June Topic: “OIC: Practical Approach”
Speakers: Janie Olofson EA and Dana Snider Esq

We know that the qualifications for OIC acceptance have changed, been liberalized. But still, I am a little nervous of the process. Here are some of the questions that will be covered.

- What gets accepted
- What is the kicker
- Who is not going to get accepted
- How long does it take
- How do you negotiate (grovel) with the IRS
- How does the give and take work
- Do you find your way to any particular IRS agents or do you take whomever you get

A few case studies will illustrate these points. Send Janie your case studies that did not go through so we can analyze what went wrong. Send to olofson-tax@aol.com

Janie Olofson is an EA, real estate broker, and notary public in Alamo and has been in business for over 30 years. She is an NTPI Master Fellow (NAEA) and a member of EBAEA. More importantly, she submits (and receives acceptance) for several OICs per month.

Dana Snider is a Tax Attorney/Certified Tax Specialist in Alamo with over 35 years of experience in the field, including a stint as Staff Tax Attorney for the IRS in San Francisco.

PRESIDENT’S MESSAGE
by P. Gail Nanbu, EA

A New Beginning

Your incoming Board of Directors will be installed at the June 19th dinner meeting. Please come out and meet us! Some of the Board are old hands at this Board stuff; but there are a couple of newbies to the group, and your support will be so appreciated.

Knowing that the history of EBAEA goes back to 1973, we are aware that we are members of a very honored organization of EAs, many of whom have made such a positive mark on the EA landscape. More than several of our Past Presidents also served as CSEA President, and Lonnie Gary, EA, is the presumptive NAEA President. The late Jack Robishaw, EA served as both CSEA and NAEA President. I will only mention two out of the many respected Past Presidents with a specific intent. So, Past Presidents, please, please don’t feel slighted.

Tom Johnston, EA, was President for the 2007-2008 and 2010-2011 years. He is retiring and letting us scramble around for a replacement squad. For many years, Tom took care of our audio and video equipment for all our dinner meetings and our education events such as Tax Talk. Tom chaired the SEE Class Program for at least the past four years. Tom is the Past Chair of the CSEA Ethics and Professional Conduct Committee and also taught a number of classes on Ethics and wrote several articles for the California Enrolled Agent Magazine on ethics. Since I became a member, Tom has been to me the epitome of Ethics in his teaching of the sub-
ject, and his leadership on the CSEA Committee, and has taught me much. The scramble squad isn’t doing very well; and if anyone would like to help out with the audio-video equipment or infuse new ideas for education offerings, please let us know.

Duncan Sandiland, EA, yes, our intrepid Bulletin editor, was President for the 2005-2006 year; and he has put out the EBAEA Bulletin continuously for at least the last eight years. In the last Bulletin, Duncan thanked all of you who welcomed him with open arms and supported him as an EA and as a leader. Well, he certainly learned quickly because he has no idea how many of us he has mentored either directly or by example. The Chapter has benefitted so much as a result of his efforts and knowledge. My first year as a member was 2005, and Duncan was my first introduction to EBAEA by way of his New Member Orientation. Now, he is leaving for the Lone Star state of Texas – where they don’t even have a state tax! We may have a member willing to take over as editor, but no promises were made. I am forever hopeful since Duncan will serve as editor long-distance for the next year. Duncan’s last hurrah in person will be on June 10th as he conducts his last Practice Management seminar before leaving once and for all. If you can attend, I know he’d be glad to see you. You can sign up at 1-2-3 Signup via Events on our website, or follow the link on the flyer later in this issue.

So, as these Past Presidents ride off into the sunset to positively impact those they will meet on their next journey, your incoming Board will remember the legacy of service and strive to emulate even a few of those qualities displayed by ALL of EBAEA’s distinguished Past Presidents. We embrace and appreciate this opportunity to serve you, the membership, and welcome your support as we remember EBAEA’s Core Values embraced by all of our Past Presidents:

Service with Integrity
Accepting Challenges as Opportunities
Valuing Relationships

ANNUAL CHAPTER PLANNING RETREAT
We’ll be having our board “Retreat” on Saturday, June 29, 2013, at the Chapter Office, at 30100 Mission Blvd., Hayward, in the Conference Room, from 10am til 3pm. Coffee, doughnuts and luncheon will be served.

The Retreat is open to all members. If you would like to attend, and you are not on the in-coming or outgoing Board, please know you are all welcome. If you know someone who would like to attend, please invite them along. Please RSVP to gail@pgnea.com by Monday, June 24th so we can be sure there is enough food and materials for everyone.

Some of the agenda items will include Board responsibilities; education perks provided by EBAEA; a history of our Chapter; and how to make committee work fun! Please join us!

DINNER MEETING CE INFORMATION
- IRS Program Number: WZA09-T-00438-13-I
- Qualifies for 1 Hour Federal Tax Law Topics
- CTEC Course # 1001-CE-0206 Federal 1 Hour
- Enrolled Agents – NAEA/CSEA 1 Hour
- Target Audience: Enrolled Agents, Attorneys, CPAs, Unenrolled Preparers
- Learning Level: Level 2 (Intended to expand the working knowledge of the practitioner and exposes them to specialized areas of taxation and tax management. This level explores the details about more unusual tax situations or consequences and gives the practitioner the tools to assist clients in these areas).

