

September 26-27, 2009

CSEA Board and Directors and Committee Report for meetings held at:
Holiday Inn Capitol Plaza, Sacramento, CA

The next CSEA meeting will be held on January 9-10, 2010 at:
Holiday Inn Capitol Plaza, Sacramento, CA

First I must tell you that this was the most productive CSEA meeting I have attended. I have always felt that CSEA too easily gets caught up in “administering the administration” and does not spend enough time in finding and securing tangible, valuable, individual member benefits. This meeting seemed to indicate a new and more member-oriented direction.

Membership Dues: This subject was broached to explain that no increase in membership dues is being considered.

BOD Meeting Filming: For the first time the BOD meeting was filmed and will be available for viewing on the CSEA website. This is an effort to remove the mystery most members may feel regarding the inner-workings of CSEA. This is a great idea but still in its infancy state so the site address was not announced or available when the meeting ended.

Director of OPR telephone call: The BOD spent some time in group breakout sessions to determine and define CSEA’s “who”, “what” and “how” concerns regarding the Preparer Regulation forums. We needed to organize our thoughts on proposals to make and implementation suggestions. The major concerns included Testing, Ethics and CPE requirements and Grandfathering. By far the most exciting part of this meeting was listening in on a telephone call that was placed by CSEA President David Shaw to Karen Hawkins, Director of IRS OPR at 11am on Sunday morning during the BOD meeting. Ms Hawkins accepted the call to let CSEA express the concerns and proposals outlined. Ms Hawkins was certainly *tuned in* as they say and showed a very positive opinion of EAs by favorably volunteering favorable thought on just about all of our concerns in advance during her opening status update. The sense of relief in the room was tangible and was shown with applause and cheers during and at the end of the call. I hope you will be able to hear the entire call by viewing the CSEA BOD meeting film on the CSEA site.

Two Tax Forces Established: CSEA President Shaw established the Technology Enhancement and Redevelopment task force (TEAR) to evaluate current and research new technology and the EA Career Track task force (E-ACT) to recruit new EAs, enhance our professional careers and provide opportunities for retiring EAs.

Branding: CSEA is realizing the importance of “Branding” and the BOD has approved Wolfe Design and Marketing consulting fees of \$ 15k to provide and implement branding consistency and upgrade CSEA’s overall image (logo, business materials, graphical standards AND website design).

Upcoming Annual Meeting Locations were rewarded to San Gabriel and Far Northern Chapters for 2011 and 2012 respectively.

The 2010 Super Seminar events will be Las Vegas "A" -- May 10-12, Las Vegas "B" -- May 13-15, and Reno -- Jun 3-5. And it should be noted that (after allowing for current hotel commitments) CSEA is considering keeping Las Vegas "A" but eliminating Las Vegas "B" since "B" lost money in 2009 (\$14k) and 2008 (\$1,600). There was also some discussion about possibly moving the Reno event into CA.

Term Limits for CSEA Directors: The board passed a motion to allow the entire membership to vote on a CSEA Director 8-year term limit motion at the next annual meeting. If passed, all current Directors would be allowed to continue serving for at least another four years. Those who are supporting this motion feel that Director turnover will reap new, valuable energy and talents. Those who are against the motion feel that there could be losses in valuable skills and talents, interruptions in consistency and accomplishments and most of all that chapters should be choosing their Directors with no interference from CSEA.

Committee Reports:

Finance and Budget Committee: I did not attend this meeting because I was recruited to help author a letter to the IRS in response to a flier being displayed and distributed in the IRS offices. There is more information regarding the flier in the next paragraph.

Membership and Chapter Development(M ember) CSEA's issues with the VITA program continue. A flier is now being made available in the bay area IRS offices that has been created by the United Way, Bay Area that boldly proclaims, "Don't pay for your income tax return." The flier is an advertisement for VITA and asserts that "IRS Certified Tax Preparers" will provide free tax services. It does mention the \$49k max income level but also seems to undermine the expertise of true tax professionals and encourage misinterpretation of VITA service levels. A copy of the CSEA response letter follows this report.

Practice Preservation (a way for CSEA practitioners to preserve their practice should they become incapacitated) was also discussed at length. A slide show is available to explain the details and Jerry Pusateri, EA of Fairfield will speak on this subject during the next Chapter President's con-call.

