

MISSISSIPPI ASSOCIATION



OF PUBLIC ACCOUNTANTS

ACCOUNTANTS' REGISTER

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**MAPA
can
POSITIVELY
Do anything**

FROM THE DESK OF THE PRESIDENT

SUSAN W. BEARD, EA, ABA

It is hard to believe that two years have passed and my term as your president is ending. I have enjoyed serving you and hope you feel that I have served you well. I want to thank all of the officers and board members for the assistance they gave me.

I would encourage any of you who have not yet taken an active part in MAPA to consider doing so. This organization can only be as good and as strong as its weakest member. Whether you believe it or not, each of you has something to offer and something that MAPA needs.

MAPA offers many opportunities to learn how to be a leader and has an excellent support system for its leaders. All any of you has to do is to step forward and offer your abilities.

I am sure you as members of MAPA will give your next president the same support you have given me.

Again, thank you all for allowing me to lead MAPA for the past two years and I hope each of you remembers that with a **POSITIVE** outlook MAPA will **POSITIVELY** continue to move forward.

Susan W. Beard

PROPOSED CHANGE TO MAPA CONSTITUTION

The MAPA Constitution and By-Laws Committee hereby recommends that Article II, Section 4, Constitution of the Mississippi Association of Public Accountants be amended as follows:

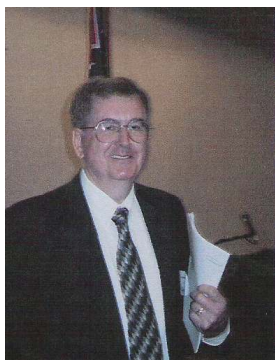
Delete the entire current provision and replace with:

Active members of other accounting organizations affiliated with the National Society of Accountants shall be eligible for Reciprocal Membership in the Mississippi Association of Public Accountants. All applicants for Reciprocal Membership shall complete an application for membership specifying the name of the affiliated association. Annual dues for reciprocal members shall be \$25.00.

A reciprocal member may attend and participate in any and all general meetings and seminars of the association but shall not have the right to vote or hold office.

MAPA Constitution and By-Laws Committee

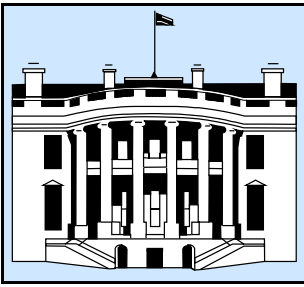
Please review the above proposed change and be prepared to vote on it at the convention. If you are not going to convention but have an opinion you would like to be considered in the discussion on this change, please send your comments to President Susan Beard.



FROM THE MAPA EXECUTIVE DIRECTOR

Sanford D. Warren, CPA

1. An embezzler used some funds he had stolen to pay estimated taxes. He was caught and put in jail where he died before filing a tax return. His former employer asked the Internal Revenue Service to return the estimated tax payments. The IRS says tax due on the embezzled funds is not refundable.
2. A lottery winner's streak of bad luck continues for his estate. A jackpot winner died after receiving the first of ten annual payments. His estate took a big discount on the value of the other nine payments. A district court says the estate cannot take a non-marketability discount on the annuity. The value of the balance of the future payments is calculated from the IRS present-value tables.
3. Gas station convenience stores can qualify for fast depreciation. A fifteen year write off can be taken if fifty percent or more of the revenues come from fuel sales or if one-half of the floor space is used for selling petroleum products.
4. The IRS has always held that anyone who had signature authority and was responsible for making payroll deposits or filing the forms could be held liable for the payroll taxes if they were not paid. A CFO was ordered by his company's president to use withheld taxes to pay other creditors instead of IRS. He balked but did as he was told. He had unrestricted authority to sign checks for the firm. The court held that the CFO was not responsible since the president had total authority over the finances of the company. Other courts have held differently. The Supreme Court will decide this one.
5. More IRS audits will concentrate on executive perks. These will include such things as expense reimbursements, use of company-owned lodging, computers, cell phones, club memberships, corporate credit cards, loans, chauffeurs, relocation aid, skyboxes and many other perks. Small as well as large companies will be audited.
6. The bankruptcy rules recently passed affect a number of areas. For bankruptcy filings after October 16, 2005, education savings may be affected. Creditors cannot touch payments made to state tuition plans for Coverdell education accounts that are made more than 720 days before the bankruptcy filing date. The exclusion falls to \$5,000 for amounts paid more than 365 days but less than 721 days and to zero for any amounts paid within 365 days.



CENTRAL OFFICE NEWS

*By: Jo M. Allen, EA, ABA, ATA
MAPA Executive Sec./Treasurer/Editor*

THANK YOU, MAEA! House Bill 718, an act to amend Section 81-19-7 (d), Mississippi Code of 1972, to exempt Enrolled Agents from the requirements of obtaining a license and posting a bond under the provisions of the Consumer Loan Broker Act was passed by the Legislature and signed into law. The effective date is July 1, 2005. Keep in mind that this change only exempts Enrolled Agents from the requirements of obtaining a license and posting a bond. You are still subject to the other provisions of Section 81 should they apply. To receive a complete copy of House Bill #718 refer to the web site for the Mississippi Legislature at www.ls.state.ms.us.