EAS-ONLY MODERATED DISCUSSION
GROUP on LINKEDIN
by Mark Bole EA

There is a discussion group at LinkedIn which is limited specifically to EA’s (validated), and whose moderator, Charles Markham, is an EA I have interacted with successfully for several years on the NAEA webboard. (He knows a LOT about representation and collections, if only he wasn’t based in MA, I’d invite him as a dinner speaker).

http://www.linkedin.com/groups?gid=2170050

You are invited to join this group, no cost with a basic LinkedIn account. Feel free to check it out, you can lurk there without participating, but of course contributors are welcome. It is also possible to have email digests of the group activity sent to you. Here is the profile of the group:

- This group is for Tax Professionals licensed to practice before the Internal Revenue Service and designated as Enrolled Agents.
- In order to join, you must request membership and fax a copy of your IRS enrollment card to 781-659-6610 or 866-832-1139. Members of NAEA may skip this if they are in the online directory. Email a link to the NAEA directory.
- We are here to share tax practice info and to help each other with unusual tax situations. We will try to keep political discussions to a minimum and kept polite. This is a moderated group.
- This groups does not encourage ”cross-posting” which is defined as started the exact same discussion in more than one group. If you simultaneously post a discussion in this group and another group simultaneously, the moderator reserves the right to remove the discussion.
WHAT IS THE CSEA ANNUAL MEETING and Why Should You Come?  
by Patty Pringle, Annual Meeting chair
Each year a different chapter hosts the annual meeting alternating between Northern and Southern Chapters of CSEA. Each year the chapters try to out-do each other to host the best annual meeting. The actual annual meeting is a small part of a fabulous week of getting to know each other, and also getting to know members of other Chapters who attend. It is a lot of fun!
So why should YOU come? We need our chapter members to come out as hosts and give our guests a good time. We want to show them that we are the BEST CSEA chapter, we are the nicest, most collaborative chapter. How can we do that if you do not attend?

DO YOU LIKE COMPETITION? Try these:
• Compete in the golf tournament
• Compete in the Bocce Ball tournament
• Play EA Feud at the member dinner

Please help us make this the best annual meeting ever. We need:
• Volunteers to help at various events
• Items to put in goodie bags we give to all participants. Do you have a client who can give you small bottles of wine, small packets of chocolates or jelly bellies, coupons to Pleasanton restaurants or anything we can put in a goodie bag. These items should represent the SF Bay area. These do not have to be edible.
• Items for the e-waste fundraiser. All proceeds will be donated to the CSEA Education Foundation
• Please see the “Save the Date” flyer at back of this bulletin for additional information.

2013 CSEA digiTAX SCHEDULE
Looking for a bite-sized chunk of high-quality info on a subject? Grab your calendar, look over this list and mark the ones that sound tasty. Then head over to www.csea.org to sign up.

July 24: Bankruptcy
July 31: Offers in Compromise in the Era of Fresh Start
August 7: COD Exclusions
August 21: COD After Insolvency
August 28: AMT: A Different Approach
September 25: Circular 230 Ethics Update
October 30: Defense of Marriage Act (DOMA)
November 6: Form 709: Gift Tax Return
November 13: Form 706: Estate Tax Return
November 20: Wealth Transfer Taxes
December 11: Handling Complex IRS Examinations: Domestic and International
January 15: Representing Audits in Today's Environment

EBAE A ANNUAL MEETING ACTIONS  
by Andy Rogers, President, EBAEA
The Annual Meeting of the East Bay Association of Enrolled Agents (EBAEA) was held on May 15th, 2013 at 6:45 pm at the Dublin Holliday Inn. The business of the Annual Meeting included consideration of the following motion:
The Membership ratified the Board of Directors action to suspend the rule at Article 5.02 and to allow Marjorie Williams-Jones to serve a third consecutive term as Treasurer of the Association for the 2012-2013 Association year.

Additionally, the Membership elected the following candidates for our 2013-2014 fiscal year:
President: Gail Nanbu, EA
1st VP: Al Wise, EA
2nd VP: Aida Torres, EA
Treasurer: Tim Hintzoglou, EA
Secretary: Carrie Kroeger, EA
Immediate Past President: Andy Rogers, EA
Director 2013-2015:
Sal Romo, EA
Mark Bole, EA
open
Director 2012-2014:
Clare Ashby, EA
Jan Bridges, EA
Patty Pringle, EA (to fill Al Wise, EA term)
CSEA Director: Al Wise, EA

BULLETIN ADVERTISING POLICY  
by Duncan Sandiland, Bulletin Editor
To encourage more Members to use the Bulletin to fill their needs, we present the Bulletin advertising policy:
1) All Bulletin notices are run for a maximum of three months. If you wish to run a notice for a longer period, you must resubmit the notice.
2) Maximum notice size is 1.5 column inches. This equals a space one and one-half inches high by one column (3.5 inches) wide. The standard Bulletin font is Times New Roman 11 point.
3) The Bulletin Editor reserves the right to edit any notice for style, content and length.
4) All notices must be submitted (and payment received) by the 25th of the month prior to initial publication. Send the desired text to: bulletin@ebaea.org
5) Member notices seeking or offering employment, clients or EA-practice-related matters are run at no charge as a Member benefit. This includes an ad run by a firm which employs a Member. Member notices offering other services or products, and all non-Member notices are run at the standard fee of $150 for the three-month insertion. The Bulletin Editor reserves the right to modify or reject any notice which, in the sole opinion of the Editor, violates any of the principles of EBAEA.
**GORGEOUS OFFICE AVAILABLE**
Class A building with two professional offices, work area, kitchen/storage room and lobby area. Second story suite with elevator close by. Floor-to-ceiling windows overlook park. Twenty restaurants and Starbucks and Peets, all within a five minute walk. Two blocks from I-680 freeway exit in downtown Pleasant Hill. At least one other EA is interested in sharing this office, might you be the missing partner? Call Duncan at (925) 691-1040.