Political Action Committee (PAC): This committee will now establish and maintain a \$39,000 prudent reserve and has set a \$10,000 fundraising goal for the next year. It was noted that our current bookkeeping does not segregate or designate incoming contributions for PAC, LEG, Membership, etc., and ways to resolve this discrepancy are being investigated. There were also some discussions about whether to make campaign donations to the CA Governor campaign and various other election campaigns and if so, what amounts to contribute and to whom. But right now the budget and other details are still being worked out to determine how much can be donated. It was noted that partnering with NAEA PAC and coordinating with the CSEA LEG committee grassroots efforts will improve efficiencies. The next raffle First Prize will be travel to just about

anywhere in the world and will also spending money for your trip. Raffle ticket prices will remain the same, \$10ea and 3 for \$25.

Professional Education Production Committee (Member): Margy Dunn is now PEPCO vice-chair. The efforts to expand CSEA education offerings continues with plans for podcasts, webinars, web-based CE exams and an Ethics course in Spanish. Other activities include initiating a CSEA presence on Facebook, Twitter and LinkedIn. A discussion on Super Seminars (SS) considered whether SS could/should be moved from the May time frame to say, August. It is believed the August date would allow speakers additional, valuable time to freshen up their content and create new seminars on current topics. The 2009 SS totals include 1,457 attendees and \$186,797.04 in revenue.

Scholarship Committee: The deadline is approaching for scholarship application submission and I will be reviewing and grading applications as needed. It should be noted that EAs can now apply for scholarships for NTPI, C-Star, Tax Practice Management Workshop, Tax Court Representation courses and advanced degrees in Accounting and Tax. A new brochure will be created for distribution to inform on these possibilities. A long discussion ensued about whether or not Letters of Recommendation were really needed to obtain our scholarships and even to what degree the letters were considered during application grading. It seemed that better criteria might include test grades and essay questions.

Respectfully submitted,
James Houston, EA
408.446.4433

COPY of response to IRS VITA flier made available in IRS bay area offices.

Dear _____:

It has come to our attention that a flyer is currently being distributed at local San Francisco Bay Area IRS offices that promotes the free tax preparation services of the VITA Program, underwritten by the United Way of the Bay Area. This marketing material contains assertions that we believe are misleading and which undermine the image and value of the true tax professional.

“Don’t pay to get your taxes prepared” is one of the messages displayed prominently on the face of the colorful brochure. The implication is that no one should pay for tax preparation services. We don’t believe that this is the message the IRS intends to convey about their professional tax preparer “stakeholder partners”. After working so hard to establish partnerships with the tax professional community, we have to wonder if the IRS realizes how this flyer may be misinterpreted by the general public.

While we applaud the community service efforts of the EarnIt!KeepIt!SaveIt! program, we object to the message being conveyed by this marketing piece. We agree that qualifying low income families deserve access to free tax services, but this flyer implies that every taxpayer should seek out free tax preparation services. Furthermore, the IRS appears to be endorsing the message by displaying the flyer in its offices.

The reverse of the brochure advises that “IRS-certified tax preparers” are available at more than 160 Bay Area sites. The IRS Website uses the term “IRS certified volunteers” in the information provided about the VITA program. It’s not difficult to see how the crafters of the flyer made the leap to “IRS-certified tax preparers”. However, this is a giant leap which results in a completely different representation of the VITA volunteer preparers. “Certified” connotes a higher level of competence and expertise than “registered” or “licensed” preparers. The flyer does not explain that these “volunteers” are only trained to prepare very simple tax returns, and that IRS does not authorize them to prepare returns outside the scope of the VITA locations.

This flyer sends the wrong message and distorts the true nature of the VITA program, and it should be removed from circulation immediately. This includes removal from IRS offices as well as ending all current distribution by any of the many high-profile VITA program partners.

In the future we recommend that the IRS review more carefully any promotional materials prepared by their community partners to prevent the dissemination of misleading and confusing information. We also request that the IRS change the current terminology by removing the phrase “IRS certified” from the description of “VITA volunteers” to more appropriately describe the limited scope of their expertise and experience. A recurrence of this problem should be avoidable if IRS insists that any information about the VITA program or its promotion includes the appropriate and exact terminology.

Respectfully,