

The Practitioner's Advisory Summit

Sponsored by:

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GREEN &
SKLARZ LLC

POWERFUL ACCOUNTING, INC.
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Housekeeping: Agenda

11:05 – 12:15 pm: What Are “Tax Advisory” Services?

12:15 – 12:45 pm: Worst Tax Season EVER: Maintaining Your Mental Health

12:45 – 1:30 pm: Leveraging Technology: The Tech Tools to Use

1:30 – 2:00 pm: Lunch Break

2:00 – 2:45 pm: Action Steps – What is Next?

2:45 – 3:00 pm: Break

3:00 – 3:45 pm: Pricing: How to Go from Hourly / Product Billing to “Relationship Pricing”

3:45 – 4:30 pm: Converting Existing Clients and Attracting New Clients

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Need Help?

Do NOT call Green & Sklarz!

Contact BeaconLive Support:

- ▶ Phone: 877-297-2901
- ▶ Email: helpdesk@beaconlive.com

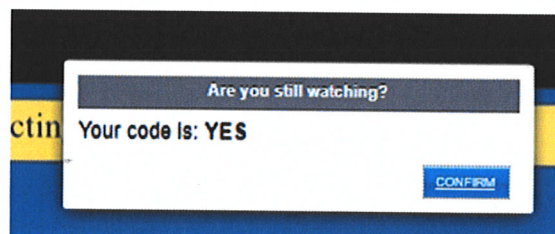


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3

CPE credit

- ▶ There will be attendance checks popping up on the screen
- ▶ They look like this
- ▶ You must do at least 18 of the 24 attendance checks to get full credit



4

4

Our breaks

Stick to our schedule (EST times):

1:30 – 2:00 pm: Lunch Break

2:45 – 3:00 pm: Break



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Today's Speakers



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Thank you to our sponsor!

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<https://proconnect.intuit.com/offering-tax-advisor/>

INTUIT Tax Advisor
Your path to less stress
and more freedom
Start with 3 free credits

Your top tax-saving strategies for 2022

Strategy	Amount
Charitable Contribution Deduction	\$5,908
State Tax Deduction	\$6,368
Charitable Contribution Credit	\$7,814
Total Savings	\$20,088

2022 actual

Category	Actual	Projection
Income	\$186,892	\$186,702
Expenses	\$124,027	\$125,936
Net Income	\$62,865	\$60,766

2022 projection

Category	Actual	Projection
Income	\$186,892	\$186,702
Expenses	\$124,027	\$125,936
Net Income	\$62,865	\$60,766

Strategy tax savings: \$0
Strategy tax savings: \$20,088

Discover the only
integrated tax planning tool

INTUIT Tax Advisor | INTUIT Lacerte Tax | INTUIT ProConnect Tax

Try Intuit Tax Advisor free

Strategy	Activity	2022 Baseline	2022 Strategy change	2022 Rate	Strategy tax savings	Out-of-pocket
New 2022 strategies						
<input checked="" type="checkbox"/> S corporation entity change	Math Tutoring Co.	100,000			10,379	
+ 1 MORE LINES						
<input checked="" type="checkbox"/> Optimizing C-Entity	Math Tutoring Co.	100,000			7,211	
+ 1 MORE LINES						
<input checked="" type="checkbox"/> Tax loss harvesting (long-term)	Capital loss (LT)	0	29,000	15.0%	3,820	
+ 1 MORE LINES						
<input checked="" type="checkbox"/> First-year expensing	Math Tutoring Co.	50,000	17.5%		8,750	1,375

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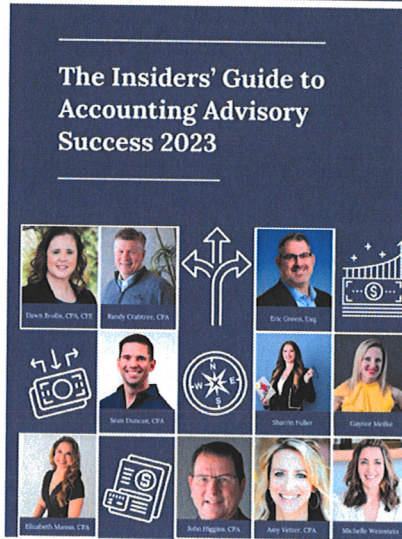
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Coming This Summer...Watch for Pre-Order Information

Get the best advice on building an advisory firm from your peers who have done it!

The book will be available from TG Publishing this summer.

Watch your email for pre-order information.



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What are “Tax Advisory” Services?

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Advisory Is Wide and Varied

- ▶ Tax Consulting & Planning
- ▶ Management Consulting
- ▶ Compensation Planning
- ▶ IRS Representation
- ▶ State & Local Tax Planning
- ▶ International Tax Planning



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Tax Planning & Consulting

- ▶ Strategies to minimize a taxpayer's liabilities
- ▶ Maximize their returns
- ▶ Advice and guidance to taxpayers on transactions
- ▶ Can include entity selection, benefits and retirement planning, cash flow and timing of expenses

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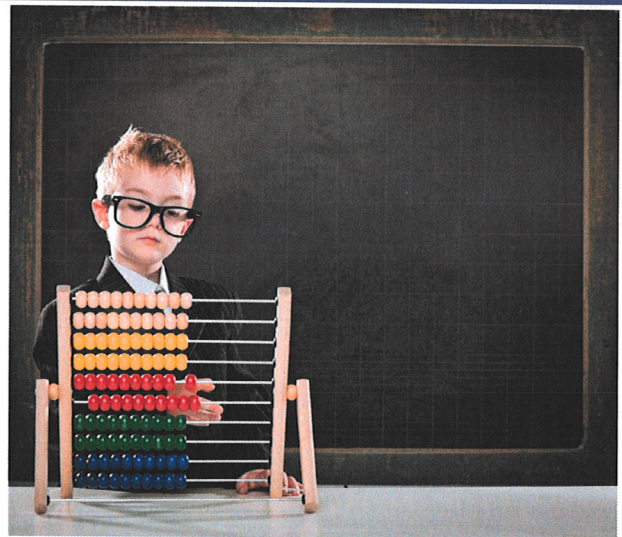
Management Consulting

- ▶ Think CFO or COO
- ▶ Best practices
- ▶ Automation
- ▶ Scalable and saleable

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Compensation Planning

- ▶ S Corp and C Corp reasonable comp
- ▶ Structing key employee comp
- ▶ Combined with entity selection can be extremely powerful (i.e. less than 50% similar ownership to create DB plans, real estate in separate LLCs with favorable leases, shareholder loan and secured financing, etc)



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IRS Representation

- ▶ Audits
- ▶ Appeals
- ▶ Penalty Abatement
- ▶ Challenging Assessed Taxes
- ▶ Installments Agreements
- ▶ Offers-in-Compromise
- ▶ Forensic Accounting



