes providing the electronic files, Snow suggested noting the authorization in the engagement letter. "If you're representing a client who does not want to turn software files over to the IRS, be sure you don't violate Circular 230," Snow said.

Among other things, the AICPA is monitoring the program and how agents are applying it in the field. If a CPA has reached a loggerhead with an agent, or thinks the agent has stepped outside of the rules of the program and thinks the AICPA would benefit from having knowledge of the issues, he or she can contact Benson Goldstein at bgoldstein@aicpa.org.

As the IRS use of small business electronic records evolves, the standards for how to represent our clients will become clearer. Currently, it appears the IRS is using restraint in how it examines electronic files. However, practitioners should always exercise caution in representing their clients. As audits on small businesses continue to increase, practitioners will need to closely monitor entries on their clients' books and records to protect them from unnecessary inquiry by IRS agents. Practitioners should also carefully observe how the IRS uses these files as agents become more comfortable using electronic records in small business audits. ❧

Author's profile appears on Page 4.



For more on this topic, visit www.orcpa.org/web_briefs.

INCREASE YOUR PROFESSIONAL VALUE



When: Thursday, December 8, 2011
Registration: 7:30 a.m., Event: 8:00 a.m.–12:00 p.m.
Where: Oregon Convention Center, Portland
Fees: OSCPA Members: \$79
Non-Members: \$129
Full-Time Accounting Faculty: \$39
Students: \$19
CPE: 4 hours (3 Technical / 1 Non-Technical)
Level: 4 (Update)
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Speakers and Topics



Mark Koziel, Vice President of Firm Services & Global Alliances at AICPA, will provide an update on national and international accounting issues affecting the CPA profession.



Raymond Johnson, Chair, and **Patrick Hearn**, Director, Oregon Board of Accountancy: Get the latest regulatory news and what it means to Oregon CPAs.



Tom Potiowsky, chair of the Portland State University Department of Economics, director of the newly formed Northwest Institute of Applied Economic Research, and former state economist for Oregon, will speak on "The Oregon Economy: The Little Recovery That Could (or at Least We Hope It Can)." As with the nation, Oregon is bouncing along

with the "on-again, off-again" economic recovery. Tom's presentation will explore reasons for this slow-as-you-go recovery and prospects for either stronger growth or stalling out into recession. Which sectors are likely to strengthen the recovery and which sectors have a long ways to go? Which risks are most important to overcome before we see job-creating economic growth?



Rob Douglas, OSCPA Legislative Counsel, will share insights on the current legislative environment and provide a preview of the 2012 legislative session.



Steve McConnell, Member, OSCPA Legislative Policy Team, will provide an overview of the recent legislative session and its impact on the Oregon tax environment, including how the Uniform Accounting Act (UAA) might affect the accounting profession.

Questions?

Contact the OSCPA Professional Development Team at 503-641-7200 / 1-800-255-1470, ext. 3, or at profdev@orcpa.org.

Policies & Guidelines

For a complete listing, refer to the OSCPA Professional Development Catalog's Policies & Guidelines or see www.orcpa.org/professional_development/policies.



Warm Up Cold Calls with a Two-Step Marketing Approach

By Hugh Duffy

Is your firm or practice going to the school of hard knocks with cold-call telemarketing?

We all know a “warm” lead is much better than a stone-cold lead, so wouldn’t your marketing efforts improve if you “warmed” up your calls?

As the old saying goes, “You can catch more flies with honey than vinegar.” Cold-call telemarketing is about as smooth as molasses and as bitter as vinegar. To warm up your approach and improve your effectiveness, try a little honey. While I clearly recognize honey is more expensive than vinegar, the value of a new client is well worth the extra effort.

Firms will want to consider a two-step marketing approach to improve their lead generation program. The key is to generate interest *before* you call, establish yourself as a “trusted” advisor, know exactly what to say and focus on *their* needs instead of talking about what *you* offer.

In the last several years, many public practice accounting firms were called on by telemarketing companies to participate in a dialing-for-dollars program to increase the number of leads. However, firms told us that far-from-good results occur. The people making the calls on

behalf of the firm really don’t know much about the firm ... and how could they? No one knows the value you bring to your clients like you do.

In today’s day and age, it’s getting much more difficult and expensive to sell products and services – especially intangible services – using traditional direct response marketing, and that’s where telemarketing falls. It’s just too difficult to provide enough information and create any trust from a cold-call telemarketing pitch.

With the proliferation of marketing messages, you will get a much higher conversion ratio and lower cost per new client by breaking down your lead generation process into baby steps.

Step One: The first step is to educate your prospects about better ways to alleviate their pain. For our clients, this initial step is a well-constructed direct mail letter. This initial step is designed to address their pain and establish your service as the solution to their problem.

In addition, the direct-mail letter will start to position you as a “trusted” advisor. This is done by providing credentials, demonstrating expertise with a niche audience and using testimonials. For those who are curious and interested,

provide your website address at the bottom of your direct-mail letter so prospects can learn more about your practice and expertise. If your website is done properly, it should act as a silent salesperson for your practice.

Step Two: After warming up your prospect with a honey-flavored direct-mail letter, the second step is an outbound phone call from you or your staff that references the first step. Following up a direct-mail letter with a phone call shows you care about the prospect’s business and elevates the prospect’s perception of your firm. It also adds credibility to your offer and provides a window to quickly address any objections. While this window of opportunity may be brief, it provides you with the opportunity to expand on your capabilities and/or cross-sell into an adjunct service.