**TWO CASTRO VALLEY OFFICES**
Very cozy offices available in a converted 1860 farm house. This historical landmark is known as Stanton House and is located across from McDonald's at the west end of town. Both offices are on the second floor and are available now.

Suite E has 2 large rooms with a large closet in each. Rent is $1,000 per month. Suite H has one room with a large closet. Rent is $500 per month. Both suites are a one year lease, and then month to month.

Rent includes utilities, monitored security system, and janitorial services for the common areas. There are two restrooms in the building, one on each floor. All tenants have access 24/7.

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**Small Group Tax Meetings**

<table>
<thead>
<tr>
<th>Location</th>
<th>Date</th>
<th>Time</th>
<th>Venue</th>
<th>Presenter</th>
<th>Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antioch /Brentwood</td>
<td>4th Tue</td>
<td>9:30am</td>
<td>Pascals French Oven, 155 Railroad Ave, Danville</td>
<td>Ken Seamann EA</td>
<td>(925) 634-8297</td>
</tr>
<tr>
<td>Danville Area</td>
<td>4th Tue</td>
<td>9:00am</td>
<td>Buttercup Café, 229 Broadway, Oakland</td>
<td>Michael Power EA</td>
<td>(510) 366-8836</td>
</tr>
<tr>
<td>Oakland Area (Near BART)</td>
<td>3rd Tue</td>
<td>8:00am</td>
<td>Carrow's, 2723 Castro Valley Blvd @ Lake Chabot, CV</td>
<td>Dagmar Bedard EA</td>
<td>(510) 537-3883</td>
</tr>
<tr>
<td>Livermore Area</td>
<td>1st Wed</td>
<td>9:30am</td>
<td>Mimi's, 24542 Hesperian, Southland Mall, Hayward</td>
<td>Jerrilyn Krebs</td>
<td>(925) 606-8181</td>
</tr>
<tr>
<td>Castro Valley</td>
<td>1st Wed</td>
<td>8:00am</td>
<td>Antioch /Brentwood Café, 8500 Brentwood Blvd, Brentwood</td>
<td>Ken Seamann EA</td>
<td>(925) 634-8297</td>
</tr>
<tr>
<td>South Alameda County</td>
<td>1st Wed</td>
<td>9:30am</td>
<td>EBAEA Dinner Meeting: “Foreign Forms”</td>
<td>Peggy Hall EA</td>
<td>(925) 388-1040</td>
</tr>
</tbody>
</table>

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**EBAEA EMAIL LISTS**
EBAEA sends news to Members via two one-way (send-only) email distribution lists. Subscription is free and completely voluntary, and you can subscribe or unsubscribe to either list any time you wish. For more information and to manage your subscription, visit: [http://ebaea.org/cgi-bin/dada/mail.cgi](http://ebaea.org/cgi-bin/dada/mail.cgi)

**MEMBERS SPEAK**
For EBAEA members to list speaking engagements next month, please email details to Andy@TaxBuddha.com

June 4: “Basic Payroll” in San Francisco, 9am-3pm, Andy Rogers EA, Andy@TaxBuddha.com

June 26: “Basic Payroll” in Oakland, 9am-3pm, Don Wayne EA, Don@DonWayne.com

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**CALENDAR OF EVENTS**

**June 2013**
- 10 Duncan's Practical Management seminar (see flyer for details)
  @ Crowne Plaza Hotel, Concord
- 14 IRS FURLOUGH DAY
- 19 EBAEA Dinner Meeting: “Offers in Compromise”
  @ Holiday Inn, Oakland Airport

**July 2013**
- 5 IRS FURLOUGH DAY
- 8-11 CSEA Annual Meeting (see flyer for details)
  @ Four Points by Sheraton, Pleasanton
- 12-14 CSEA Board and Committee Meetings (see flyer for details)
  @ Four Points by Sheraton, Pleasanton
- 17 EBAEA Dinner Meeting: “Foreign Forms” @ Holiday Inn, Dublin
- 22 IRS FURLOUGH DAY

**August 2013**
- 21 EBAEA Dinner Meeting: “New Tax Laws” @ Holiday Inn, Dublin
- 30 IRS FURLOUGH DAY

**September 2013**
- 18 EBAEA Dinner Meeting: 2 hour topic - “Tax Prep from a Representation Perspective” @ Holiday Inn, Oakland Airport
HUMOR

Dear John,
I have been unable to sleep since I broke off our engagement. Won’t you forgive and forget? Your absence is breaking my heart. I was a fool, nobody can take your place. I love you.
All my love,
Belinda xxxxxxxxxx

P.S. Congratulations on winning this week’s lottery!

A farmer had a wife who nagged him all the time. One day while he was outside plowing the field, she came out and started nagging him. While she was doing this, the mule kicked her and she died. At the funeral, the ladies came up and talked to the farmer. The farmer nodded his head “yes”. The men came up and talked to him and the farmer nodded his head “no”. Another man wondered why he nodded his head “yes” to the ladies and “no” to the men, so he went up the farmer and asked him why. The farmer replied, “Well, when the ladies came up, they told me how pretty my wife’s dress was and how pretty she looked. When the men came up, they asked, ‘That mule for sale?’”

Two guys worked for the city. One would dig a hole - he would dig, dig, dig. The other would come behind him and fill the hole - fill, fill, fill. These two men worked furiously; one digging a hole, the other filling it up again. A man was watching from the sidewalk and couldn’t believe how hard these men were working, but couldn’t understand what they were doing. Finally he had to ask them. He said to the hole digger, “I appreciate how hard you work, but what are you doing? You dig a hole and your partner comes behind you and fills it up again!” The hole digger replied, “Oh yeah, must look funny, but the guy who plants the trees is sick today.”