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State & Local Tax Planning

- ▶ Sales Tax after Wayfair
- ▶ Withholding Tax
- ▶ Apportionment & Allocation Planning
 - ~ NJ Limited Partnership (gone)
 - ~ MA has a throwback rule and CT does not

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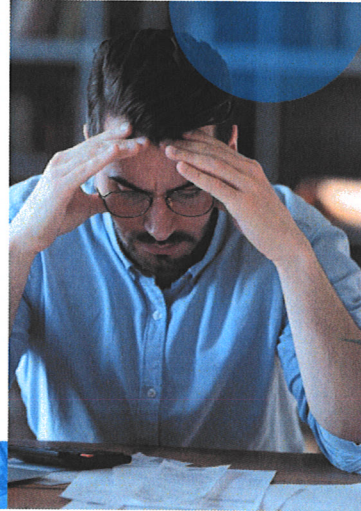
International Tax Planning

- ▶ Transfer pricing
- ▶ Cross-border transactions and investments
- ▶ VAT Tax Planning
- ▶ Tax beneficial jurisdictions

Worst Tax Season EVER: Maintaining Your Mental Health

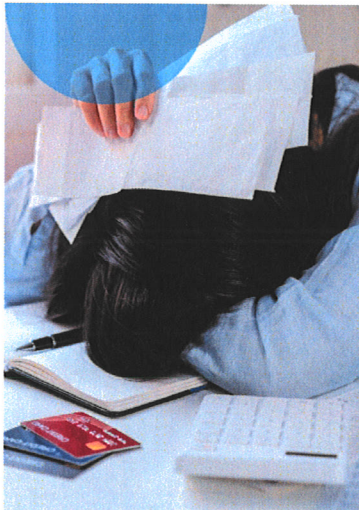
The State of Mental Health in Accounting

- A March 2020 survey by Accountemps found, **52%** of accounting professionals said that they are stressed at work daily, and **60%** reported their work-related pressure has increased over the past five years.
- A 2020 AICPA report found that **34%** of CPA's reported feeling more stressed than before the pandemic.



The State of Mental Health in Accounting

- In a 2019 survey by the AICPA, **almost half** of all U.S. CPAs reported feeling burned out.
- A study published in the Journal of Health Economics found that accountants had a 25% **higher risk** of developing depression compared to other professionals.



From Stress to Mental Health Struggles

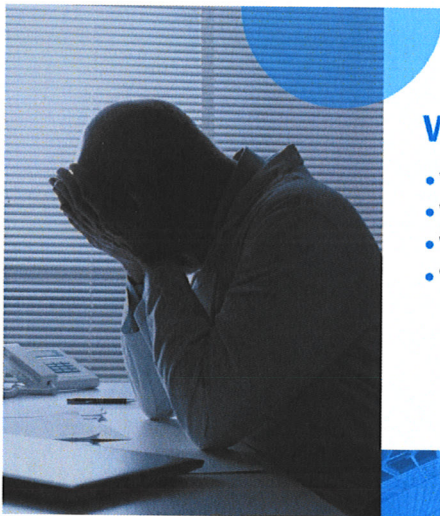
Stress is a feeling of emotional or physical tension.

Short-term (acute stress) can be positive but when stress lasts for a long time (chronic stress), it may harm your health.



What Drives Us?

- We think we need to help everyone
- We know the problems and want to fix them
- Working harder and longer to catch up
- "I'll just do it because it will get done faster"



Uncontrolled (chronic) Stress

Uncontrolled stress can have a wide range of negative effects on the brain, including:

- Neurochemical imbalances,
- Structural changes,
- Cognitive impairment,
- Emotional and mental health issues,
- Physical health consequences.



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The Fast Track to Burnout?

Burnout is a syndrome conceptualized as resulting from chronic workplace stress that has not been successfully managed. It is characterized by three dimensions:

1

Feelings of energy depletion or exhaustion;

2

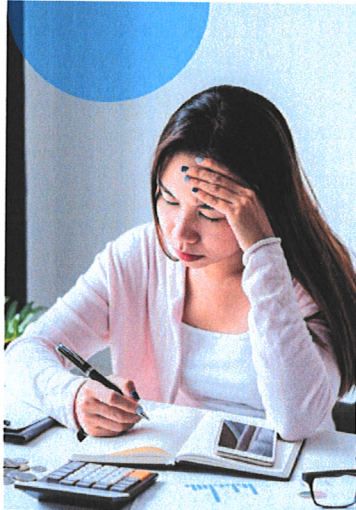
Increased mental distance from one's job, or feelings of negativity or cynicism related to one's job

3

Reduced professional efficacy.



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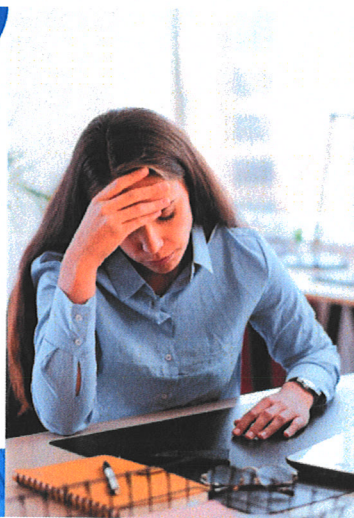


Signs of Mental Illness

- Feeling sad or down
- Confused thinking or reduced ability to concentrate
- Excessive fears or worries, or extreme feelings of guilt

Signs of Mental Illness

- Extreme mood changes of highs and lows.
- Withdrawal from friends and activities.
- Significant tiredness, low energy or problems sleeping.



Break Burnout Before It Breaks You!



Take control back so you don't break YOU!



Tip: Practice Self-Care (Really!)



- Giving your brain time to relax and take breaks during the day is important for mental restoration, memory consolidation, stress reduction, creativity, problem-solving, and overall well-being. Incorporating regular relaxation and rest periods into your daily routine can support optimal brain function and cognitive performance.



Tip: Practice Self-Care (Really!)