If your lead generation is suffering from a failure to communicate, warm up your approach with a little honey; it will go a long way to converting a prospect into a client. ☺



About the Author:

Hugh Duffy is co-founder and chief marketing officer of **Build Your Firm**, a practice development and marketing company for small accounting firms and website development provider for accountants. Hugh teaches a series of accounting marketing workshops; writes an email newsletter reaching thousands of accountants; and is frequently published in various publications, including state CPA society magazines, the **CPA Practice Advisor** and **Progressive Accountant**, and has authored several articles for **The Accountant**. He can be reached at 888-999-9800 x151, or at hugh@buildyourfirm.com.



‘Wake Up! Hey, Wake Up to a Happy Day!’

It’s time for some quality retirement planning time

By Darryl Eddy

If you are a Baby Boomer and long-time resident of the area like me, you no doubt remember the late-night TV commercials featuring local TV and appliance pitchman Tom Peterson knocking on the TV screen to wake you up. I’m here to give you the same cry, but without the \$139 color TV plus remote special. Consider this a wakeup call for your retirement plan. According to Axa Equitable Life, Americans spend more time planning for their vacation than for the 30-plus years they will spend in retirement.

Come on folks, you only get one chance to get this right. Besides, there are only so many Wal-Mart greeter jobs for 80-somethings. So put down that travel brochure, and let’s schedule some quality retirement planning time. The happy day will come on Nov. 18 when the OSCP Retirement Planning Conference Team will host its 2011 conference. You owe

it to yourself and clients to get the best planning information available. After the conference you can go back to your snuggie on the sofa. Just remember to turn the TV off.

The conference will host an outstanding selection of speakers. A favorite presenter from past conferences, Mark Wickman, CFP, is making two presentations at the conference. The first is a discussion on transitioning into retirement for individuals. Mark’s focus in his financial planning and wealth advisory practice is addressing the individual goals and needs of clients through a long-term advisory relationship where money concerns are secondary. He prefers a “value-added” approach through consulting or advisory services rather than strictly focusing on investment performance and returns.

Mark’s second topic covers succession planning for businesses, addressing the concerns and implications of passing

the reins to the family business effectively. As tax professionals, we all encounter similar circumstances with our clients, but we may tend to see them in a more objective, mechanical view while not fully appreciating all the dynamics that may be involved for clients and their families. I have gained insight from his past conference presentations and look forward to hearing both this year.

A major resource for a boomer’s retirement today is the Social Security benefit one will receive. In fact, Social Security benefits represent about 40 percent of the income for retired couples and as much as 65 percent of a single retiree’s income. Most boomers are not aware that there are strategies to planning your benefit. When and how you apply may have a significant impact on the amount of lifetime benefits received. Currently, about 72 percent of retirees apply for their Social Security at the early age of 62. A delayed application can increase the benefit by as much as 57 percent and, coupled with cost of living increases (COLAs), use of spousal benefit and enhanced survivor benefit, a couple’s lifetime benefit can be increased by \$100,000 or more.

At past conferences, we have featured representatives from the Social Security Administration office discussing their programs. This year, the presentation is all about benefits planning with a program developed by financial planners entitled, “Savvy Social Security Planning.” John Wyckoff, CPA, CFP, of StanCorp Investment Advisors, is the speaker, and I know you will find his information valuable.

New to the conference this year is Craig Israelsen, Ph.D., Associate Professor at Brigham Young University, where he teaches personal and family finance. I have been following Craig’s articles in *Financial Planning* magazine for several ►

years and can tell you he is all about the science of investing, rather than the art. His research is back-tested using actual market performance to 1970 and before. As a result of his work, he has developed an optimal portfolio of simple mutual funds that deliver superior performance with reduced volatility when compared to standard benchmarks. The simplicity is detailed in his book, *7Twelve: A Diversified Investment Portfolio with a Plan*. The "7" represents the number of asset classes, while the "Twelve" is the number of separate mutual funds to fully represent the asset classes. Once setup, the mix of mutual funds merely require an annual rebalance of the funds back to their original proportions, which is easy on the gray matter of anyone – especially

the many financial planners around the country that use the plan.

Another new speaker to the conference is Bill Valentine, CFA (Chartered Financial Analyst), who operates Valentine Ventures, a wealth management firm in Bend. Some may remember Bill's syndicated radio show, "The Rich Life with Bill Valentine," that aired locally for six years. While Bill manages client's wealth, he also strives to educate everyone on sound investment practices and what drives the markets. He will address the use of Alternative Investments in portfolios, a very timely topic.

According to a recent study by Cogent Research, 78 percent of retail investment



advisors put client funds into alternative investments. What are alternative investments? They include a wide variety of investments other than stocks, bonds and cash. They include tangible assets such as art, wine, antiques, coins, precious metals, etc., but also intangibles such as commodities, private equity, financial derivatives, and so forth. Alternatives are sought by those looking for growth and performance not correlated with traditional financial investments. In recent years, many of these investments have become available to the average investor through the proliferation of exchange traded funds and exchange traded notes. Currently very popular exchange traded funds are those holding gold and silver bullion.

A 2010 Employee Benefit Research Institute survey found that only 53 percent of older workers have actually tried to calculate how much money they will need in retirement. That calculation can be quite daunting when trying to factor in investment accumulation and growth, inflation effects and contributions from retirement plans and Social Security benefits. Added to that, the desired retirement requirements need to be discounted back to a present value to monitor if they are on track for achieving their goal. In comes the financial planner's software.

One provider is Money Tree Software, a company based in Corvallis that provides software to the financial planning practitioner. *Financial Planning* magazine's annual survey of practitioners has consistently shown the company's soft-

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ware to rate in the top two or three among professional packages. A representative from Money Tree Software will be at the conference to discuss the computations and reports that go into generating a comprehensive financial plan. The "Silver" version of their software, which I have reviewed, produces a 49-page plan that includes net worth statement, cash flows spreadsheets, investment asset allocation, education funding, insurance needs, and estate planning flowcharts, among other reports.