Two ladies were hanging out together and one was depressed. “What’s wrong?” The depressed one replied, “I’ve been married four times and every one of my husbands has passed away.” The other lady asked, “What did they do?” The depressed lady replied, “Well, my first husband was a millionaire, the second was a magician, the third was an evangelist, and the fourth was a mortician.” And the other said, “Oh, one for the money, two for the show, three to get ready, and four to go.”

2013 - 2014 Board of Directors and Committee Chairs

Web Page http://www.ebaea.org  Bulletin editor: bulletin@ebaea.org (Duncan Sandiland EA)

President: P Gail Nanbu EA  925-943-3993
1st VP: Al Wise EA  707-634-4TAX
2nd VP: Aida Torres EA  510-724-6409
Treasurer: Tim Hintzoglou EA  925-930-7737
Secretary: Carrie Kroeger EA  925-686-1600
Immed Past Pres: Andy Rogers EA  510-332-0401
Director 2013-2014:
- Clare Ashby EA  925-462-0538
- Jan Bridges EA  510-505-0818
- Patty Pringle EA  510-912-1682
Director 2013-2015:
- Mark Bole EA  925-287-0366
- Sal Romo EA  510-471-9492
- Marjorie Williams-Jones EA  510-482-6204
CSEA Director: Al Wise EA  707-634-4TAX

Communication Committee, (1st VP)
Chair: Aida Torres EA  510-724-6409
Bulletin: Duncan Sandiland EA, etc  800-617-1040
Disaster Services: Janet Bridges EA  510-505-0818
Legislative: Eva Konigsberg EA  510-928-5067
Membership: Aida Torres EA  510-724-6409
Practice Preservation: Linda Fox EA  925-846-5913
PIA: Patty Pringle EA  510-912-1682
PIA: Peggy Hall EA  925-388-1040
Quickfinders: Diann Gross EA  925-736-3853

Social Affairs: Luciann Leraul CPA  925-518-9076
Social Affairs: Carolynn Krieg EA
Website: Eric Rheinheimer EA  510-893-3601
IRS Practitioner Panel: Phil Fiegler EA  510-530-1174
CTEC Panel: Walt Thomas EA  510-487-1691

Education Committee
Chair: : Al Wise EA  707-634-4TAX
Annual Meeting: Patty Pringle EA  510-912-1682
Continuing Ed: Mark Bole EA  925-287-0366
Mini Seminar Team: Mark Bole EA  925-287-0366
Program: Peggy Hall EA  925-388-1040
SEE Class: vacant
Tax Talk: Patty Pringle EA  510-912-1682
Town Hall: Patty Pringle EA  510-912-1682
Town Hall: Peggy Hall EA  925-388-1040
VITA Team: vacant

Administration Committee (IPP)
Chair: Andy Rogers EA  510-332-0401
Bylaws/SOP: Clare Ashby EA  925-462-0538
Budget & Finance: Walt Thomas EA  510-725-8356
Chapter Office: Dagmar Bedard EA  510-537-3883
Financial Review: Luciann Leraul CPA  925-518-9076
Nominating: Andy Rogers EA  510-332-0401
Volunteer Coordinator: vacant

EAST BAY ASSOCIATION OF ENROLLED AGENTS
30100 Mission Blvd, Suite 6, Hayward CA 94544
(800) 617-1040 or (510) 487-2063  fax (510) 487-1501  email: ebaea@ebaea.org
Mark Your Calendars

CSEA Annual Meeting Comes to the East Bay

Chairperson for East Bay Chapter: Patty Pringle, EA

It’s time to mix business with pleasure. This year the CSEA Annual Meeting will be held in the East Bay at the Four Points by Sheraton Pleasanton. The East Bay Association of Enrolled Agents and the Big Valley Association of Enrolled Agents are joining forces to host the 37th Annual Meeting “Bits to Bytes”.

Events are kicked off on Wednesday, July 10th at The Jim Reed Memorial Golf Tournament at Las Positas Golf Course followed by Bocce Ball at Campo de Bocce and then we close the day with a Classic Car Show. If you want to show your “cool side” and are interested in showing off your classic car email Jamie Peterson at Jamie@flavinea.com by July 1st.

Thursday, July 11th we get down to some serious business at the General Session where CSEA Members elect next year’s Officers and vote on Bylaws changes, followed by the Town Hall Meeting. Then it’s time to get all glammed and glitzed up for the Grand Banquet. The installation of Officers and Awards Ceremony are followed by a night of dinner and dancing. This year we have a great band so dust off the dancing shoes.

Friday, July 12th events include The President’s Workshop, Directors Orientation, Executive Committee Meeting and the Chairs Council. Friday afternoon features a fundraiser for the CSEA Education Foundation. We are hosting an e-waste event. This is a great opportunity to get rid of those old items you longer need (computers, cell phones, copiers, monitors etc.). Proceeds from this event will be donated to the foundation. We can also arrange to pick up items if needed. Please contact Patty Pringle, EA capattypringle@sbcglobal.net for East Bay donations or Connie Flavin, EA connie@FlavinEA.com for other areas.

More great fun on the evening of Saturday, July 13th. Come join in on the fun by attending the Member Dinner featuring Family Feud. Groups of EAs team up for a competition sure to be fun and entertaining. Those planning to participate should form “families” of four tEAm members with a theme and common attire, and be ready to answer questions about the EA profession. For additional information or to submit your tEAm name email Peggy Hall, EA halloftaxes@gmail.com by May 29.