- Go for walks during work hours and leave the phone behind
- Don't eat at your desk
- Reduce exposure to job stressors
- Get plenty of rest. Take breaks during the day and get a full night of sleep.
- Prioritize exercise
- Mediate



Give Yourself a Break! Avoid Burnout

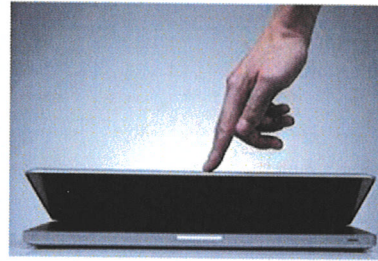
- Block off time on your calendar
- Create a central storehouse for all tasks
- Use full focus system (Free to Focus)
- Be true to your priorities
- Consistent accountability by focusing on just three tasks in the right direction each day
- Create daily, weekly, monthly goals

Courtney DeRonde, CEO at Forge Financial & Management Consulting (formerly TDT CPAs and Advisors)

Learn How To Disconnect At The End Of The Day

- Turn off at the end of the day
- Bookmark your work
- Create an "instead plan"
- Perform mental and physical shut-down practices

Source: Brian Kush, Co-Founder of Intend2Lead, LLC



Tip: Redefine Your Worth

- Develop a niche practice
- What clients are you most passionate about serving
- Stop undervaluing your service
- Stop selling hours
- Value billing or subscription pricing
- Incorporate advisory services



Leveraging Technology: The Tech Tools to Use

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Technology Tools – Al-Nesha Jones, CPA, MBA

- ▶ Bookkeeping/Payroll – QuickBooks Online & Gusto
- ▶ Tax Preparation – ProConnect Tax Online
- ▶ Tax Advisory – ProConnect Tax Online & Intuit Tax Advisor
- ▶ Reasonable Compensation – RC Reports
- ▶ Project Management – Asana
- ▶ CRM – Hubspot
- ▶ Scheduler - Gmail

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Technology Tools – Diana A. Crawford, CPA

- ▶ Bookkeeping/Payroll – QuickBooks Online & Accounting CS
- ▶ Tax Preparation – ProSeries/SmartVault/UltraTax
- ▶ Tax Advisory – ProSeries/Intuit Tax Advisor/Self Compiled Tools
- ▶ Reasonable Compensation – BLS & PayScale
- ▶ Project Management – Canopy
- ▶ Scheduler - Calendly



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Technology Tools – Dawn W Brolin, CPA, CFE

- ▶ Bookkeeping/Payroll – QuickBooks Online & ADP
- ▶ Tax Preparation – Lacerte/SmartVault/DocuSign
- ▶ Tax Advisory – Lacerte & Intuit Tax Advisor
- ▶ Reasonable Compensation Analysis – RC Reports
- ▶ Project Management/CRM – Financial Cents
- ▶ Scheduler - Tracey



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RC Reports

Reasonable Compensation

Entity Selection Planner

<https://rcreports.com/>



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RC Reports

Entity Selection Planner

<https://rcreports.com/>



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Entity Selection Planner – RC Reports

- When performing tax planning services, choosing the appropriate entity type for your client's business based on ownership structure, performance and goals
- This adds a lucrative revenue stream for YOU and provide immediate value to your client

This will naturally start a conversation about the overall health of your client's business including reasonable compensation



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Entity Selection Planner – RC Reports

Introducing the New Entity Selection Planner

We've improved and expanded our Entity Selection Planner based on user feedback. This new feature is currently available to all users, but will become a Premium-only feature later this year. Please send any feedback about the tool to support@rcreports.com.

Report for year 2023

This report compares S Corps to pass-through entities (Schedule C, LLC, and Partnerships) where all net profit is subject to Social Security and Medicare taxes.

You will fill in the information requested

An excel workbook to calculate necessary fields is in your materials

Total Annual Net Profit: Learn more...	\$ <input type="text"/>	QBI/199A Adjustment: Learn more...	\$ <input type="text"/>
Reasonable Compensation: Learn more...	\$ <input type="text"/>	Consulting/Analysis Fee: Learn more...	\$ <input type="text"/>
Estimated FUTA & SUTA Tax: Learn more...	\$ <input type="text"/>	Entity Formation Fees: Learn more...	\$ <input type="text"/>
Payroll Prep Fees: Learn more...	\$ <input type="text"/>	Other Adjustments: Learn more...	\$ <input type="text"/>
Corporate Tax Prep Fees: Learn more...	\$ <input type="text"/>		

[Calculate](#) [Reset](#)



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Reasonable Compensation will be discussed in the next tech topic

Total Annual Net Profit:	\$ <input type="text" value="242,000"/>	QBID/199A Adjustment:	\$ <input type="text" value="6,901"/>
Reasonable Compensation:	\$ <input type="text" value="118,981"/>	Consulting/Analysis Fee:	\$ <input type="text" value="7,500"/>
Estimated FUTA & SUTA Tax:	\$ <input type="text" value="840"/>	Entity Formation Fees:	\$ <input type="text" value="180"/>
Payroll Prep Fees:	\$ <input type="text" value="1,500"/>	Other Adjustments:	\$ <input type="text" value="0"/>
Corporate Tax Prep Fees:	\$ <input type="text" value="2,500"/>		

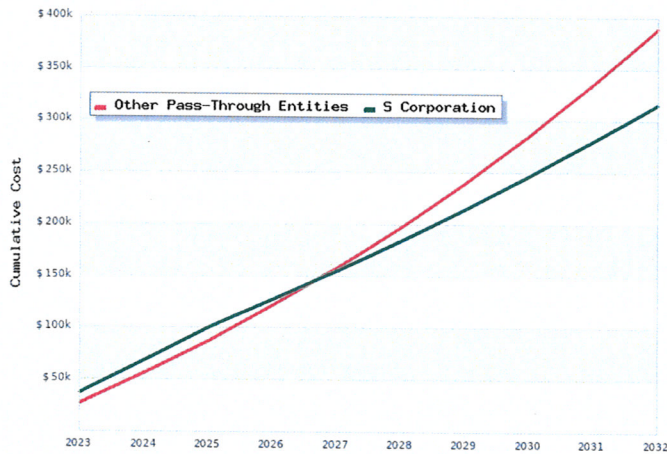
[Calculate...](#) [Reset](#)



Entity Selection Planner – RC Reports

10 Year Projected Cost Savings: \$73,111 for an S Corporation

This does not include full tax planning!



Entity Selection Planner – RC Reports

The red numbers indicate the S-Corp Estimates

The green numbers indicate the entity remaining as a Schedule C

Year	Projected Profit	Entity	Projected Compensation	FICA	Medicare	Medicare Surplus	FUTA SUTA	Corp Tax Prep	Payroll Prep	QBID/199A Adj.	Formation & Consulting	Other Adj.	Annual Total	Cumulative Cost
2023	242,000	Other Pass-Through	242,000	19,865	7,018	378							27,261	27,261
		S Corporation	118,981	14,754	3,450		840	2,500	1,500	6,901	7,680			37,625
2024	273,460	Other Pass-Through	273,460	20,497	7,930	661							29,088	56,349
		S Corporation	126,120	15,639	3,657		840	2,500	1,500	6,901				31,037
2025	309,010	Other Pass-Through	309,010	21,502	8,961	981							31,444	87,793
		S Corporation	133,687	16,577	3,877		840	2,500	1,500	6,901				32,196
2026	349,181	Other Pass-Through	349,181	22,394	10,126	1,343							33,863	121,656
		S Corporation	141,708	17,572	4,110		840	2,500	1,500					26,522
2027	394,575	Other Pass-Through	394,575	23,324	11,443	1,751							36,518	158,174
		S Corporation	150,211	18,626	4,356		840	2,500	1,500					27,822
2028	445,869	Other Pass-Through	445,869	24,254	12,930	2,213							39,337	197,511
		S Corporation	159,223	19,744	4,617		840	2,500	1,500					29,201
2029	503,832	Other Pass-Through	503,832	25,184	14,611	2,734							42,529	240,100
		S Corporation	168,777	20,928	4,895		840	2,500	1,500					30,663
2030	569,331	Other Pass-Through	569,331	26,114	16,511	3,324							45,949	286,049
		S Corporation	178,903	22,184	5,188		840	2,500	1,500					32,212
2031	643,343	Other Pass-Through	643,343	27,082	18,657	3,990							49,729	335,778
		S Corporation	189,638	23,515	5,499		840	2,500	1,500					33,854