Alas, all of this retirement planning around asset accumulation and benefits planning could be in jeopardy if we ignored the potential of risks of unforeseen events. How we conduct our lives, title assets and hold our investments may be exposing us to unwarranted risks in a world of varied regulations and legal challenges. Consider the situation of a surgeon who has a large retirement nest egg established. Holding that nest egg in a qualified retirement plan will usually provide better creditor protection than holding the same funds in an IRA account. To guide us through Asset Protection Strategies, attorney Kay Abramowitz, of Ater Wynne LLP, will bring us up to date on how we can best protect ourselves and our assets.

And finally, as a reward for putting aside that travel brochure and registering for the conference, attendees will be eligible to win some unique and fun retirement-oriented door prizes. One such prize offered by the AICPA's Personal Financial Planning division is a one-year membership in the division. This is valued at \$200 and includes access to financial planning webinars, the Forefield Advisor resources, and materials and guidance needed to provide personal financial planning services to clients. ♣

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Retirement Planning Conference is November 18 in Portland

The OSCPA's Retirement Planning Conference will be held on Friday, Nov. 18, at the Embassy Suites Hotel Portland Airport. The day-long conference agenda will address the need for effective retirement planning, particularly during these challenging economic times. Attendees will gain practical insights from industry leaders and learn timely information on various aspects of retirement planning. Sessions include Retirement Redux; Building Multi-Asset Portfolios; Alternative Investments; Untangling Transition; Retirement Planning Software: What's Available and How to Use It; Asset Protection Strategies: Practical Techniques to Protect What's Important; and Savvy Social Security Planning: What CPAs with Baby Boomer Clients Need to Know to Maximize Retirement Income.

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Ethical and Legal Issues to Consider When Documenting Client Engagements

By Ryan Northcutt

A Cautionary Tale

Jacob A. Hester, CPA, was excited. He just received a call from one of his best clients who needed help on an urgent project as soon as he could get out there. It was October, tax filings were done for the year, year-end planning was a month away and this was a great opportunity to fill some time and add billings during what was looking like a pretty lean November. *This is wonderful news*, Jacob thought.

One day after their initial phone call, Jacob was on-site. After a quick meeting to discuss the scope of the engagement, and the usual talk about fees, Jacob went to work. Soon after digging in, he came across some good news and some bad news. It appeared his client was inappropriately cutting off his revenue resulting in a substantial underreporting. Jacob had not anticipated this when he met with the CFO, and he knew this was going to be timely to fix, and kind of a pain. However, Jacob figured his client would appreciate the additional effort because the results would be better, and, after all, his client needed this done as soon as possible.

Next month, Jacob invoices his fees based on the original agreement and includes additional billings for all the extra hours spent on the revenue recognition assistance. He makes sure to add a detailed description on all the additional work he did, so his client could see the added benefit. Unfortunately for Jacob,

the CFO is more surprised than pleased when she receives the bill and sees the total cost of the project. She had set up a budget allocation and there was no amount in that budget for any additional services. The owner learns of the additional fees and views them as a breach of the original agreement as the total fees and scope were not what he originally approved. The owner instructs the CFO to dispute the fees and make a formal complaint to the State Board of Accountancy, and, while she is at it, find a new CPA to do their taxes. Blindsided, Jacobs thinks, *next time I will have a more formal plan for client communication.*

Obtaining Formal Engagement Letters

Unfortunately these situations occur more often than most CPAs may be aware. Formally documenting a mutual understanding with a client is not only important for compliance with professional accounting standards, but also for providing legal and business protection. In order to prevent a costly misunderstanding with your clients, prior to starting any significant professional services, it is a best practice to always obtain a signed written engagement letter. These letters should not only cover assurance services, but all types of nonattest services you may be performing. (See the Ethics Interpretation 101-3 link in Web Briefs.)

Oral agreements should be avoided as they have the greatest likelihood of leading to a potential service, fee or legal dis-

pute. Each party may not have the same understanding of a past oral conversation long after the original conversation took place. Even with an engagement letter, it is a good business practice to personally take time to review the letter with your client to ensure all parties are able to ask questions and clarify responsibilities. By personally delivering the letter you can also explain the benefits of an engagement letter for the client, which can be helpful in situations where a client might be initially opposed to signing a formal engagement letter.

Be Careful with Relying on Standardized Engagement Letters; State Laws Differ

Engagement letters are evidence of a legal contract and would likely serve as the principle document to be scrutinized legally and professionally in the event a dispute occurs. When preparing these letters, it is important to not overlook business laws and their potential impact on the overall performance of your engagements. Following standardized example letters provided by national publishers are often adequate for making sure your engagements are in compliance with professional accounting standards, but there might be additional legal and ethical responsibilities you should consider including to also be in compliance with federal, Oregon, and other state laws if they apply.

For example, Oregon state law includes regulation ORS 82.010 (see the

ORS Chapter 82 link in Web Briefs), which governs how non-financial institutions may accrue interest and fees on unpaid balances. If your engagement letters do not include an agreed-upon rate of interest to be charged on outstanding balances, you are limited in the interest you may legally charge clients. Currently under Oregon state law, the statutory rate of interest is 9 percent per annum, calculated using the simple-interest method.

Federal laws covering consumer credit under the Truth in Lending Act (see the Truth in Lending Act link in Web Briefs) have become increasingly strict and are under more scrutiny. These regulations apply to individuals or businesses that offer or extend credit of greater than \$25,000 to consumers. Additionally, the credit is primarily for personal, family or household purposes and subject to a finance charge or is payable by a writ-

ten agreement in more than four installments. Practitioners need to be aware of the Truth in Lending Act in order to avoid any billing arrangements that may be viewed as subject to the act.