This is also a great opportunity to attend a CSEA Board of Directors Meeting and CSEA Committee Meetings. This is your chance to see what goes on behind the scenes and meet your newly elected Officers.

Thank you to the following members of the East Bay Chapter for the wonderful volunteer work they are doing to help make this a successful even: Dagmar Bedard, EA Grand Banquet; JoAnne Anderson, EA Registration; Peggy Hall, EA Membership Dinner; and Sal Romo, EA Jim Reed Memorial Golf Tournament. If you are interested in volunteering please contact one of us.

Stay tuned for more information from the CSEA Magazine and CSEA e-blasts.
What did you do on April 17th?

Some EAs said “Thank goodness that’s over for another year. Only __ more seasons until I can retire!” - if this is you, skip this and head for the jokes on the last page.

Some EAs said “There were some rough spots this year. What can I do to make things easier for me before next tax season?” - if this is you, read on...

Think about all those clients you try to teach, and how few of them actually learn. Think of all the practice management tips you’ve learned, and never worked out for you.

Would you like to listen to even more ideas that probably won’t work for you… or...

Would you like to learn WHY and HOW you’ve been subconsciously sabotaging your practice?

Seven years ago, Duncan Sandiland cut his tax practice in half without hurting his profits. Fewer clients + Same profits = Less stress + Lots more family time

Four years ago, a lucky group of EAs got to see how he did it. “In my 24 years in practice, this was the best seminar ever” – previous student

Now, you have ONE CHANCE to learn those lessons – And this is your ONLY CHANCE because Duncan is moving to Texas very soon. THIS SEMINAR WILL NOT BE REPEATED!

“HOW TO MANAGE YOUR PRACTICE INSTEAD OF YOUR PRACTICE MANAGING YOU”

This is a full day, 9:30am til 5pm seminar. Earn 7 hours of NAEA (no IRS) CE.

WHEN: June 10, 2013
WHERE: Concord Crowne Plaza Hotel, 45 John Glenn Drive, Concord
(3 blocks east of I-680 at Concord Ave/Burnett exit)
PRICE: $349 by June 5, $379 thereafter (lunch included)
(that’s just one tax return fee – isn’t improving your practice worth that much to you?)

REGISTER at: https://www.123signup.com/calendar?Org=ebaea

This seminar is sponsored by the East Bay Association of Enrolled Agents. EBAEA receives a portion of the proceeds of this seminar.
**How children perceive their grandparents**

1. She was in the bathroom, putting on her makeup, under the watchful eyes of her young granddaughter, as she'd done many times before. After she applied her lipstick and started to leave, the little one said, "But Grandma, you forgot to kiss the toilet paper good-bye!"

2. My young grandson called the other day to wish me Happy Birthday. He asked me how old I was, and I told him, 80. My grandson was quiet for a moment, and then he asked, "Did you start at 1?"

3. After putting her grandchildren to bed, a grandmother changed into old slacks and a droopy blouse and proceeded to wash her hair. As she heard the children getting more and more rambunctious, her patience grew thin. Finally, she threw a towel around her head and stormed into their room, putting them back to bed with stern warnings. As she left the room, she heard the three-year-old say with a trembling voice, "Who was THAT?"

4. A grandmother was telling her little granddaughter what her own childhood was like. "We used to skate outside on a pond. I had a swing made from a tire; it hung from a tree in our front yard. We rode our pony. We picked wild raspberries in the woods." The little girl was wide-eyed, taking this all in. At last she said, "I sure wish I'd gotten to know you sooner!"

5. My grandson was visiting one day when he asked, "Grandma, do you know how you and God are alike?" I mentally polished my halo and I said, "No, how are we alike?" "You’re both old," he replied.

6. A little girl was diligently pounding away on her grandfather's word processor. She told him she was writing a story. "What's it about?" he asked. "I don't know," she replied. "I can't read."

7. I didn't know if my granddaughter had learned her colors yet, so I decided to test her. I would point out something and ask what color it was. She would tell me and was always correct. It was fun for me, so I continued. At last, she left, saying, "Grandma, I think you should try to figure out some of these colors yourself!"

8. When my grandson Billy and I entered our vacation cabin, we kept the lights off until we were inside to keep from attracting pesky insects. Still, a few fireflies followed us in. Noticing them before I did, Billy whispered, "It's no use Grandpa. Now the mosquitoes are coming after us with flashlights."

9. When my grandson asked me how old I was, I teasingly replied, "I'm not sure." "Look in your underwear, Grandpa," he advised "Mine says I'm 4 to 6."

10. A second grader came home from school and said to her grandmother, "Grandma, guess what? We learned how to make babies today." The grandmother, more than a little surprised, tried to keep her cool. "That's interesting," she said. "How do you make babies?" "It's simple," replied the girl. "You just change 'y' to 'i' and add 'es'."

11. Children's Logic: "Give me a sentence about a public servant," said a teacher. The small boy wrote: "The fireman came down the ladder pregnant." The teacher took the lad aside to correct him. "Don't you know what pregnant means?" she asked. "Sure," said the young boy confidently. "It means carrying a child."

12. A grandfather was delivering his grandchildren to their home one day when a fire truck zoomed past. Sitting in the front seat of the fire truck was a Dalmatian dog. The children started discussing the dog's duties. "They use him to keep crowds back," said one child. "No," said another, "He's just for good luck." A third child brought the argument to a close. "They use the dogs," she said firmly, "to find the fire hydrants."