RC Reports

Reasonable Compensation Analysis

<https://rcreports.com/>



Reasonable Compensation – IRS Factors

- ▶ Training & Experience
- ▶ Duties & Responsibilities
- ▶ Time and effort devoted to business
- ▶ Dividend history
- ▶ Payments to non-shareholder employees
- ▶ What comparable businesses pay for similar services
- ▶ Amounts paid out as salary compared with the amount distributed as profits



Reasonable Compensation - IRS

Defined as:

“the value that would ordinarily be paid for like services by like enterprises under like circumstances”



Reasonable Compensation – 60/40 Rule

- ▶ This is not a real rule
- ▶ Promoted as a guideline
- ▶ Not an IRS rule
- ▶ Eric Green – Non documented reasonable compensation audit results



Reasonable Compensation Analysis – RC Reports

Decide the purpose for the report

A screenshot of a web application interface. At the top, there's a "Client List" tab and "Max Brodin" is selected. Below that, a header says "Max Brodin - Max Contracting Services LLC". Underneath, there's a "You can:" section with three buttons: "Initiate a Report" (checked), "Edit Client Profile", and "Archive Max Brodin". Below that is a "New Report for Max Brodin" section. It asks "What is the purpose of this report?" and lists four categories, each with a "Learn more..." button: "Tax Compliance for S Corps", "Tax Compliance for C Corps", "Normalizing Compensation for Valuation", and "Planning".

Reasonable Compensation Analysis – RC Reports

Decide the approach you are going to take

Client List Max Brolin

Max Brolin - Max Contracting Services LLC

You can:

- Initiate a Report
- Edit Client Profile
- Archive Max Brolin

New Report for Max Brolin

Purpose:

- Tax Compliance for S Corps

What approach would you like to use?

Cost Approach (AKA Many Hats Approach)

Market Approach (AKA Industry Comparison Approach)

Income Approach (AKA Independent Investors Test)

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Reasonable Compensation Analysis – RC Reports

Select the year you are analyzing - the calculations change regularly based on updated data

Client List Max Brolin

Max Brolin - Max Contracting Services LLC

You can:

- Initiate a Report
- Edit Client Profile
- Archive Max Brolin

New Report for Max Brolin

Select the tax year for the report:

<input checked="" type="checkbox"/> 2023	2022	2021	2020	2019	2018	2017	2016
2015	2014	2013	2012	2011	2010	2009	2008
2007	2006	2005	2004	2003	2002	2001	

Display report to client upon completion of the interview?

Yes No

Notify me upon completion of the interview?

Yes No

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Reasonable Compensation Analysis – RC Reports

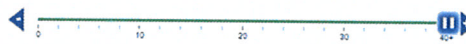
We know our business owners work more than 40 hours per week - see the template provided to take more than 40 hours to get the correct %

- 1. My State
- 2. My County
- 3. My Hours
- 4. Standard Tasks
- 5. My Business
- 6. Time by Category
- 7. Proficiency
- 8. Wrap It Up

Your work profile was set to reflect that you work 39 hours per week.

Set Your Hours Worked

Ok Max, next we need to know on average, how many hours do you work each week?
 Drag the slider below to set your hours worked per week



40 hours per week

- Back to My County
- Next - Standard Tasks



Reasonable Compensation Analysis – RC Reports

You will go through standard tasks for the owner working on the business and determine the amount of time and their proficiency

Select Standard Tasks

Ok Max, now let's pick out some tasks that you routinely perform.
 In this section of the interview we will focus on eight standard categories. Each of these categories contains tasks that are commonly associated with managing or running a closely held business.
 Please review **each category tab** below and select the tasks that you regularly perform within that category. When you are done, click the 'Done - Next Step' tab to proceed.
 Click the buttons below to add or remove a task in your work profile.

<ul style="list-style-type: none"> Maintenance Administrative Marketing Finance Human Resources Information Technology Inventory Management Done - Next Step 	<p>Janitorial - Landscape - Maintenance (3 available tasks)</p> <p>Janitor or Custodian <input type="radio"/> Description: Keep buildings in clean and orderly condition. Perform heavy cleaning duties, such as cleaning floors, shampooing rugs, washing walls and glass, and removing rubbish. Duties may include tending furnace and boiler, performing routine maintenance activities, notifying management of need for repairs, and cleaning snow or debris from sidewalk.</p> <p>Maintenance and Repair Worker <input type="radio"/> Description: Perform work involving the skills of two or more maintenance or craft occupations to keep machines, mechanical equipment, or the structure of a building in repair. Duties may involve pipe fitting, HVAC maintenance, insulating, welding, machining, carpentry, repairing electrical or mechanical equipment, installing, aligning, and balancing new equipment, and repairing buildings, floors, or stairs.</p> <p>Grounds and Lawn Caretaker <input type="radio"/> Description: Landscape or maintain grounds of property using hand or power tools or equipment. Workers typically perform a variety of tasks, which may include any combination of the following: sod laying, mowing, trimming, planting, watering, fertilizing, digging, raking, sprinkler installation, and installation of mortarless segmental concrete masonry wall units.</p>
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Reasonable Compensation Analysis – RC Reports

You will then address the specific business tasks for the tie spent and proficiency when it comes to working in the business

Select 'My Business' Tasks

In this step, we will define specialized tasks which fall outside the common tasks that you've already selected. You may add as many 'My Business' tasks as you need to account for all the tasks you routinely perform for your business.

You can search for tasks by keyword, or browse available tasks clicking the alphabetical tabs below.

Summary

- A
- B
- C
- D-E
- F-G
- H-I

'My Business' tasks that you have added to your work profile:

- Construction Coordinator [\[Remove\]](#)

Back to Standard Tasks
Next - Time by Category

Reasonable Compensation Analysis – RC Reports

Note the summary for all the activities performed hours and proficiency.

Review this with your client.

