Williams Overman Pierce, LLP
Certified Public Accountants and Consultants

SPRING 2016

In This Issue:

Documenting Your Charitable Donations

Many people make donations to charities whose work they support, but if you are planning to take a tax deduction for your gift, you must have the proper paperwork. Assembling the right documentation can also be tricky because the requirements vary based on whether the donation is cash and on the value of your gift. If you donate less than $250 in cash, for example, a canceled check, credit card statement or similar record may be sufficient, but if you give more, you will need a written acknowledgment from the charity. An additional tax form—and possibly an appraisal—may be needed for non-cash donations, depending on their value. Of course, the organization itself must also qualify as a charity under IRS rules.

We can offer advice that will make it possible for you to fund the causes you believe in and qualify for the deductions you deserve. We can also help you incorporate charitable giving into your long-term tax and estate planning. Be sure to contact us with all of your questions on charitable giving or any other financial concern.

Retirement Plan Options for 1099 Employees

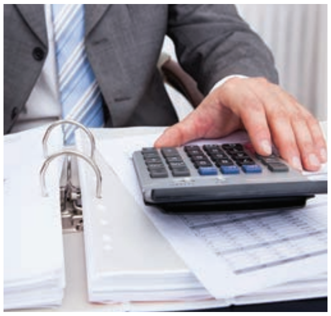
If you're a freelancer, contractor or 1099 employee, you may not have the structure of a steady paycheck, health insurance or corporate matching retirement program that your staffer friends have.

You may also be going through work dry spells and windfalls, which can make it very difficult to plan a budget for health insurance and rent, let alone set aside money for retirement. You might be caught in a devil's bargain – feeling that you need to hang on tightly to money when you get it, yet if you don't set some aside for retirement, you may have to work forever.

The good news is that you're not alone. As many as 53 million Americans are working as freelancers, according to a 2014 study by Freelancers Union and Elance-oDesk. That workforce is adding $715 billion to the economy through freelance work, according to the study.

Yet seven in 10 entrepreneurs aren't saving regularly, if at all, for retirement, according to a 2013 study by Ameritrade.

Read the full article by Christine Giordano, Contributer, US News and World Report



Beware of Tax Scams!

Did you know that con artists posing as Internal Revenue Service representatives frequently try to scam people out of their money? While this is a long-standing problem, the IRS has issued a new warning against thieves who may contact people on the phone or via email or a letter and try to trick them into divulging personal financial information, such as their Social Security or bank account numbers, or even turning over some of their hard-earned cash. And the scams can be tough to spot. Potential victims may see a fake caller ID that identifies the call as coming from the IRS or receive mail or email that appears to have the IRS letterhead. The scammers typically try to intimidate victims into acting quickly—by, say, sending a payment to what they claim is an IRS address—by threatening arrest or some other consequence.

If you receive an IRS communication that seems suspicious or doesn't make sense, please call our office. Whether you are facing a legitimate tax issue or a scam, we can help you sort through the details and determine how to respond. You can report incidents to the Treasury Inspector General for Tax Administration at 800.366.4484. Remember, too, that the IRS website is www.irs.gov, so be on alert if you're directed to another similar site that ends in .com or .net instead of .gov.

Treating Numbers Like Numbers
and People Like People

1.800.331.5325 wopcpa.com

Expert Advice on Not-for-Profit Board Service

The AICPA Not-for-Profit Section recently hosted a Facebook chat providing advice for those looking to join a board of directors. The event was an opportunity for the public to engage in a conversation with experts working with not-for-profits and serving on boards. Two members of the AICPA Not-for-Profit Advisory Council were online to answer participants' questions during the chat. Carolyn Mollen, CPA, is the Chief Financial Officer at Independent Sector, a leadership network for nonprofits, foundations and corporations. Brian Yacker, JD, CPA, is the Managing Partner of YH Advisors, a CPA firm focused solely on addressing the tax, legal, audit and accounting needs of all different types of charitable and other tax-exempt organizations. Since the chat was such a success, we wanted to share a few of the top questions on AICPA Insights.