13. A 6-year-old was asked where his grandma lived. "Oh," he said, "she lives at the airport, and when we want her, we just go get her. Then, when we're done having her visit, we take her back to the airport."

14. Grandpa is the smartest man on earth! He teaches me good things, but I don't get to see him enough to get as smart as him!

15. My Grandparents are funny, when they bend over, you hear gas leaks and they blame their dog.
Permission to E-File an Extension?

by Andy Rogers, EA

We all know Form 8879 IRS e-file Signature Authorization, but almost no one knows Form 8878 IRS e-file Signature Authorization for Form 4868 or Form 2350.

William Boord, EA has done some research on Form 8878 and this article would not have been possible without his input. Form 8878 authorizes us to initiate a direct debit for an extension payment using a taxpayer PIN, and provides a phone number for the client to call if they want to cancel a payment.

In days gone by, either the taxpayer or the “preparer other than taxpayer” would sign and date the Form 4868. You didn’t need a POA if you were an Attorney, CPA or EA, or if you had a “close personal or business relationship” with a “good reason” why the taxpayer could not sign, such as illness or absence. “Attach an explanation.” (!) The signature block disappeared in 1996. Prior to 1996, lack of signature was reason to reject an extension.

This rule on signatures was changed through Proposed, then Temporary and Final Regulations (TD 9229 November 7, 2005, http://www.irs.gov/pub/irs-regs/td_9229.pdf). The IRS simplified, consolidated and automatically granted the six month extension without requiring signature, to reduce taxpayer burden, confusion, and to save money on processing a signed four month and signed two month extension.

I don’t know about you, but I don’t think I’ve ever secured a signature before e-filing an extension. (I received my EA card in 1999.) Come to think of it, I can’t remember ever sending in a direct debit instruction with an Extension Form. Further, despite my insistence that “an extension to file is not an extension to pay,” I believe my clients on extension are much more likely to owe money than the clients who file by February 1.

What we’re interested in with Form 8878 is when you DON’T need it.

William called the Office of Associate Chief Counsel at the IRS in Washington, and spoke with two different attorneys. Both said we could NOT e-file an Extension without a signed Form 8878. They didn’t see any rules about not filing paper extensions without signatures, so in their opinion, this would be OK.

They based their opinion at least in part on Publication 1345, the Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns http://www.irs.gov/pubs/irs-pdf/p1345.pdf. In Chapter 3, the Publication says an “ERO originates the electronic submission of a return after the taxpayer authorizes the filing of the return via IRS e-file.” On page 26, the taxpayer authorizes the ERO to enter their PINs by signing the appropriate authorization form, either the 8879 or the 8878. For both forms “the taxpayers must sign and date the appropriate form before the ERO originates the electronic submission of the return. The Taxpayer must sign and date the Form 8879 or Form 8878 after reviewing the return….” No exception in this language for Forms 8878 with no payment due.

It is even more clear on page 27 “Taxpayers and the ERO representative must always complete and sign Form 8879 or Form 8878 for the Practitioner PIN method of electronic signature.” No exception for extensions e-filed without payments.
And yet, if you look at the page of instructions that come with Form 8878 from the IRS (http://www.irs.gov/pub/irs-access/f8878_accessible.pdf) it would appear that you may create a PIN and e-file an extension without client authorization provided you are not transmitting instructions for a direct debit payment. If you’re sending an instruction to take money out of your client’s bank, it just makes sense to get a signature authorization before you transmit the instruction to the IRS.

This reminds me of the old joke: How does the IRS drive an EA crazy? They put us in a round room and tell us to stand in the corner. How does an EA drive the IRS crazy? We ask “which one?” Contradictory rules are difficult for people who like to follow the rules. Form 8878 references Publication 1346. Perhaps we can get some clarity here.

In Publication 1346 (http://www.irs.gov/pub/irs-pdf/p1346.pdf), the IRS says an ERO can generate a PIN for the electronic filing of a return, but we must have a signed Form 8879 IRS e-file Signature Authorization before we transmit or release the return for transmission to the IRS. OK, I need to get a signature before e-filing a return. No problem, I’ve been doing that as long as I’ve been e-filing returns.

We can generate the PIN for the taxpayer for an Extension Form 4868, if the taxpayer consents to the ERO’s choice of PIN. This publication says “the ERO must receive the signature authorization signed by the taxpayer(s) before they transmit the return or release it for transmission to IRS.” (page 227). This, plus the next few pages in Publication 1346 seem to imply that the taxpayer needs to sign a form that allows us to generate a PIN for them to file electronically, and it’s specifically that generation of the PIN that requires a signature.

On Page 244, a preparer is allowed to enter the taxpayer’s PIN on an Extension of Time to File, provided you have the Form 8878, which also comes in Spanish, Form 8878-SP, and you may maintain copies electronically in accordance with Rev. Proc. 97-22. How nice.

But the useful page in Publication 1346 is page 248: “A Form 8878 is required by Form 4868 filers when they need to make an Electronic Funds Withdrawal and they want to authorize the ERO to enter the taxpayers PIN. Form 8878 is not required for Form 4868 when there is no Electronic Funds Withdrawal.”

So I’ve got two citations and Simplification that tell me I may e-file an Extension without a signature, which contradict two attorneys and one citation.

I called Michael Hara, Chief Counsel for Procedure and Administration, Branch 1, as he was the principal author of Internal Revenue Bulleting 2007-42 “Alternative Signature Methods for Electronic Return Originators.” He was very nice and helpful. He agrees the logic of not needing a signature for a paper extension applies to not needing a signature on an e-filed extension (provided no payment is being originated with that extension). As to the contradictory Publication 1345, he mentioned this publication is being administered by RPO, not by Forms and Publications, and as a consequence, the Publication may not be as clear as the forms.