County: Windham town

Hours Per Week: 40

Categories:

- **Administrative - Secretarial - Clerk** - 3.6 hours/week (9% of your time)
 - Secretary or Administrative Assistant
 - Time: 1.044 hours/week (26% of category)
 - Proficiency: Average
 - Customer Service Representative
 - Time: 2.556 hours/week (71% of category)
 - Proficiency: Average
- **Advertising - Sales - Marketing** - 6 hours/week (15% of your time)
 - Sales Representative - Technical
 - Time: 6 hours/week (100% of category)
 - Proficiency: Above Average
- **Accounting - Finance - Bookkeeping** - 2 hours/week (5% of your time)
 - Bookkeeper
 - Time: 0.96 hours/week (48% of category)
 - Proficiency: Average
 - Billing and Invoice Clerk
 - Time: 0.54 hours/week (27% of category)
 - Proficiency: Average
 - Payroll Clerk
 - Time: 0.5 hours/week (25% of category)
 - Proficiency: Average
- **Purchasing - Inventory - Shipping - Receiving** - 5.2 hours/week (13% of your time)
 - Purchasing Agent
 - Time: 5.2 hours/week (100% of category)
 - Proficiency: Average
- **Management - Supervision** - 6 hours/week (15% of your time)
 - General and Operations Manager
 - Time: 6 hours/week (100% of category)
 - Proficiency: Average
- **My Business** - 17.2 hours/week (43% of your time)
 - Construction Coordinator
 - Time: 17.2 hours/week (100% of category)
 - Proficiency: Above Average

Reasonable Compensation Analysis – RC Reports

The tool will calculate an estimated reasonable salary - if something seems off, adjust your time and proficiency

Adjust the proficiency if necessary

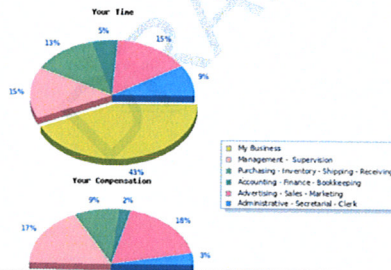
Powerful Accounting Inc

2023 Report for Max Brolin of Max Contracting Services LLC

Your estimated annual Reasonable Compensation: **\$118,981**

Thank you for entrusting Darren Brolin of Powerful Accounting Inc with your Reasonable Compensation analysis. This report provides a reasonable estimate of the value of services rendered to your S Corporation based on your responsibilities and the duties that you perform annually. Reasonable Compensation is defined by the IRS as "The value that would ordinarily be paid for like services by like enterprises under like circumstances".

The calculated salary of **\$118,981** was determined to be reasonable compensation based on the type of work performed, the skill level of the work performed and the number of hours the work is performed annually. You told us that you work **2080** hours per year in **Windham town, CT**. Our analysis indicates the annual salary of **\$118,981** would be a reasonable cost to hire employee(s) to perform the duties and responsibilities that you currently perform.



Reasonable Compensation Analysis – RC Reports

Provides you with a sample meeting minutes - these should be signed by the shareholders and kept in the meeting minutes - have this ready for the IRS!

CONSENT AND MINUTES OF MEETING OF DIRECTORS OF Max Contracting Services LLC

The undersigned, being all of the directors of Max Contracting Services LLC (the "Company"), waive any rights to notice, and consent to the following action, taken on _____, 20____.

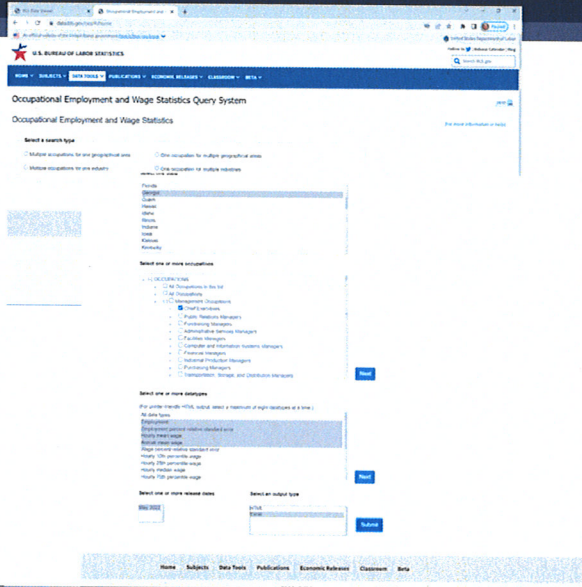
RESOLVED, that the Company adopt the report of Powerful Accounting Inc, a copy of which is attached and, in reliance on such report, pay to Max Brolin the sum of \$118,981 per year as salary for the duties set forth in such report.



Entity Selection – Bureau of Labor Statistics

Occupational Employment and Wage Statistics Query System

- Select the State
- Occupation
- Datatype



Entity Selection – Bureau of Labor Statistics

Multiple occupations for one geographical area

Area: Georgia
Period: May 2022

Occupation (SOC code)	Employment ⁽¹⁾	Employment percent relative standard error ⁽³⁾	Hourly mean wage	Annual mean wage ⁽²⁾
Management Occupations(110000)	299410	1.9	60.76	126390
Business Operations Specialists, All Other(131199)	74430	2.2	36.43	75770

(1) Estimates for detailed occupations do not sum to the totals because the totals include occupations not shown separately. Estimates do not include self-employed workers.

(2) Annual wages have been calculated by multiplying the corresponding hourly wage by 2,080 hours.

(3) The relative standard error (RSE) is a measure of the reliability of a survey statistic. The smaller the relative standard error, the more precise the estimate.

SOC code: Standard Occupational Classification code -- see <http://www.bls.gov/soc/home.htm>
Date extracted on Jun 09, 2023

SOC Code: Standard Occupational Classification Code

<http://www.bls.gov/soc/home.htm>

Entity Selection – PayScale

The screenshot shows the PayScale interface for a salary report. The user is logged in as 'Office Manager' in Atlanta, GA, with 20 years of experience. The report shows a total pay of \$40k, which is \$12k below the market median of \$52k. The market range is \$36k to \$78k. The user's bonus is \$0. The report also shows a comparison to the market median, indicating that the user is making less money than 82% of people in the market.