Many of you call about how many hours you must earn to keep your ACAT credentials. The following information was taken from their web site. If you have not visited www.acatcredentials.org you should. It is an excellent site and will answer all your questions.

DETERMINING THE NUMBER OF HOURS YOU NEED TO EARN

The number of hours you need to earn depends on both the credential(s) you hold and your practitioner status as explained below.

Credential Holders Who Provide Services to the Public, or Hold Supervisory Positions or Ownership Interests

ABA: 120 CPE hours are required for each three year cycle. At least four of the 120 hours must be in ethics. At least 24 of the 120 hours must be in accounting or related subjects such as financial management or computer science, and at least 24 of the 120 hours must be in taxation. Other hours may be in accounting, taxation, or related subjects such as management, business law, or subjects that relate to your particular area of practice or employment.

ATA: 90 CPE hours are required for each three year cycle, which must include four hours in ethics. The remaining hours must be in taxation or related subjects, such as accounting, finance, management, computer science, business law, or subjects that relate to your particular area of practice or employment.

ATP: 72 CPE hours are required for each three year cycle, which must include four hours in ethics. The remaining hours must be in taxation or related subjects, such as accounting, finance, management, computer science, business law, or subjects that relate to your particular area of practice or employment.

ECS: 72 CPE hours are required for each three year cycle. At least four of the 72 hours must be in ethics. At least 24 of the 72 hours must pertain to eldercare issues such as retirement, Social Security, Medicare, long term care, trusts, and estates. Other hours may be in taxation, financial management, or related subjects, or subjects that relate to your particular area of practice or employment.

Credential Holders (ABA, ATA, ATP, and/or ECS) Who Do Not Provide Services Directly to the Public

If you work for an employer who controls and/or supervises your work, do not have significant ownership interest in your employer's firm (more than 5%), and do not provide accounting or tax services directly to the public, your CPE requirement is 48 hours per cycle, which must include four hours in ethics. The remaining

(Continued next page)

hours must be in taxation, accounting, or related subjects such as finance, ethics, management, computer science, business law, or subjects that relate to your employment.

Inactive Status

If you are not currently in practice and you have requested Inactive status for your credentials, you do not have to earn CPE.

More Than One Credential

If you hold more than one ACAT credential, you must complete the highest level of CPE required. You must also meet any requirements for specific subject matter for all credentials that you hold. For example, if you are an ATP and ATA credential holder, you must meet the requirements for the ATA credential because it requires the highest level of CPE. If you are an ABA and ECS credential holder, you must complete a total of 120 hours of CPE, and at least 24 hours of the 120 hours must be in accounting or related subjects; at least 24 hours of the 120 hours must be in taxation; and at least 24 hours of the 120 hours must pertain to eldercare issues.

Some CPE courses may qualify as subject matter for more than one area; for example, a course in taxation of trusts may be counted toward the taxation requirement and the eldercare issues requirement. However, it may be counted only once toward the total CPE hours requirement.

Change In Practitioner Status

If your employment status changes in such a way that your CPE requirement is changed, you may prorate your CPE requirement based on the number of months for each employment status. For example, if you are an ABA, and you provided services to the public for 24 months of the renewal cycle, then worked as a non-supervisory employee in private industry for 12 months, your CPE requirement is 80 hours (24/36 of 120 hours) for the period you provided services to the public, plus 16 hours (12/36 of 48 hours) for the period you worked in private industry, or a total of 96 hours for the three year renewal cycle.

Credentials Received After The Start of The Cycle

You may prorate the CPE needed based on the number of months you have held the credential during a cycle. Cycles always begin on July 1 and end on June 30, and always run for three years.

Carryover and Make-Up of Hours

If you have met your continuing education requirements earlier than June 30 of the ending cycle year, the hours you earn between March 31 and June 30 of that year may be carried into the next reporting cycle, as long as the hours are not claimed in more than one reporting cycle. If you have not met your requirements by the end of the cycle, you should request either a waiver or an extension of time from ACAT (See "Exceptions", below). Waivers may be granted in the case of serious hardships, such as illness, disability, or family crisis. Extensions may be granted by ACAT for a period not to exceed 6 months. The credential holder who receives an extension may have his/her credential suspended until the requirements have been met.

Failure to Meet CPE Requirements

If you do not affirm and/or submit acceptable documentation of the required CPE within 90 days after the conclusion of the reporting cycle, your credential will be revoked.

Exceptions

Requests for exception, extension or waiver must be made in writing to the Director of Accreditation, 1010 North Fairfax Street, Alexandria, VA 22314-1574 and must include appropriate documentation for cause.