Each of us must make a myriad of choices during filing season. I’m feeling pretty confident about e-filing Extensions without Form 8878, unless there is a direct debit. There is no doubt that you may file paper extension Forms 4868 without a signed Form 8878.
The CSEA Board of Directors Meeting was called to order by President Raven Deerwater, EA, on May 28, 2013, in Reno, NV, just prior to the Reno CSEA Super Seminars. This is the last CSEA Board Meeting that I will attend as a Director. We welcome Al Wise, EA, EBAEA presumptive 1st VP and CSEA Director, to take the reins.

The Board approved the release of two previously Board Designated funds (Emergency Reserve Fund and Capital Expenditure Reserve Fund) from “restriction,” and reallocation to the General Fund. A third fund, Major Media Marketing, was left as a restricted Board Designated and/or Temporarily Restricted fund.

The Board approved the new Strategic Plan as presented so that CSEA can begin working on implementation of the First-Year Strategic Plan Objectives. The Plan has five goal areas: Membership; Advocacy; Public Information & Awareness; Education; and Financial Stability. The Board, Committee Chairs, and guests broke out into these five areas to discuss the goals and possible strategies to reach these goals in each category and how to best implement the Strategic Plan first-year objectives in each area.

Balloting for the various Awards took place, and there were ten Chapters vying for CSEA Chapter of the Year! Of course, East Bay was nominated and well represented by President Andy Rogers, EA, in his strong and convincing presentation of why EBAEA should be chosen as Chapter of the Year. Bribes, pom-poms, and a singing group provided fun and entertainment; however, our President’s excellent description of what EBAEA accomplished this past year was heads above such frivolity. As opposed to a bribe, our Chapter thanked the CSEA 2012-2013 BOD and Officers for their hard work in steering CSEA with a bottle of fabulous wine to which was attached a formal EBAEA card stating, “Thanks for your service, Compliments of EBAEA.” Need I say more?

The Board voted to change the PIA matching funds reimbursement. Previously, “Fifty percent of the amount spent on PIA activities in the fiscal year is reimbursable, up to a maximum reimbursement of $1,500. The Matching Funds program will make only one payment per Chapter per year, and requests for reimbursement from the Chapters must be received by May 31.” This has been amended to read, “Fifty percent of the amount spent on PIA activities in a fiscal year is reimbursable, ‘as provided for in the annual budget.’” The amount that can be reimbursed to the Chapters will be dependent on that specific year’s CSEA budget.

The real work of CSEA is done at the Committee level. There are ten Committees that meet during each meeting: Audit, By-Laws, Executive, PAC, Legislative Affairs, Membership and Chapter Development, Nominating, Ethics and Professional Conduct, Education, PIA, and Finance and Budget. In addition, there are other committees and subgroups that meet at other times or by telephone conference such as the Scholarship Committee, and various Task Forces assigned by the CSEA President. Simplistically, the Board of Directors approves or rejects recommendations brought to the Board by the Committees. Any Chapter member has the option of attending the Board Meeting and the committee meetings, and becoming involved in an area important to the member.

The next CSEA Board of Directors Meeting will be held at the 37th Annual Meeting at Four Points by Sheraton in Pleasanton, CA, July 8-14, 2013. This event will be hosted by the Big Valley Chapter and EBAEA. All EBAEA members are encouraged to join the fun!!

The changing of the guard will take place this month, and it is with regret and appreciation that the reins of EBAEA leadership will transfer from President Rogers’ hands. The “newbies” coming in as your 2013-2014 Officers look forward to your support and suggestions. As noted elsewhere in this Bulletin, the Annual Chapter Planning Retreat will take place on Saturday, June 29th, at the Chapter Office in the conference room. There will be coffee, donuts and fruit in the morning and sandwiches for lunch. This event is open to all members and we welcome ALL of you. However, make sure to RSVP either me or the Chapter Office so that we will be assured of adequate food and materials for all.
These periodic meetings arranged by the IRS Stakeholder Liaison in Oakland allow taxpayer representatives to meet with various IRS executives to air issues and solve problems. Local department heads of various IRS functions report on the trends in their work. Attending practitioners represent organizations of CPAs, Attorneys and Enrolled Agents. The three CSEA Chapters closest to Oakland each send a representative.

The May 15 meeting was held virtually, as the IRS budget is tight. It was a combination of phone and video conference.

One of the primary underlying themes is that IRS does not have enough budget to operate as they would like to right now. Each Territory Manager and IRS official voiced this same concern. In fact, they have all been instructed to find 5% in their budgets to “give back.” All government agencies budgets are under very tight constraints. No new IRS employees have been hired for awhile, even before the sequestration. Now other items are being cut.

**Critical Information on IRS furlough days:**
Every single function of IRS will be completely closed the following dates: June 14th, July 5th, July 22nd, & August 30th. This even includes E-file processing and enforcement. Some of you may have experienced this on May 24th, when they were also closed. E-filing is closed from the evening of the last business day before the furlough day until the morning of the first business day after the furlough day.

Tim Kelly, Territory Manager for Exam (audit), based in San Francisco:

- For 2013 and early FY 2014 concentration on offshore banking cases.
- Influx of whistleblower cases.
- Major push on auditing partnership returns, which historically have been under-audited. This could also cause underlying partners to be examined if issues are found.
- IRS realignment coming in October: Northern CA is being split out from the rest of the state. This is pretty much from north of Salinas to Oregon border. San Jose will be in the region, but not Salinas or Fresno. It will now be aligned with “Western Region,” operated out of Denver. Change will supposedly be transparent to us. The rest of CA will be “Southwestern Region.”
  - Territory Managers will not change, but there will be a new area director. Each director institutes their own policies, so some effect may be felt.