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Entity Selection – Action Steps

- ▶ Sole Proprietors
 - ❑ Register entity as an LLC (you or attorney)
 - ❑ Obtain appropriate EIN, state withholding, state unemployment numbers
 - ❑ Prepare operating agreement, if applicable (you or attorney)
 - ❑ Prepare S-Election Forms 2553 and 8832 (if an LLC)
- ▶ Single Member LLC's
 - ❑ Obtain state withholding and state unemployment numbers
 - ❑ Prepare S-Election Forms 2553 and 8832 (if an LLC)

Entity Selection – Action Steps

- ▶ State Issues – need to go through federal process and wait for acceptance
 - ❑ New Jersey – charges a corporation tax and a fee
 - ❑ New York – charges a corporation tax and a fee
 - ❑ Other states
- ▶ Passthrough Entity Taxes
 - ❑ Optional in some cases – retirement income exclusions etc. (Georgia)
 - ❑ Pay attention year by year

Reasonable Compensation– Action Steps

- ▶ Put them on payroll – Failure to do so may flag the client for an audit
- ▶ Repeat reasonable comp analysis
 - ❑ Annually at a minimum
 - ❑ If things change like moving or their role changes, time devoted changes
- ▶ Create meeting minutes and have the sign the minutes and file them away
- ▶ Watch basis for loss limitations

Intuit Tax Advisor

<https://proconnect.intuit.com/offering-tax-advisor/>



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Tax Planning Tool – Intuit Tax Advisor

- ▶ Cloud sync with ProConnect & Lacerte
- ▶ If your system doesn't cloud sync, you can enter pre-strategy baseline (prior year tax return data)
- ▶ Creates insights of potential savings based on various strategies from prior year data
- ▶ Allows you to create your own strategies if not included in the already existing strategies
- ▶ Has strategy cards and provides a full tax plan proposal and report to review with the client or simply provide to the client



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Tax Planning Tool – Intuit Tax Advisor

Start cloud sync

BROLIN, MAX

Sync complete

MAX BROLIN Profile **Single / CT / 0 dependents** Plan name **2023 - Q2 MAX BROLIN's Tax Plan**

[View Summary](#) [Pre-strategy baseline](#) [Strategies](#) [Review plan](#) [Client report](#)

[Insights 5](#) [All strategies](#) **Strategies 4**



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Tax Planning Tool – Intuit Tax Advisor

Notice:

- Insights
- All strategies

[View Summary](#)

[Insights 5](#) [All strategies](#)

Simplified Employee Pension Individual Retirement Plan (SEP-IRA)

Form 1040 • SEP IRA (T)

-\$17,620

MAX BROLIN had \$228,827 from all self-employed business income and contributed \$0 to a SEP-IRA. MAX can contribute up to \$45,765 and reduce their tax liability by \$17,620.

[Dismiss](#) [Add](#)



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Tax Planning Tool – Intuit Tax Advisor

Add a strategy from identified Insights – S-Corp Entity

Strategies ?

Strategy	Activity Form or schedule	2023 Baseline	2023 Strategy change ?	2023 Marginal rates	Strategy tax savings	Net out-of-pocket
Existing 2023 strategies						
<input checked="" type="checkbox"/> S Corporation choice of entity	CONSTRUCTION (T) SCHEDULE C	242,000	Details		6,574 Formula	0* Formula
> 7 MORE LINES						
Totals					6,574	0



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Tax Planning Tool – Intuit Tax Advisor

S Corporation choice of entity

Low audit risk | Last updated for the 2022 tax season

[Overview](#) | [Research & Considerations](#) | [Formulas](#) | [Client materials](#)

About this strategy CLIENT REPORT

The projected S Corporation net earnings are sheltered from self-employment tax, which would be paid if self-employed. The corporate structure provides the owner limited liability protection so personal assets are shielded from claims of business creditors. The business income, tax deductions, credits, and losses are passed through to the owner, rather than taxed at the corporate level.

Strategy requirements INTERNAL

Things you can change in the Intuit Tax Advisor

- Incorporate the business and operate as a separate corporate entity, including naming officers and keeping corporate minutes.
- Elect to be taxed as an S Corporation by filing form 2553 within 75 days after the beginning of the tax year the election is to take effect.

Provides an overview about the strategy and requirements to help with execution of the plan



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Tax Planning Tool – Intuit Tax Advisor

Provides research & considerations regarding the strategy

Also, formulas and client materials

S Corporation choice of entity

Low audit risk ⓘ Last updated for the 2022 tax season

Overview **Research & Considerations** Formulas Client materials

Advisor research INTERNAL

- S Corporations are corporations that elect to pass corporate income, losses, deductions, and credits through to their shareholders for federal tax purposes.
- Incorporate, set up an LLC and other legal resources.
- Accounting program subscription.
- Empower clients to conquer payroll with confidence.

[IRS S Corporation](#)

[MyCorporation](#)

[QuickBooks Online](#)

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Tax Planning Tool – Intuit Tax Advisor

Add other strategies for an ultimate tax savings calculation

Strategies ⓘ

Existing 2023 strategies

<input checked="" type="checkbox"/>	S Corporation choice of entity	CONSTRUCTION (T) SCHEDULE C	242,000	Details	6,574 Formula	0*	Formula
-------------------------------------	--------------------------------	--------------------------------	---------	---------	------------------	----	---------

> 7 MORE LINES

<input checked="" type="checkbox"/>	QBI Deduction	Return level QBI DEDUCTION	4,643	18,140 Details	32.00% Rates	5,805 Formula	0	Formula
-------------------------------------	---------------	-------------------------------	-------	-------------------	-----------------	------------------	---	---------

New 2023 strategies

<input checked="" type="checkbox"/>	Business Use of Home	CONSTRUCTION (T) SCHEDULE C NET INCOME	242,000	Details	2,445 Formula	3,555	Formula
-------------------------------------	----------------------	---	---------	---------	------------------	-------	---------

> 3 MORE LINES

<input checked="" type="checkbox"/>	Solo 401(k) contributions	Solo 401(k) (T) FORM 1040	0	22,500 Details	38.50% Rates	8,662 Formula	13,838	Formula
-------------------------------------	---------------------------	------------------------------	---	-------------------	-----------------	------------------	--------	---------

Totals							23,486	17,393
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Tax Planning Tool – Intuit Tax Advisor