Clients may request a change in the scope of an engagement after the original engagement letter has been signed. It is a best practice to update your engagement letter or obtain a separate change letter from your client prior to beginning any additional work. Make sure that any revisions or addendums are also signed by the client and yourself.

Include Outside Review

It is a best practice to have your business' legal counsel and insurance carriers review all the legal provisions included in your standard engagement letters on a routine basis. When performing services for a client who is registered in a state

outside of Oregon, you should again consider utilizing legal counsel to determine the governing laws of that state prior to finalizing your engagement terms. This will allow you to customize language, if needed, to meet any legal requirements of that specific state.

Avoid depending on standardized letters or opinion letters previously provided by legal counsel for past periods. These letters will not prevent you or your firm from being found in violation of any current federal, Oregon, or other state laws. All best practices that can be implemented in the prevention process will be the safest way for practitioners to avoid exposure to legal liability and the significant costs in resolving any disputes. ☛

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For more on this topic, visit www.orcpa.org/web_briefs.

In each issue of *The Accountant*, we'll pose a pressing issue, a topic important to individual CPAs and the profession as a whole, for discussion and debate. Log on and vote today.

The topic in the last issue (*The Accountant*, September/October 2011) was related to the article *Accounting's Perfect Storm*. We asked: **What element(s) of the 'storm' most concern you?** Your choices (and percentage of your votes toward each) were "International Financial Reporting Standards (IFRS) adoption by public companies" (8 percent), "Introduction of major GAAP revisions for private companies" (15 percent), "Reformatting of everyone's financial statements" (27 percent), or "All of the above" (50 percent).

Pressing Issues

What keeps you up at night? What excites you or concerns you about the current state of accounting or its future direction?

THIS ISSUE'S QUESTION:

After reading the article *Ethical and Legal Issues to Consider When Documenting Client Engagements*, this issue's question asks: **What kind of documentation do you use for client engagements?** Your choices are "We use our own customized engagement letters," "We use standardized engagement letters provided by national publishers," or "We do not use any type of engagement letters." You can vote and monitor results on any member page on the OSCPA website. Watch for final results in the January/February 2012 issue of the magazine.

Questions? Contact Cam Sivesind, Vice President of Marketing & Public Relations, 503-597-5476 / 1-800-255-1470, ext. 16; csivesind@orcpa.org.

Vote today at <http://www.orcpa.org/members#poll>



With Lots of Public Accounting Experience, CPA's Talent Now is Director of Tax for Health Care Nonprofit

As the Director of Tax for Legacy Health, one of Portland's largest health care providers, Suzanne Taylor since 2006 has been responsible for overseeing all aspects of tax compliance and research, including exempt and corporate filings, property tax filings and exemptions, and Washington excise and property taxes. She added payroll oversight for over 9,000 employees to her duties in 2009.

Suzanne cut her teeth at Arthur Anderson & Co., serving as a tax manager specializing in exempt organizations

and health care. She then joined a regional Portland firm, Yergen and Meyer, continuing her health care specialty. The firm eventually merged with Moss Adams LLP in Portland when a former Arthur Andersen coworker convinced her to bring her expertise to Legacy Health, even creating a position to harness her skills.

An OSCP member for 27 years, Suzanne now serves on the Board of Directors. She has served on many Society teams, most recently providing her knowledge to the Not-for-Profit Strategic

Interest Team and Knowledge Network.

A loving wife and mother of two grown children, Suzanne's other passion is helping couples with struggling marriages through an international Catholic-based organization. Overcoming marital troubles is something she knows all too well as she and her husband's marriage was at one time on the brink as she worked her way up the partner track and her husband ran a law firm, all the while raising a family.

Suzanne recently took time from her busy work schedule to share her thoughts on her career, the accounting profession, and her volunteer work, including the rewards of providing peer ministry to troubled couples.

What motivated you to get involved in OSCP leadership, and eventually serve on the OSCP Board of Directors?

I was involved in the American Woman's Society of CPAs and met Karen Nelson, who was at Touche Ross; she encouraged me to join the OSCP since I had just become eligible. Karen was chairing the Tax Forum Committee, and so I started working with her on the committee and eventually became chair. I realized the OSCP was a wonderful place to learn leadership skills. I chaired several other committees for the OSCP, including Health Care, Estate Planning and Not-for-Profit. I was asked to serve on the OSCP Board of Directors and was thrilled to accept a two-year term.

What have you gotten out of your experience and what would you



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Suzanne at Schreiner's Iris Gardens in Salem.



say to members thinking about getting involved with the Society?

I have made lifelong friends through the OSCP. I learned how to run meetings, put together programs, and lead volunteers. I was able to work with an incredible staff, which took care of the details so efficiently. Cheryl (Langley, former OSCP President/CEO) and Sherri (McPherson, former OSCP VP of Professional Development and current President/CEO) were some of the first people I worked with and hold in such high regard.

When and why did you decide to become a CPA?

In ninth grade, I heard a presentation at school about accountants. I had really no idea what they did, but I loved math

and numbers, so I thought I should be an accountant. In my senior year of high school, my brother was attending the University of Portland studying business, and he encouraged me to apply. He always gave me good advice, so I figured

why not and went into accounting and management as majors.

What do you like most about your profession, and why did you choose it as a career?

I am very driven, persistent and tena-▶



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cious. When I put my mind to something, I don't change course easily or give up. This of course was especially true when I was younger. In my more "seasoned" years, I see the value of knowing when to step back.

I knew I wanted to complete my college degree in four years, and I wanted and needed to have a solid career. My Business 101 professor required us to put together our four-year plan to complete our degrees and interview someone in our area of interest. I wanted to triple-major (did I say driven?), so my plan was to graduate with a BBA in Accounting, Management and Marketing. I interviewed the head of the Audit Department at Arthur Andersen and figured I could be a CPA and a partner.

