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It Happened in August:

The first federal income tax was levied, 1861.

The first telephone conversation in which voices were bounced off the moon was accomplished by U.S. scientists, 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.

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Who to Trust

Last week during a couple of client meetings the issue of contacting the corporate attorney was brought up, it seems that neither client was looking forward to or willing to contact their attorneys.

Now I have no problem contacting my attorney. I finally found one I actually trust. Not only that, I don't have to worry about him charging me for every time I say hello to him or ask a simple question.

Granted I do not have enough attorneys' in my network. One I met with once explained that she would not even meet with a potential client until she received a \$5,000 retainer check. "Wow!" I thought to myself, "how could I not refer clients to this one...?"

So I can understand why clients don't want to call their attorneys. Not only is it the cost, but if you don't like them personally how can you develop a true working relationship to grow your business.

I feel that all medium and small business owners have to have one a great relationship with their CPA. But they also need a great relationship with their corporate attorney. They need to also have working relationships with their banker. I also suggest a decent insurance agent as well.

Having these four working relationships to call upon when you need them will allow you the flexibility to move quickly to meet the growing needs of your company. Without them you will be bogged down and will miss out on opportunities.

When I bought the office next to mine I called my banker and was preapproved over the phone. They already had most of the information they needed and liked the idea that I was dollar cost averaging my office. My attorney's firm handled the contract and the closing. Obviously I had already run all of the numbers to ensure that it made sense.

If you don't feel like you can pick up the phone and ask a question of your "trusted advisors", then they are not your "trusted advisors". Find new ones get better relationships. You and your business deserve to work with those you can work with.

Dates to Remember

- Extended Not-for-Profit Tax Returns Due

This Month's Featured Service

Incorporation Services

We assist you through the incorporation process for your future entity. We help determine which entity structure would benefit you best, assist with handling forms for the incorporation process, FEIN, S-Corp election if needed and registering with the State.

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Cheap and Unqualified

In the past I have run across individuals and businesses that have trusted the accounting, bookkeeping and cash flow to that of immediate family and friends. Typically when this has occurred it was because the family member or friend was looking for some fast cash and were typically completely unqualified for the job in which they were entrusted.

If and when we get involved is because the roof came crashing down on them and now they are in a world of hurt.

After some deliberation we recently picked up a client who had a family member running the financial end of the business. Things are a mess but they have a plan and will slowly work their way out of the mess that was dug for them. They are now on payment plans with both the IRS and the state.

One time I received a call from someone I knew that had a relative who apparently did a dozen tax returns on the side with a single copy of TurboTax. The call was where the prepared did not communicate effectively with their client and was to have the tax withdrawn directly for a checking account that would not have the funds in it. I received the call on a Sunday with the removal scheduled for the next day. They wanted me to solve this for them. I suggested that they get a cash loan from a relative and get the money in to cover the withdrawal. The IRS does not like it when it goes to grab your cash and it is not there.

Another incident where I was asked as a favor to amend a return for someone I would never have touched. He was just getting married and was trying to buy a house. The original tax return had a factious business on it, but the house purchase hinged on a real return. So I processed an amended return.

But he called two years later and was asking me which filing classification would lower his taxes more; married, head of household or single. Nothing like someone unqualified doing the work. Fraud unfortunately is considered by some to be a good short term way to lower taxes.

Granted I have a vested interest in making the decision to accept a new client, but it just makes sense to build your business on a solid foundation and a CPA that is a good fit with your style will establish your business foundation.

Confidentiality

I was talking to a client recently, about client confidentiality. On this topic I am frustrated, because the attorneys who write the laws as politicians have only given themselves complete confidentiality. As a CPA I can be subpoenaed and I would have to potentially give testimony against a client.

A few years ago one of my Uncles's switched to my firm. But he expressed concerned about keeping his information confidential. I had explained that my office is required to keep all clients' information confidential. The only time I am allowed to acknowledge that I actually work for a client is with the clients' permission.

In our newsletter, we highlight a client a month; the client typically provides all of the information including their logo. We have also been surprised by the number of clients who do not wish to advertise their company. Some of those who were not interested in advertising in the newsletter, such as importers to specialized customers or property management companies have little to gain in the first place.

When I picked up a client who worked at one of the largest accounting firms in the area, they expressed concern about their confidentiality when I mentioned who I knew that worked at their firm. I explained to him and his wife that we do not share any client information, unless subpoenaed and that has yet to occur. I even require all employees to upon their hiring to sign client confidentiality paperwork.

But everyone in my office knows that we try to go beyond what some of my peers do to protect our clients' information. When we moved into the office we added a security system. In the recent past, I pointed out to a peer that had no security system and that they kept their server just inside their back door.

Client confidentiality can be a doubled edge sword we also cannot announce when we are no longer working with a client. This is a delicate issue when we have been burned and we know that our clients are dealing with the same company and people.

Featured Client



Mr. Tremblay is a partner in Arnstein & Lehr's Litigation Department. He focuses his practice in employment and commercial litigation. In the commercial area, Mr. Tremblay represents parties in a broad range of complex business and tort litigation matters, including matters involving breach of contract, breach of fiduciary duty, fraud, interference with contract, shareholder disputes and insurance coverage. In the employment area, Mr. Tremblay has extensively addressed, through counseling, negotiation and litigation, a broad range of key issues critical to the evolving workplace. He has particular expertise representing employers in both federal and state court, as well as administrative tribunals, in a wide variety of lawsuits, including the enforcement of restrictive covenants, FLSA, Title VII, ADA and ADEA discrimination and retaliation claims, wage and hour claims, FMLA interference claims, trade secret, and unfair competition matters. He frequently reviews and drafts employment and independent contractor agreements, severance agreements, employment policies and employee handbooks. Mr. Tremblay represents a diverse client base, including financial institutions, universities, municipalities and companies in the information technology, printing, manufacturing, distribution, food and beverage, consulting and retail industries.

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