Use a professional tax plan to provide to your clients

MAX BROLIN | Single / CT / 0 dependents | 2023 - Q2 MAX BROLIN's Tax Plan

View Summary | Pre-strategy baseline | Strategies | Review plan | Client report

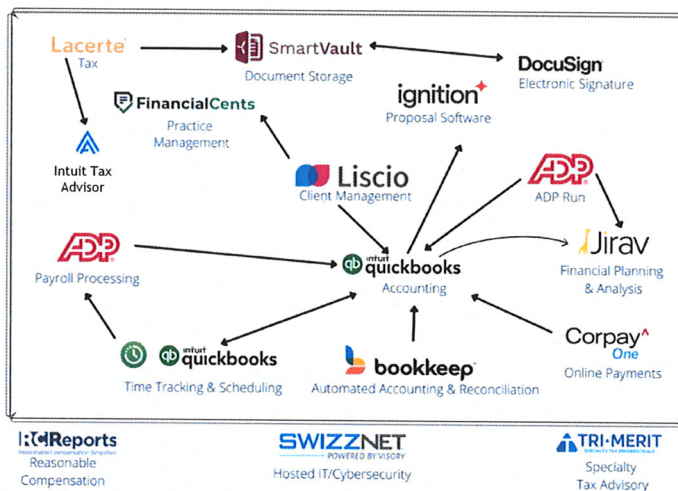
2023 - Q2 MAX BROLIN's Tax Plan

	2022 actual	2023 projection									
Total income	\$242,000	\$232,898									
Taxable income	\$213,613	\$196,265									
<table border="1"> <thead> <tr> <th></th> <th>Total taxes</th> <th>Balance due</th> </tr> </thead> <tbody> <tr> <td>Federal</td> <td>\$73,508</td> <td>\$76,159</td> </tr> <tr> <td>State</td> <td>\$13,716</td> <td>\$14,704</td> </tr> </tbody> </table>				Total taxes	Balance due	Federal	\$73,508	\$76,159	State	\$13,716	\$14,704
	Total taxes	Balance due									
Federal	\$73,508	\$76,159									
State	\$13,716	\$14,704									
<table border="1"> <thead> <tr> <th></th> <th>Total taxes</th> <th>Balance due</th> </tr> </thead> <tbody> <tr> <td>Federal</td> <td>\$41,637</td> <td>\$42,638</td> </tr> <tr> <td>State</td> <td>\$14,017</td> <td>\$15,026</td> </tr> </tbody> </table>				Total taxes	Balance due	Federal	\$41,637	\$42,638	State	\$14,017	\$15,026
	Total taxes	Balance due									
Federal	\$41,637	\$42,638									
State	\$14,017	\$15,026									
Strategy tax savings	\$0	\$23,486									



Dawn's Starting Lineup – Technology to run the firm

PLAYING FIELD



Lunch!

See you in 30
Minutes!



Action Steps: What is Next?

Look at your current clients

- ▶ Have clients working as Sole Props?
- ▶ Have LLCs that are profitable?
- ▶ Have S Corps and C Corps that need to take reasonable comp?
- ▶ Have clients you need to show the door?

Rank your clients from A to F

- ▶ A – great clients that pay you fairly, on time and a pleasure to work with. We want more of these folks!
- ▶ B – good clients that really could be “A” clients if only we could find the time to work with them more...
- ▶ C – they don’t bother you much but they are not paying much and are often holdovers of your early practice years before you knew how to price your services
- ▶ D – They are too cheap and these returns are an annoyance
- ▶ F – you know who these people are...you dread the phone ringing or the email from them! They literally suck your will to live...

Step #1

- ▶ Implement relationship pricing with you're "A" and "B" clients
- ▶ Increase prices
- ▶ Focus on setting up the procedures you need to make their work smooth
- ▶ Making progress, now lets deal with the "C" clients

Step #2

- ▶ For the C Clients they either must move into the A/B client fold or join the D&F clients (which is Step #3)
- ▶ Prices go up
- ▶ Expect most of them to leave – good!

Step #3

- ▶ D & F Clients
- ▶ Fire them – it does not need to be nasty:

“We have grown beyond our capacity to manage your account properly and can therefore no longer do your work. I have enclosed a list of other practitioners who can help you. You have all your original documents and your copies of the returns are in the secure portal. Thank you for your past business, and we wish you the best of luck in the future.”

Interpretation

- ▶ I'm going to sleep so well tonight knowing I never have to deal with you again! Here is a list of other accountants I hate so you can go torment them. Don't let the door hit you in the rear on your way out!

Sole Props

- ▶ This is just wrong
- ▶ Need to be at least an LLC
- ▶ If profitable, look at S Corp

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Profitable LLCs

- ▶ Time to elect S Status?
- ▶ Run the Entity Selection Planner in RCReports to determine potential tax savings
- ▶ Run the Reasonable Comp Reports
- ▶ Time to move these people into amore sophisticated planning and pricing structure, save them money, and reduce their audit risk

(hint: Reasonable Comp Reports will be needed to set the salary, and must be run every year)

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Corporate Clients

- ▶ Are they having reasonable comp reports run each year?
- ▶ Required to support the number on the return and in case of audit
- ▶ Creates an annuity stream for you – to be discussed later



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So a CPA calls us

- ▶ IRS audited S Corp clients
- ▶ Many took no salary, some took de minimis salary, no reasonable comp workpapers or reports to support any of the numbers
- ▶ Assessed preparer penalties of \$120,000 for both 6694(a) and 6694(b):

Understatement due to unreasonable positions — IRC § 6694(a): The penalty is \$1,000 or 50% (whichever is greater) of the tax preparer's income to prepare the tax return or claim

Understatement due to willful or reckless conduct — IRC § 6694 (b): The penalty is \$5,000 or 75% (whichever is greater) of the tax preparer's income to prepare the tax return or claim



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Creating an Annuity

- ▶ RCRports – S Corp and C Corp reasonable comp reports every year
- ▶ Transcript Monitoring
- ▶ Consult meetings with clients

Coffee Break

See you in 15 minutes



Pricing: How to Go From Hourly/Product Billing to “Relationship Pricing”

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Pricing Tax Planning Services – Traditional Way

- ▶ Charge by the hour
- ▶ More reactive than proactive – don’t even engage
- ▶ Provide safe harbor coupons – no charge
- ▶ Price based on a % of savings
- ▶ Charging by plan
- ▶ DO NOTHING AT ALL - FREE

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Advisory Services – Moving to Relationship Pricing

- ▶ Begin to level out your cash flow
- ▶ Become a PROACTIVE advisor and not a REACTIVE advisor
- ▶ Stabilize your own budget
- ▶ Provide higher paying salaries
- ▶ Work with less clients
- ▶ Provide you and your staff with a more controlled workload – you determine your maximum client #



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Advisory Services – Relationship Pricing by the Package

Tax Planning Basics	Advanced Strategies	Full Service Advisory
We will provide basic tax planning advisory for your business	We will provide advanced tax strategy advisory for your business	We will provide advanced tax strategy advisory and additional advisory services for your business
\$300.00 Every month	\$500.00 Every month	\$750.00 Every month
<ul style="list-style-type: none"> Tax Planning Basics Annual Tax Planning Meeting Entity Review Owner Payroll Allocation Retirement Plan Review Taxation services - 1120S Corporate Tax Taxation services - 1040 Individual Income Tax Return 	<ul style="list-style-type: none"> Advanced Tax Strategies Annual Tax Planning Meeting Entity Review Owner Payroll Allocation Retirement Plan Review Taxation services - 1120S Corporate Tax Taxation services - 1040 Individual Income Tax Return Quarterly Business Review Business Goal Tracking Electronic Document Storage 	<ul style="list-style-type: none"> Full Service Advisory Annual Tax Planning Meeting Entity Review Owner Payroll Allocation Retirement Plan Review Taxation services - 1120S Corporate Tax Taxation services - 1040 Individual Income Tax Return Monthly Business Review Business Goal Tracking Electronic Document Storage Payroll services - Bi-weekly Payroll (Up to 5 employees)
Select	Select	Select



90

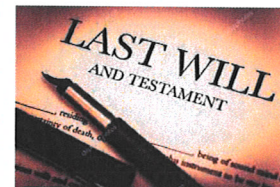
90

Advisory Services – Pricing and How to do it?