I did drop the marketing degree my



Steven and Suzanne visited Venice, Italy, in 2008.

senior year, because I was working 20 to 30 hours per week, taking 18 semester hour credits, and I was getting married (see flexibility).

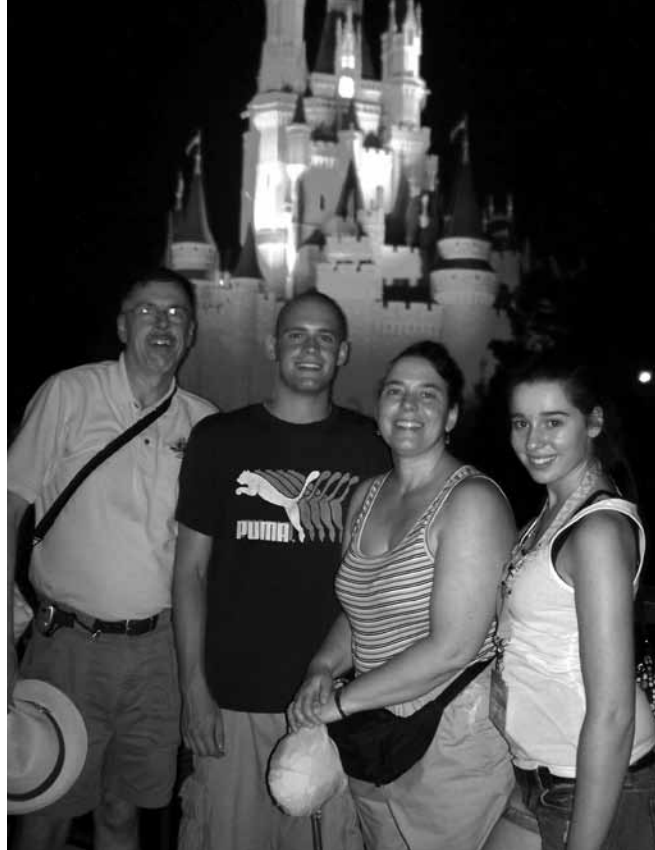
You opted to leave public accounting for industry. What was your reasoning for making the move?

I started at Arthur Andersen & Co. and was there for 10 years. I went to Yergen and Meyer, where I made partner. Yergen and Meyer eventually merged into Moss Adams LLP. Arthur Andersen gave me incredible training and experience, but I wasn't going to make partner. I had my two children while I was at Arthur, and I realized I couldn't put in the hours required to become a partner. Yergen and Meyer was a regional firm, and I liked the hands-on client approach of the partners.

The merger with Moss Adams was good, but eventually I started to miss the smaller size and hands-on interaction with my clients. I got a call from Scott Johnson, a Legacy VP looking for a tax director. Scott and I worked at Arthur Andersen at the same time. I explored the opportunity, and the job was written for me. My whole career I have focused on nonprofits and health care.

How do you balance your career, volunteer leadership, and personal responsibilities? How have your employer and family supported these endeavors?

This has been a difficult area. My family did suffer when I was working so much in public accounting. After I had my children, I did cut back on volunteer leadership, but I still did quite a bit. I did step back when I changed jobs to give me some time to regroup and figure out what



The Taylor family, Steven, Matt, Suzanne and Theresa, at Disney World in Orlando, Fla.

makes sense. Professionally, OSCPA has been the one organization where I have continued my volunteer activities.

Tell us about other groups you have volunteered for – past or present.

Currently, I volunteer most of my time with the OSCPA and Retrouvaille International (see more on that below). I have been an OSCPA member since 1984, and most recently as the board advisor to the Not-For-Profit Strategic Interest Team (2011 conference co-chair) and chair of the Not-for-Profit Knowledge Network in 2010. I sometimes volunteer with the Healthcare Financial Management Association (member since 1986), where I have served as newsletter chair, program chair and on the board of directors. I am a past president of the National CPA Health Care Advisors and a past member of the AICPA.

You are very active in a marriage-saving group. Tell us more about that.

Retrouvaille (French for rediscovery) International formed out of Marriage Encounter to help hurting marriages. It is a Catholic organization, but it is

open to all married couples of any belief with communities all over the world. Retrouvaille never turns away a couple who can't afford the weekend, so we rely on the generosity of those who can pay. We don't receive any funding.

In Oregon, we hold three weekends a year, usually at Mt. Angel Abbey, with six follow-up sessions. There are about 20 to 25 couples who attend each weekend. Three couples and a priest present topics, share experiences and teach communication tools. We don't counsel; we share to help them heal.

My husband and I attended a weekend in February 2001. We were heading toward divorce after the merger of Yergen and Meyer and Moss Adams, and my husband losing his mom and law partner. We were able to heal our marriage through Retrouvaille. We decided to give back and started to present on weekends, eventually becoming coordinators for Oregon Retrouvaille.

We were presenters just last month over the weekend of Oct. 14-16. My husband and I received the University of Portland Rev. Thomas C. Oddo, C.S.C., Outstanding Service Award in 2007 for our involvement with Retrouvaille.

Tell us about your family.

I have been married to my husband, Steven, for 30 years. Steven is an attorney. He practiced for 25 years and decided he wanted to teach. He is an adjunct professor at the University of Portland, coaching the Mock Trial Team. He is an adjunct professor at Portland Community College in its paralegal program, one of two nationally accredited programs.

We have two wonderful children, Matt, 24, a University of Oregon graduate. He worked for Disney and now works for Marriott in Orlando, Fla. He was recently

married, and we have our first grandchild, Mason.

Theresa is 21, attends Portland Community College, and is working at Victoria's Secret. Neither of my kids got the math gene.

