

**\$28 billion:** “Last year, California taxpayers voluntarily filed more than 15 million tax returns and paid nearly \$28 billion in state income taxes.”

—State Controller and FTB Chair John Chiang

## This Year's Challenge



CFOs were asked, “Which one of the following is the biggest challenge facing your company in the next 12 months?”

- 20%** Finding skilled staff
- 16%** Meeting customer demands
- 15%** Government regulation
- 14%** Competition
- 12%** Adequate sales and/or financing
- 17%** None of these/other
- 6%** Don't know/no answer

—Robert Half

### Burke Heads 2008-09 Slate

CalCPA's Nominations Committee has selected the following slate of candidates for 2008-09 statewide leadership positions: Gregory Burke (Sacramento), chair; Andrea Cope (San Francisco), first vice chair; Conrad Davis (Sacramento), treasurer; John McWilliams (San Francisco), vice chair; and Johanna Sweaney-Salt (Inland Empire), vice chair.

Teresa Mason (San Francisco) will serve as immediate past chair.

Nominees for council members-at-large are: Sharon Lightner (San Diego); Mark Luttrell (Bakersfield); and Mike Soza (San Francisco).

Nominations for leadership positions also may be filed by a group of 100 or more members by close of business May 1 at CalCPA headquarters: 1235 Radio Road; Redwood City, CA 94065-1217. For more information, consult the CalCPA bylaws at [www.calcpa.org/Content/about/governance.aspx](http://www.calcpa.org/Content/about/governance.aspx).

CalCPA nominees for AICPA Council are Andrea Cope; Teresa Mason; Marc Parkinson (Silicon Valley San Jose); and Paul Regan (San Francisco).

### We Need You

CalCPA and the profession need your help communicating with legislators in Sacramento. Team up with members to help legislators understand the issues facing California CPAs by participating in CPA Day at the Capitol Tuesday,



### the numbers

**62%** of employers expect at least half of their work force will not have enough income to retire between the ages of 62-65. — Aon Consulting Worldwide

**42%** of 138 senior executives cite inadequate internal controls as the main culprit behind fraud incidents against their companies. — Robert Half

**27%** of employers have a formal or informal plan to transfer retiring baby boomers' knowledge to remaining employees. — Novations Group

**32%** of company directors surveyed said CEO compensation is “too high in most cases.” — Heidrick & Struggles

**57%** of senior executives surveyed said Tuesday is the most productive day of the week for employees. — Accountemps



### Increasing Financial Literacy

The 2008 California Summit on Financial Literacy will connect people, organizations and communities to further personal finance education through sharing of resources.

Speakers for the April 23 event include Pam Krueger and Jack Gallagher from PBS “Money Track” and keynote speaker Jean Chatzky, personal finance expert from NBC’s “Today” and “The Oprah Winfrey Show.”

Find more information and to register at [www.calcpa.org/summit](http://www.calcpa.org/summit).

Renew your 2008-09 CalCPA membership and you will be entered into a drawing for a FREE VP membership good through April 2009, courtesy of the California CPA Education Foundation.

Renew online today at [www.calcpa.org/renew](http://www.calcpa.org/renew). For rules, go to [www.calcpa.org/renewalvrules](http://www.calcpa.org/renewalvrules).

Renew Now  
Win a VP Membership!



## In Memoriam: Kenneth Lever

**Kenneth Lever**, former CalCPA chair (1981-82) and president of the California CPA Education Foundation (1977-78), died Jan. 1. He was 77.

Lever might most be remembered for his work on KFVB's Money Manager program in Los Angeles, which ran for more than 12 years, but he wore many hats, starting as senior class president of North Hollywood High in 1949 and running track at UCLA, where he graduated in 1953.

Later, while in the Navy, he took the CPA Exam, which he passed on the first try, and subsequently joined a newly formed accounting firm and soon became a partner. From there he made his way in the accounting world for more than 40 years and was awarded CalCPA's Distinguished Service Award in June 1986.

Lever is survived by his wife, Beverly; three daughters, Denise, Deborah and Brena; their spouses; and three grandchildren. In lieu of flowers, donations can be made to the Norris Cancer Clinic, The City of Hope, Covenant House, or the AIDS Project Los Angeles.



# create growth:

“We know from experience that both **immediate tax relief** for income tax payers and incentives for businesses to invest and hire are effective in creating growth and jobs in the short-term.” — Henry

Paulson, U.S. Treasury Secretary

May 13. The day begins with an issues briefing at 10 a.m. at the Sheraton Grand Sacramento, followed by scheduled meetings with legislators in teams from 11 a.m.–3 p.m. After a full day in the Capitol, CPAs reconvene for a debriefing at 3:30 p.m.

Register and learn more at [www.calcpa.org/cpaday](http://www.calcpa.org/cpaday).

### Got Questions for the IRS or FTB?

CalCPA's Committee on Taxation is accepting questions for its fall 2008 tax liaison meetings with the IRS and FTB. In addition to those agencies, you can pose questions to the Employment Development Department and State Board of Equalization.