Group managers and territory managers will not be allowed to travel, unless for case-related costs. If we have a difficult case and want to meet with a Territory Manager in person as opposed to by phone, we have to put a request in through the Revenue Agent (RA) and permission to travel needs to be acquired.

Dawn Harris, Collection:
She is usually working out of Ohio, but as of January 18 is the Acting Area Director over all field collection employees. She replaces Mel Hadley. She keeps being promised that a new permanent director to be appointed soon.

- Trying to improve employee quality to ensure that Revenue Officers (ROs) are following rules in the Internal Revenue Manual (IRM). Adhere to all requirements and no bypassing of POAs.
- Focusing on increasing skill level for new employees.
- Making sure all employees know about “Fresh Start” provisions.
- New Territory Manager for Oakland is Maryann Enciso. For San Jose, and covering San Francisco, it is Rick Chezum.
- National director programs: make voluntary compliance easier, improve notices (many still being redesigned), utilizing fresh start options, changes to OIC program.

Odds and Ends:
- If you have problems with IRS, and believe it may be a systemic issue, you can email it to our Stakeholder Liaison or better yet, send it to Phil or Rob to forward. This is not a help or complaint forum and it is not a place to solve a case-specific item. For more info, check the web page: http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Issue-Management-Resolution-System-%28IMRS%29
- Due to budget constraints, our group will now only meet once a year. Originally it was two or three live meetings per year. We will alternate one live meeting and one teleconference meeting with San Jose each year. We will only be meeting in person once every two years.
- This same kind of rotation will occur in other pairs of cities: Sacramento-Fresno, LA-Orange County, San Diego-San Bernardino.
- Panel chair Jayme Gallenson, EA of North Bay reported that during tax season, he had an office audit, and made a request to the auditor and manager to do it via correspondence instead of face-to-face and that they agreed. Group Managers of both Tax Compliance Officers (Office auditors or TCOs) and RAs can approve this in certain situations.
- Panel member Jean Nelsen, EA of Golden Gate suggested an interesting idea, but they did not have much of a reaction. She requested that Practitioner Priority Service (PPS) should have a call-back like EDD and FTB have. With those agencies, when the hold time is going to be long, you leave your info and someone calls you back. I wouldn’t hold my breath for that to happen.

**Correspondence Audit presentation (from National)**
- Please note this is not about Automated Under Reporter (AUR). It is about actual correspondence exams other than CP2000s. I can assure you these will increase radically, so get ready.
- Presentation was given by Eric Powell, Program Manager for correspondence audit & Mike Landsmann, Senior Policy Analyst. This comes from SB/SE division headquarters in Washington and was presented to us in webinar format. IRS did an oversight study and came up with a laundry list of facts and items to try to improve the program, some of which will be listed below.
• **Practice Hint:** If you have a Correspondence Audit, you can call Practitioner Priority Service (866-860-4259) and press 7 to go into a special queue where you will get to speak to an examiner who can pull your case up and discuss it. If there are minor issues which could close the exam, they have the authority to ask you to fax them and close the case! These agents are encouraged to “self-assign” and take ownership if they think they can close the case with a fax of a small number of documents. The hold time is less than 5 or 10 minutes usually, and not a lot of recorded junk plays while on hold.

• Revise letters and communications to be clearer.

• If you fax to the number on the notice it should get routed to the proper area or group

• If mailing, use exact address on the notice, including STOP number.

• If you are responding by submitting an amended return, attach a copy of their letter as a cover sheet on top of the 1040X.

• Unfortunately, there is still not a way to contact the examiner or to have a direct phone number. The call is routed to the first available examiner, who should be able to pull up the case and discuss it with you.

• Review overall correspondence process, including review of IRM procedure.

• Review process to see how campuses control mail – institute same system in all 10 campuses.

• Is the scope and complexity appropriate for correspondence? Complex cases were reviewed. It was determined that the inventory was suitable for correspondence exam, but follow-ups were not.

• If complex Schedule C or multiple issues, you can request transfer to Field or if unagreed, Appeals, and the requests will be entertained if valid.
  - They found that when there were field transfer requests, employees did not work hard enough to resolve the issue.

• Long-term (2+ years) enhancements being examined: self-help or online services they can use to get info out to taxpayers and practitioners.
  - This one is in “infancy stage” but they have discussed a portal where we can get info online without having to call in. Seems to me that perhaps it can be tied in to E-Services?

• If feedback comes in from practitioner groups, they take notes and look at the data. Send feedback to Phil or Rob.

• We requested longer time frames than 30 days. If we call and ask for more time, we will get it. We just need to keep communications going.

• We also floated my idea from two years ago of a “tier 2” level of communication, along the lines of a software company. For the first time ever, an IRS employee said he thought that was very interesting and he would knock it around in headquarters!

• We asked for more experienced people at PPS.

In the final few minutes, a presentation was given by Aileen Fisher, a member of the Taxpayer Advocate Panel from the Bay Area. There was not much current news. However, if you would like to look at an interesting website they put up, check www.improveirs.org. They have an RSS feed you can subscribe to.

Again, if you have systemic issues with IRS, contact Phil Fiegler at pf@philtax.com or Rob Janes or Jayme Gallenson at IRSGateway@NorthBayEA.org.