What are your hobbies and interests?

I sing in our church choir. I love to dance and have taken dance classes. My husband and I are taking a social dance class now. We enjoy going to University of Portland soccer and basketball games and trips to the beach. I enjoy reading.

What are your proudest accomplishments?

Of course, my children, but Retrouvaille has been so instrumental in our lives, it ranks at the top. Professionally, becoming a CPA and partner were my proudest moments.

What advice do you have for someone considering accounting as a career, or for new accounting professionals?

Accounting is a wonderful career and can provide so many opportunities to grow, but learn from others outside of your firm, be involved and, as Managing Partner Bill Parkhurst of Yergen and Meyer used to say, "Work hard. Play hard." Don't do one without the other. ☺

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By Brian Swanson

Using Search Engine Optimization (SEO) to have a high rank on Google, Yahoo! and Bing boosts branding, public relations and lead generation opportunities, yet few accountants want to manage SEO because they think it is too difficult and too costly

A simple “How to do SEO” search yields so much technical information that most everyone soon gives up. Here, then, are a few secrets *any* accounting professional can implement to help improve SEO.

Secret #1: Focus on Inbound Link Building. Search engines determine website rank, in part, based on the number of “inbound links” directed to your website.

Four Search Engine Optimization (SEO) Secrets That Drive Traffic

These links are viewed as a *vote* for your site, telling the search engine in what areas your firm has expertise and knowledge.

To increase inbound links, the next time your firm sponsors an event, purchases online advertising or writes an article for a publication, be sure to ask for a link to your website. In addition, ask your clients, business partners, colleagues and anyone else connected to your business to insert your website link on their site. The more links you are able to build, the higher your website will be positioned on search engine result pages and the more you will drive traffic to your site.

Secret #2: Develop and Update Your Sitemap. A sitemap is a page on your website that provides an organized list of links to every page. The purpose of a sitemap is to provide users with easy access to pages that are more interesting to them. Sitemaps help search engines quickly find and index your website.

If you don’t have a sitemap on your website, contact your webmaster and have one made. If you already have a sitemap, be sure to continually update with any new pages so users and search engines can find them. The easier it is for search engines to find every page in your website, the more hits you will have on your website.

Secret #3: Add Photos, Video and Other Content. Boosting your ranking is as simple as adding more content – copy, images, photos and video – to your site; the more content you have, the more likely you’ll be ranked higher. When someone

in the company speaks before a group, attends an association meeting or participates in a civic event, take several photos with your phone. See one firm’s example of a video in Web Briefs. While every picture from every event is not going to be relevant, you *will* start to develop a collection that will make great content for your website and social media outlets.

The same can be done with video. If you have a speaking engagement, record it. Pictures and videos make great content that can be used on several web platforms to engage your prospects, clients and referral partners.

Secret #4: Invest Time in SEO. The best secret of all to improve SEO is to be very aware of ways to improve your website. The days of having an online brochure as a website are long gone, so spend an hour a week on the three secrets and you’ll really see the benefits.

Engage others in the firm to help out and make it a team effort! In a few months, you will have significantly increased your website’s visibility with search engines and helped your firm’s SEO. In addition, work with your web designer or internal marketing professional to brainstorm new ways to improve SEO. Remember, just because you are an accounting professional doesn’t mean that you can’t be a valuable contributor to the process. ♡

Author’s profile appears on Page 4.



For more on this topic, visit www.orcpa.org/web_briefs.



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Search Engine Optimization (SEO) Conversion Strategies

By Brian Swanson

You know it is important for your firm to show up in a search engine. That's why you've invested in optimizing your site, carefully embedding keywords, descriptions and titles into each page to help get your firm noticed first. But now that you've gotten a prospect to your website what should you do?

Think about this – you've only got their attention for 15 seconds. What is your website offering to incentivize a prospect to want to reach out and engage with you? Once on the site, the primary objective should be to entice them to contact you. The key is to prominently display a compelling call to action on your home page.

This compelling pull, otherwise known as a conversion strategy, is the process through which you entice a website visitor to contact your firm or take another action.

A conversion strategy is a way to get a visitor to your website to interact with you in a planned way. This could include access to industry studies, tax guides, subscriptions to newsletters, free webinars or an attractive service offering. What is important to remember is that this interaction won't necessarily be sales related, because the ultimate goal is that connection, and it may not immediately lead to a sales opportunity.

The CPA and accounting firms that are successful with inbound marketing have done an excellent job of developing and implementing conversion strategies. They are successful at engaging the prospect beyond the traditional website print. This is an essential component to inbound marketing that is often overlooked.

Effective Accounting Firm Websites

For example, on the website of Buffalo-based CPA firm Freed Maxick & Battaglia there are a host of conversion strategies at play found vertically on the right side of the home page. The Tax Credit Locator allows visitors to find out if their business is located in an enterprise tax zone, ultimately bringing them specialized tax credits. Visitors are prompted to enter in their address, which the firm then captures, in exchange for a valuable piece of information.

Another good example of a firm with a strong conversion

strategy is New Philadelphia-based Rea & Associates. On their home page, they offer a link to The Rea Report, which is their firm newsletter. With two clicks, the visitor is in the system and the firm has a new prospect.

Though most prospects generated through a website are often still in a research phase, they want their information in a timely manner (a 24-hour response or less is critical) and then they want time to process it on their own terms. The key is to allow them to have control of communicating the next steps and information flow. If done correctly, firms have the ability to gain a more qualified lead when the prospect is ready to meet and talk.

Web leads afford CPA firms to expand their marketing footprint and gain new revenue streams. Web-generated opportunities are typically "warmer" than traditional leads because of the inbound nature of the process. Prospects are seeking the firm out, not the other way around.