- ▶ Start by evaluating your existing client base
 - ❑ Revenue by client summary – fiscal basis
 - ❑ Identify clients you love to work with
 - ❑ Evaluate the prior fiscal year revenue and triple it then divide by 12
- ▶ Determine the services you have been providing – reactive and compliance driven
 - ❑ List out the basic services
 - ❑ This becomes your baseline package

Tax & Business Advisory Services – Develop the Package

- ▶ Once you have determined your base package – add on additional services you weren't providing before to develop your second package (middle level):
 - ❑ Buy Sell Agreements
 - ❑ Wills
 - ❑ Projections
 - ❑ Budgeting
 - ❑ Quarterly business performance reviews



Tax & Business Advisory Services – Develop the Package

- ▶ Next add even more services to the already existing lists from the first two packages:

- Periodic KPI's
- Workforce Planning
- Monthly business performance reviews
- Compensation benchmarking for employees
- Insurance Evaluations



Tax & Business Advisory Services – Communicating

- ▶ Explaining advisory to your clients:
- Proactive guidance that most taxpayers often feel they lack with tax preparation --
 - Someone to answer the hard questions about how tax law changes impact your tax situation
 - Regular reviews of your income and life change to avoid surprises during tax season
 - Updating W4s as needed
 - Helping you to evaluate the impact of your retirement account savings
 - Calculating and remitting estimated tax payments (if applicable), etc.

Tax & Business Advisory Services – Communicating

► Explaining advisory to your clients:

- It ensures that tax season runs smoothly because everything is reviewed and discussed during the year, while life is happening. Offering it as a subscription helps to avoid surprise bills, creates predictability, and increases client/accountant communication.



TRN
TAX REP NETWORK

INTUIT

PROFESSIONAL ACCOUNTING, INC.
PROVIDED BY
TEAM Brodin
CPA | TAXES | CFE | FRAUD

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The Accounting Cornerstone Foundation Inc



EST. 2023

**ACCOUNTING
CORNERSTONE**

• FOUNDATION •

SCAN ME
to learn more

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Dawn's Dugout – First Monday of Every Month

**Dawn's
DUGOUT**



Scan to
register

bookkeep
SWIZZNET

Reports
Reasonable Compensation Simplified

ADP

Jirav

FinancialCents

DocuClipper

Liscio

nicejob

TRI-MERIT
SPECIALTY TAX PROFESSIONALS

ignition

Corpay
One

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Converting Existing Clients and Attracting New Clients

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Level 1: Existing Clients -The Low-Hanging Fruit

- ▶ According to research by WASP Barcode 60% of SMBs want and need their accountants to be more proactive about giving them business advice.
- ▶ The door to advisory conversations is wide open.
- ▶ The first step is defining your offering according to the clients you want to serve.
- ▶ Create advisory packages and then sell.

Examples of Who & What to Look For:

- Established business owner or startup business owner.
- High net worth individuals with complex tax returns – what are they missing?
- A business entity with multiple locations or that sells goods in a variety of states.
- A growing business with several employees.
- Individuals who have inherited money or who have varied real estate or other financial assets.

Tap Your CRM to Start Finding Advisory Opportunities

- ▶ Existing clients with single service or tax returns.
- ▶ Business owners.
- ▶ Not sure of what they need? Ask the right questions:
 - ❑ What are their long-term goals?
 - ❑ Are they planning on expanding their business?
 - ❑ Are all of their payroll and other taxes up to date?
 - ❑ Do they have questions for you?

Level 2: Existing Client & Network Referrals

- ▶ Like attracts like.
- ▶ If you have advisory clients who have colleagues/family members tap into those relationships and ask for the referrals.
- ▶ Ask for reviews – online and for use in videos and case studies.
- ▶ Practice your elevator pitch about the niche you serve and the benefits of working with you.
- ▶ Find a center of influence who has a complementary service offering and partner (financial advisor, realtor, banks, lawyer, etc.)

Level 3: Put Yourself and Your Firm Out There

- ▶ Speak at conferences on webinars that appeal to your target.
- ▶ Content marketing – focus your efforts on creating videos, blogs, cross-blog on relevant platforms and use appropriate social channels.
- ▶ Be very specific about creating content that showcases you are an authority on the pain points your audience wants to solve.
- ▶ Targeted networking events with your pitch prepared.
- ▶ If you have a high-quality lead list, strategic emails and even direct mail may be useful.

Upcoming Events

Master IRS Offers-in-Compromise

4 hours, 4 ce/cpe credits

Tomorrow, June 15th, 1:00 pm EST

<https://taxrepllc.com/2023-series-oic/>



Department of the Treasury
Internal Revenue Service
Appeals Office
150 Court Street, Room 312
New Haven, CT 06510

David Jones
1 Main Street, 4th Floor
New Haven, CT 06511

Date:

Person to contact:
Name: Employee Name
Employee ID number: 100xxxxxx
Telephone: 203-xxx-xxxx
Fax: 855-xxx-xxxx
Hours: 8:00 - 4:30
Tax period(s) ended:
12/2017 12/2018 12/2019

Re:

Offer in Compromise

Dear Mr. David Jones:

We accepted your offer in compromise signed and dated by you on 12/03/2021 and as modified by an addendum dated 05/03/2022. The date of acceptance is the date of this letter and our acceptance is subject to the terms and conditions on the enclosed Form 656, *Offer in Compromise*.

<https://proconnect.intuit.com/offering-tax-advisor/>

INTUIT Tax Advisor

Your path to less stress
and more freedom

Start with 3 free credits

	2022 actual	2023 projection
Income	\$188,692	\$188,102
Adjusted taxable income	\$124,027	\$125,956
Taxable income	\$22,898	\$25,829
Tax	\$2,041	\$17,581
Strategy tax savings	\$0	\$20,088

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integrated tax planning tool

INTUIT Tax Advisor | INTUIT Lacerte Tax | INTUIT ProConnect Tax

Try Intuit Tax Advisor free

Strategies

Strategy	Activity	2022	2022	2022	Strategy	Pa
	Feed or schedule	Baseline	Strategy change	Rate	tax savings	out-of-pocket
New 2022 strategies						
<input checked="" type="checkbox"/>	S corporation entity change	Math Tutoring Co.	100,000	Details	18,679	0
+ MORE LINES						
<input checked="" type="checkbox"/>	Optimizing QBI	Math Tutoring Co.	100,000	Details	7,211	0
+ MORE LINES						
<input checked="" type="checkbox"/>	Tax loss harvesting (long-term)	Capital loss (L)	0	29,000	15.0%	3,830
+ MORE LINES						
<input checked="" type="checkbox"/>	Charitable contribution	Math Tutoring Co.	50,000	\$7.5%	3,918	1,112



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Questions?



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