Click here for more advice from the AICPA Not-for-Profit Advisory Council

Small Businesses Have the Blues This Winter

A monthly index of small business indicator fell to its lowest level in nearly two years in January, as business owners became less optimistic about the overall economy and their own sales outlook.

That's according to the National Federation of Independent Business' survey of 1,438 randomly chosen NFIB members. NFIB's Small Business Optimism Index fell 1.3 points in January to 93.9, its lowest level since March 2014. The average level for the index over the past 48 years is 98.

Only 3 percent of small business owners expect their sales to increase in the next three months. Plus, more small business owners expect business conditions to get worse, not better, over the next six months.

Read the full article by Kent Hoover, Washington Bureau Chief

Ensuring a Smooth Family Business Transition

You spend years building a family business, but when it's time to turn it over to the next generation there can be squabbles over company value and succession that cause turmoil, while gift and estate taxes eat away at company coffers. As the baby boomers head into retirement, they are expected to hand over control of companies worth trillions of dollars in the aggregate. A significant number of those businesses may not be prepared for a smooth transition into new ownership or a second generation of leadership, are you? We can help ensure that the transfer goes smoothly and create a plan that helps minimize related taxes and enhance your retirement nest egg. Every day, our experts offer customized advice to companies like yours. Contact our office today for more information and insights on all your family business concerns.

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Scariest Tax Form? Omit It, and IRS Can Audit You Forever

Before you file your taxes, consider how long you must look over your shoulder. In many cases, the IRS has three years to audit. The three years is doubled to six if you omitted more than 25% of your income. Plus, the IRS now has six years to audit if you overstate basis and it has the effect of understating your income by more than 25%. The three years is also doubled if you omitted more than $5,000 of foreign income (say, interest on an overseas account).

But the exceptions from the three-year rule get even worse if you miss certain forms that apply to you. If they apply, don't omit Form 3520 for gifts or inheritance from foreign nationals, or Form 8938 for overseas assets. If you don't file, the IRS clock never starts to run. More generally, the IRS has no time limit if you never file a return. For unfiled tax returns, criminal violations or fraud, the IRS can take its time. In most criminal or civil tax cases, though, the practical limit is six years.

Click here for the full article from Robert Wood, Contributor, Forbes

Study: Firms with More Women in the C-Suite are More Profitable

While successful female leaders have made headlines in recent years — Marissa Mayer, Sheryl Sandberg, and Indra Nooyi all come to mind — they remain the exception to the rule.

Yet in the U.S. women make up nearly 40% of MBA graduates and 40% of managers. In many countries they make up an equal or greater share of tertiary graduates and the professional and technical labor force. And worldwide they are catching up to men in levels of education and workforce participation. So why do women remain hard to find in the corporate boardroom and the C-suite?

In a new Peterson Institute for International Economics working paper, we present the results of our survey of nearly 22,000 firms globally. We found that in 2014 almost 60% of these firms had no female board members, just over half had no female C-suite executives, and fewer than 5% had a female CEO.

Read the full article from Harvard Business Review here

How Fraudsters are Getting Around Chip and Pin Cards

It's time to start paying closer attention to your credit report.

The days of spotting an unauthorized charge on your credit card aren't over, but criminals have been increasingly focused on perpetuating a kind of fraud that's harder for consumers to spot and can be more difficult to fight — opening new credit cards and other accounts in the victim's name. Such "new account fraud" jumped 113 percent in 2015, and now represents 20 percent of all fraud losses, according to a new report from Javelin Strategy & Research.

"It's shifting to a more damaging type of fraud for consumers," said Al Pascual, director of fraud and security for Javelin.

Fraud losses from unauthorized purchases or withdrawals on an existing account fell from $14 billion to $12 billion last year, the report says, contributing to an overall decline in fraud losses for 2015. But those stemming from new account fraud increased from $2 billion to $3 billion.

Click here for the full article by Kelli Grant, CNBC