Develop Your Conversion Strategy

So how do you create a conversion strategy? Consider the following:

A Clear Call to Action. This is an essential component to a strong conversion strategy. Be clear about what the offer is in your call to action. If you are offering access to an industry study, then write "Download our Industry Study on X." Oftentimes website visitors don't take the next step because it is not clear what you are offering them in exchange for their click.

Properly Position Your Call to Action. Calls to action are best received when they are positioned at the top of your web page. If a visitor has to scroll down to see the call to action you will lose a large number of potential conversions. Raising the profile will result in additional website leads.

Make the Call to Action Stand Out. To make the call to action stand out use colors that contrast with the overall color scheme of your website. This is important. The more you make it stand out the more website visitors will see it and take action.

Ensure Proper Linking. Make sure the call to action links to the corresponding landing page. I have seen several examples of CPA and accounting firms that have strong calls to action, but they don't link to a landing page. How does the visitor know

where to go to take the next step? Make it easy and simple.

Use Image Promotion. A key mistake many make is to promote their call to action through text. Again, you want to make your offer stand out. Use images rather than plain text to highlight your offer so that a visitor's eyes are immediately drawn to the offer.

In Perspective

In creating a conversion strategy, remember it's important to choose tactics that work for your firm – usually one or two engagement methods on your home page will make all the difference in creat-

ing a connection. Search engine marketing is not only about getting people to your website.

It's about the offerings on your site that will inspire your visitors to reach out

and connect with your firm. As a result, it is important to develop a way to catch visitors' attention and entice them into taking action. ☺

Author's profile appears on Page 4.

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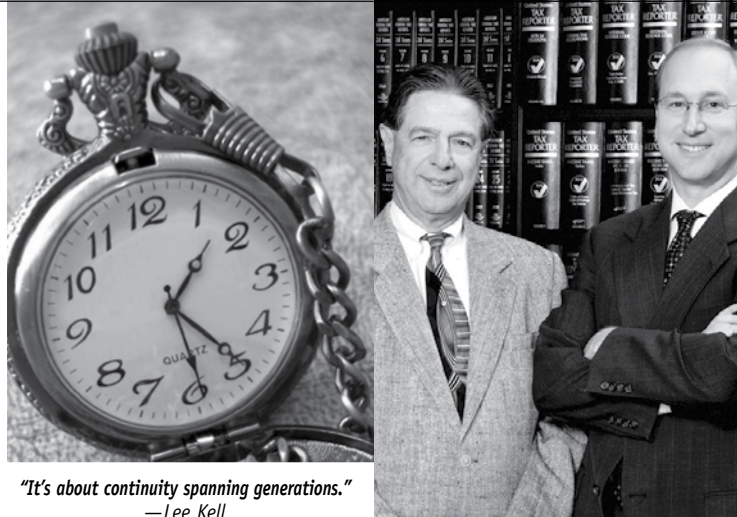
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Growing Your Accounting Firm with LinkedIn

By Julie Johnson

Whether we like it or not, the accounting industry has not typically been on the cutting edge of technology. That's not to say that there aren't some firms out there who are utilizing technology and who have most definitely caught the social media wave, and very successfully I might add. The thing about technology is that it is constantly changing and upgrading. What we buy and install today is outdated sometimes in three to six months and certainly after a year or two.

Firms that keep waiting for the perfect software to fix all of their problems get further and further behind the technology curve. The longer they wait, the more money and time it takes to invest in technology and then use it to their advantage. The firms who have embraced cutting edge technology in one capacity or another still have their ups and downs, but they are finding it easier, faster and more efficient to help their clients, generate new business, and produce the work.

There are some firms out there who are blocking social media sites like Facebook or LinkedIn; however, they allow staff to bring their smartphones to work. Now, while we don't like to believe it, I promise you, if the sites are blocked from the work computers, they are most certainly still accessing it from their phones. If you can't beat them, join them and teach them how to use social media and technology to help the firm's business grow. I believe initially those sites were blocked because they were perceived to be time wasters, relatively unstable or unknown, and not useful for business purposes whatsoever.

That might have been a good move several years ago, but not so now. The social media wave is no longer coming...it's here crashing down upon us and it's time to ride the wave!

So how does an accountant take a social media site like LinkedIn and use it to grow your business? First you need to get on LinkedIn and create a profile. If you are not familiar with how to do this, just ask any young staffer or your kids for that matter. They know how to do everything when it comes to technology and even if they have never seen the site, they understand what it means to create a profile. Plus, LinkedIn has a great step-by-step set up that you can walk through.

Here are some keys to setting up your profile. Put your picture on your profile (this will come in handy later). For the summary section, create a paragraph or three about how you help your clients, your niche areas, a specialty, or a great client success story. Make it lively and interesting. Make sure to add your firm's website and your office contact information. In essence it's like a resume of your life with previous positions held, educational background, etc.

Once you have a profile, now you have to begin connecting or getting LinkedIn. Start brainstorming on all the people you know personally from the club, the golf course, the sports fields, church, old college friends, your neighborhood, people you sit on boards with, the parents of your kid's friends, family, and even your spouse. Make sure to jot these down so you don't forget. Then brainstorm on those you know professionally. Start with

your clients and referral sources, such as bankers and attorneys, then move on to those you meet at networking events.

Last but not least go through those business cards you have been collecting that are sitting in your desk drawer waiting for some type of follow up. Now just start sending invitations to connect. You can search for those people on LinkedIn or you can just type in their email address. It has a readymade invitation that allows you to enter up to 200 names at once and sends everyone an invite to connect with you. Some of the invitations you may want to customize but it is a generally accepted rule that you can send the readymade one. Even if they are not on LinkedIn, it's OK to send an invitation regardless. I have had two managing partners tell me they were finally getting on LinkedIn after my invitation was the 6th or 7th one they had received from a myriad of people. Initially this may take you a little bit of time to set up. After that, you can maintain LinkedIn with a few minutes a couple of times a week depending on how active you want to be. So now that you have made connections and are on LinkedIn, how does this help your business grow?