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Reinstatement

Accredited status may be reinstated in one of three ways: 1) In the case of the ABA, you may sit for and satisfactorily complete the examination at any time following the expiration of the accredited status. 2) You may submit the reinstatement fee and give evidence to the Council of the completion of acceptable continuing education in the 12 months immediately prior to the date of filing for reinstatement. The CPE hours required for reinstatement in accountancy are 20 hours, 7 of which must be in accounting subjects other than taxation and 13 must be in taxation. The CPE credits required for reinstatement in both accountancy and federal taxation are 20 hours, seven of which must be in accounting subjects other than taxation and 13 must be in taxation. Hours used for the purposes of reinstatement may be applied towards renewal if earned within the current reporting cycle. This option is available at any time after the expiration of accreditation although the original accreditation numbers may not be available. 3) You may be reinstated by ACAT Board action on an individual basis only for extreme or special circumstances.

All ACAT credential holders must participate in Continuing Professional Education (CPE) requirements. Our profession is dynamic, with rules and concepts that change quickly. We believe professional competence can only be maintained through continuing education. CPE hours are reported to ACAT every three years. The current cycle runs July 1, 2002 through June 30, 2005. Your CPE report is due to ACAT on June 30, 2005.

Some of you also ask me about MAPA's requirements for CPE so I am setting out the requirements for you.

Active Member - Principal - Each principal member must have 72 hours in every three year cycle. Of these, sixteen (16) must be earned in each calendar year. Carryover hours may not be used to satisfy the sixteen hours earned each year requirement but may be used to satisfy the remaining 24 hours in the cycle

Active Member - Staff - Staff members (W2 employees who own no interest in the firm where employed AND do not have a practice on the side) must have 36 hours in every three year cycle. Of these, eight (8) must be earned in each calendar year. Carryover hours may not be used to satisfy the eight hours earned each year requirement but may be used to satisfy the remaining 12 hours in the cycle.

Associate Members, Retired Members, Reciprocal Members and Student Members- No CPE hours are required.

Programs should be approved by The National Association of State Boards of Accountancy (NASBA), the Mississippi State Board of Public Accountancy (MSBPA) or meet the criteria set forth in Circular 230. In addition, you may include courses related to your particular area of practice offered by colleges or universities, local organizations, etc. For instance, if you have many agricultural clients, a seminar on trends in farm management may be acceptable or, if you offer investment counseling services, courses in this field may be accepted.

Each semester system hour earned at a university or college relevant to your employment or profession qualifies for 15 hours of CPE provided the course is taken for credit. Each quarter system hour earned at a university or college relevant to your employment or profession qualifies for 10 hours of CPA provided the course is taken for credit. For qualifying university or college courses not taken for credit, CPE hours will be awarded only for the actual classroom time spent in the non-credit course.

Formal correspondence or other individual study programs will be accepted if the program has been qualified by NASBA, MSBPA or Circular 230. Evidence of satisfactory completion stating CPE hours to be awarded must be submitted to MAPA.

Our current three year cycle ends December 31, 2005. Your membership in MAPA can be suspended if you do not meet the CPE requirements. To be reinstated you must make up the shortage in hours plus a penalty of one-half the number of hours short. For example, if you are short eight hours you must make up twelve hours. Makeup hours can not be applied to any current cycle.

REPORT OF THE NOMINATING COMMITTEE

The following slate of proposed officers and directors will be presented at the annual business to be held at 3:30 PM, Sunday, June 26, 2005, at the annual convention in Branson, Missouri:

President	John B. Winstead
Executive Vice President	Hayward G. Anderson, CPA
First Vice President	Curtis L. Clanton, ABA
Second Vice President	Michael H. Gilreath
Secretary	Pamela C. Stamps, CPA
Treasurer	Jo M. Allen, EA, ABA, ATA
Directors - One Year	James M. (Jimmy) Boyd, II, EA, ABA Bertha L. Page, EA, ABA, PFA
Directors - Two Years	Bruce W. Clifford, ABA Helen P. Morgan William G. Coleman, Jr., CPA, Attorney at Law

Nominations will be taken from the floor and voted on by those in attendance.

Editor's note:

If you are called upon by the President to chair or serve on a committees for his two year term, please accept his appointment. MAPA is your organization and needs your support. Like any other organization our strength must come from our members. Your input is vital to our ability to serve our members and meet their needs. If you would like to serve on one of the following committees, please offer you services to the president:

- Administrative Budget and Audit Committee
- Awards Committee
- Constitution and By-Laws Committee
- Convention Committee
- Editorial Review and Publication Committee
- Education and Professional Development Committee
- Membership Committee
- Nominating Committee

MAPA board meetings are open to all members and we invite you to attend and participate in planning the future of your organization. Board meetings are held immediately following the first day of the Gear Up Business Entities Seminar, the first day of the Gear Up 1040 seminar and immediately after registration on the first day of the annual convention. Other business is presented to the board via e-mail, fax or phone. If you have suggestions or recommendations you would like the board to consider, submit them to the MAPA Central Office and they will be passed on to the board for review.