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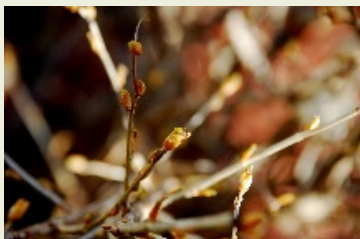
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It Happened in April:

Congress passed the Coinage Act, which authorized the establishment of the United States Mint, 1792.

United States launched its first weather satellite, 1960.

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Dear Reader,

As CPA's we are committed to providing a full range of high quality professional services including: accounting, bookkeeping, consulting, payroll, management advisory services, income tax preparation, auditing and other attestation services. Our goal is to meet our client's expectations as their most trusted advisor.

If you need help preparing your 2013 taxes, please call our office to schedule an appointment.

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Hire a Professional

Here is a case where they should have hired a professional to act on their behalf, it is also a case where less would have been more.

A filer and his wife were chatting with a revenue agent who had begun an examination of their tax return. During the babbling to fill the absence of noise, the husband inadvertently alerted the auditor to a home sale that occurred in the year prior to the one under audit. My first thoughts are why would you volunteer any financial information...

The couple then claimed the gain from that sale was tax free because of the home sale exclusion, but the agent ended up expanding the audit to include the previous year.

The revenue agent found out that the couple had rented out the home to their son and his family and they had not actually live in the unit. So they were not eligible for the home sale exclusion.

A district court agreed with the agent that they didn't qualify to exclude any portion of their gain. So instead of hiring a professional to deal with the issue the husband's loose lips cost the couple over \$150,000 in tax, penalty and interest. A tax professional may seem expensive but even the most expensive CPA or attorney would not have cost \$150,000.

Cohen, D.C., N.Y

Dates to Remember

- Individuals and Partnership Tax Returns Due
- Emancipation Day
- First Quarterly Reports Due

This Month's Featured Service

Accounting

We prepare all financial statements for clients including: Balance Sheet, Income Statement, Statement of Cash Flow and Retained Earnings. We also maintain fixed asset and depreciation schedules. We also assist in the preparation of Budgets, Forecasts and Projections.

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Identity Theft

Well we had our first case in which a client's social security number was used by someone other than the owner.

We filed their return electronically and had received a rejection in a couple of hours. The rejection stated that the social security of the main client had been utilized as a spouse on another return. I call my software company to confirm the rejection; they reconfirmed what I had already known.

I called the client immediately after hanging up with the software company. They were rightly concerned about this. As I was talking to the client on the phone I was researching how to address with the IRS.

By the time the client arrived at the office I had filled out form 14039 which the client signed and then we faxed it over to the IRS. Granted that this is contrary to the instructions, since we did not have an official IRS notice, the client wanted a faster action than snail mail.

I also had printed hard copies of the returns that now needed to be signed and mailed in to meet the filing requirement.

Based upon conversations and presentation I believe that the IRS will keep the client whole on their refund. But the theft of their identity will slow the process down from now on.

The client is uncertain how his social security number made it out into the open. But it could have been anything from interception to a wild guess. We may never know the truth, all we can do is use caution to protect ourselves.

Succession Planning and the Family Business

I was just watching 60 Minutes and they had a story about the McIlhenny family (Tabasco Sauce) and they are currently on their fifth generation of the family business.

Now, I am on the advisory board of one of my clients, this company is the only one that I work with that is a family business. The current owner is a member of the second generation of this family business. One of the issues under consideration is the matter of succession. Some of the kids have the skills and knowledge to succeed within the business, but for the moment not the desire.

According to the Family Business Institute: 88% of current family business owners believe the same family or families will control their business in five years, but succession statistics undermine this belief. Only about 30% of family and businesses survive into the second generation, 12% are still viable into the third generation, and only about 3% of all family businesses operate into the fourth generation or beyond. It appears that the Institute believes that their statistics and research reveal a disconnect between the optimistic belief of today's family business owners and the reality of the massive failure of family companies to survive through the generations.

I personally believe that all businesses need to have a succession plan, whether it is to be sold, closed or wound down. What happens if the owner is hit by a car while on the way to the office? The employees, clients and any other involved parties need to be looked after and ensured that their needs are met.

That is why in an effort to grow we are looking for small CPA practices that have no succession plans in place. If they are a match in approach, ethics and environment we would make an offer.

-Leif Jensen

Featured Client



Socially Promoted is a non-compete networking group and was founded for the purpose of creating a member network that would:

- utilize social media for the purpose of cross promotion;
- provide educational seminars and workshops for its members and clients; and
- offer referral marketing to its members.

Mission Statement

The mission of Socially Promoted is to educate, grow and promote individual businesses by creating a network of member businesses which use social media marketing as a vehicle for branding, promotion and referral marketing. Members are dedicated to building their respective businesses while helping to grow the businesses of other members.

<http://www.sociallypromoted.com/>