It is a great resource to find a contact name for prospects in your pipeline and a way to "warm up" a call or get an introduction to a possible new client. The more connections you have the better chances that someone in your network will know someone at a company on your prospect list. I had a prospect on the West Coast and knew no one in the firm. I searched for the firm on LinkedIn and it showed

that one of my connections who happened to be a client on the East Coast was connected to the CEO of my prospect firm. I would have never guessed those two knew each other. So I made a call to my client and he was happy to give me an introduction to the CEO.

An accountant I work with was trying to get some face time with an audit committee before her proposal went out. She could not get an introduction or access to the audit committee members. She typed their names into LinkedIn and found that an old college friend had a connection with one of the members. You guessed it, she got an introduction, built like and trust and won the bid. I could tell you one success story after another from using

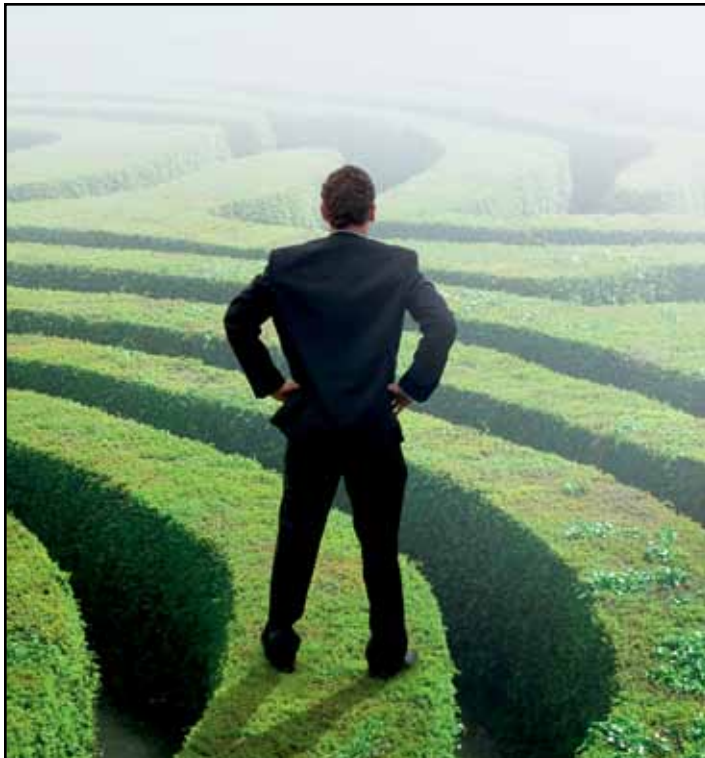
LinkedIn in this capacity. It is absolutely amazing. There is even a button you can press if you don't want to pick up the phone and call for an introduction. You can send your connection a readymade invite that requests an introduction to someone they know on LinkedIn. It's a great way to help each other out.

LinkedIn is also a great way to manage your follow up after returning from a conference, networking event, chamber meeting, or a business mixer. Gather the business cards you collected and make time the next day to send them an invite on LinkedIn to connect with you. This might take you five minutes depending on how many cards you received. This shows you to be proactive and techno-

logically savvy. It also immediately puts the face with the name and reminds them of who they met at the function.

Once you are connected, now it is OK to contact them six months later for a lunch appointment versus leaving their card in your desk and ultimately throwing it away because it has been six months and you are worried they will not remember you. LinkedIn also allows you to post PowerPoint presentations or articles you or others have written. You can also choose to send them to specific connections as a touch point.

One accountant posted an article about a new franchise tax law on his profile and then sent it specifically to his clients and prospects on LinkedIn. It was ►



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another touch point to show them he was thinking about them and their business. He won two prospects from that because their current accountant had never mentioned the new franchise tax law. The LinkedIn part took him three minutes.

There are thousands of groups with many different interests on LinkedIn. Most of your popular accounting associations have groups on LinkedIn sharing questions, answers and best practices. So you can utilize the groups for educational purposes. Another accountant was breaking into the health care niche and joined several groups to get firsthand knowledge of what was happening on the ground from all different types of people in the health care industry. What he also found was that many of the companies that would be ideal clients for him had a lot of representation in these groups. As he began to participate in the discussions, his name and picture were being seen multiple times. After a little time in the group, he requested some LinkedIn

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connections with some of the participants and has since had several meetings with what would be an ideal client for him. Another accountant in the construction niche joined a local construction group on LinkedIn. He found he was the only accountant in the group. Don't think he didn't use that to his advantage.

In a time where we are no longer order takers picking up the phone and having new business on the other end, we have to be proactive and utilize the technological opportunities at our fingertips. We must meet the client where they are and if that means getting out of our comfort zone and getting on LinkedIn, so be it.

Most people say there are two things you can always count on, death and taxes. I would say there are three, death, taxes, and change. Business development still has the same fundamental elements like building like and trust, listening for problems and needs, creating value perceptions, and of course asking for the busi-

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ness. Now the channels in which we grow our firms have changed and we have to change with them. In an industry that is becoming more competitive not less, if you are not utilizing every resource at your fingertips, you might get left behind.



About the Author:

Julie Johnson is the vice president of The Rainmaker Academy. She is a successful business development professional, entrepreneur, speaker, and training consultant

dedicated to helping her clients not only gain personal revenue growth but growth for their firm. She helps her clients to understand and work through a business development process with accountability to help them achieve proven results in the market place. You can contact Johnson at Julie@therainmakeracademy.com or 615-373-9880.



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