Submit your questions by May 16 to Frances Flennoy at (916) 441-5351 or [frances.flennoy@calcpa.org](mailto:frances.flennoy@calcpa.org).

### Rising CPAs, Networking

CalCPA's 2008 Young and Emerging Professionals Conference will provide an overview of what's on the horizon for young CPAs, tips on becoming the “most trusted adviser” and feature keynote speaker Christopher Gardner, who will discuss his strategy for defining, finding and attaining success and focus.

Other topics will include networking, creating a business image and learning the ins and outs of communications. And new this year will be a look at the do's and don'ts of CPA fashion.

The conference will take place May 7 in Los Angeles and May 9 in San Francisco.

To register, visit [www.calcpa.org/yep](http://www.calcpa.org/yep).

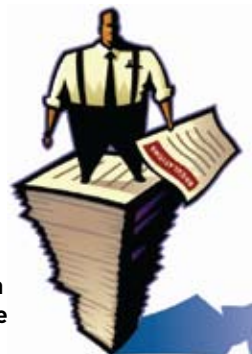
### New Member Benefit: Long-term Care

Long-term care demands unprecedented attention. With a growing senior population that is living longer, the potential need for long-term care grows annually, and without long-term care insurance, a nest egg can evaporate in an instant.

## SEC Analyzes SOX 404 for Small Biz

An SEC study of impending auditor attestation requirements for smaller companies under Sarbanes-Oxley Act Sec. 404(b) will analyze cost and benefit data from a broad array of companies currently complying with Sec. 404. The study will help determine if the requirement indeed results in reduction of Sec. 404 compliance costs while strengthening its focus on material controls.

In addition to assessing Sec. 404 cost reductions resulting from the SEC's recent actions, the final report also will inform any decision to improve the efficiency and effectiveness of Sec. 404 implementation. Learn more at [www.sec.gov/news/press/2008/2008-8.htm](http://www.sec.gov/news/press/2008/2008-8.htm).



## Conference Dates:

### Fraud in Audit, Accounting & Tax Conference

Forensic accounting is one of the fastest growing areas in the profession—learn what you need to know at this important conference.

June 19 – Burbank Area • June 20 – San Francisco

### 2008 Entertainment Industry Conference

Get up-to-the minute information on issues and trends in the ever-changing entertainment business from top-tier speakers.

June 18 – The Beverly Hilton, Beverly Hills

Register today

[www.educationfoundation.org/conferences](http://www.educationfoundation.org/conferences)

To help CalCPA members plan for this risk, a long-term care affinity program is available: LTC4CPAS, which offers multiple plans to choose from and premium discounts of up to 50 percent for CalCPA members and their family

Learn more at [www.ltc4cpas.com](http://www.ltc4cpas.com).

### Business Valuation Practice Aid

CalCPA's Litigation Sections has issued a Practice Aid Checklist on the AICPA's Statement on Standards for Valuation Services No. 1 (SSVS No. 1).

Developed by members of the Business Valuation Section of the Litigation

Sections, the practice aid is not an interpretation of SSVS No. 1, but rather a checklist and a tool to help guide members in implementing and complying with the standards.

SSVS No. 1 is effective for engagements accepted on or after Jan. 1, 2008.

Because the California Board of Accountancy Regulations Sec. 58 state that CPAs must comply with all applicable standards, SSVS No. 1 applies to all California CPAs who perform valuations, regardless of their AICPA membership status.

Downloaded the practice aid at [www.calcpa.org/Practice\\_Aid](http://www.calcpa.org/Practice_Aid).

## Lauded: Michael Eisenberg

### Eisenberg Receives 2007 PFP Service Award

Los Angeles-based Michael M. Eisenberg, CPA/PFS received the AICPA's 2007 Personal Financial Planning Distinguished Service Award. Eisenberg is a member of the National CPA Financial Literacy Commission, which directs the 360 Degrees of Financial Literacy, [www.360financialliteracy.org](http://www.360financialliteracy.org), and Feed the Pig, [www.feedthepig.org](http://www.feedthepig.org), initiatives.



# new updates

## Change for Auditors

The PCAOB's new Auditing Standard No. 6, *Evaluating Consistency of Financial Statements*, updates the auditor's responsibilities to evaluate and report on the consistency of a company's financial statements and align the auditor's responsibilities with SFAS No. 154.

Learn more at [http://pcaobus.org/News\\_and\\_Events/News/2008/01-29.aspx](http://pcaobus.org/News_and_Events/News/2008/01-29.aspx).

[www.calcpa.org/forumadvantage](http://www.calcpa.org/forumadvantage)

## TAKE ADVANTAGE

*Forum Advantage* is a new, twice-monthly e-newsletter that provides feature stories, upcoming events and concise news and information pertinent to financial leaders and executives. If you don't already receive *Advantage* and are a financial professional working in business and industry, please update your profile at [www.calcpa.org/Forum/update](http://www.calcpa.org/Forum/update) to have the next issue delivered to your inbox. To view the *Advantage* archive, go to [www.calcpa.org/ForumAdvantage](http://www.calcpa.org/ForumAdvantage).

Launched in January 2008, the Financial Leadership Forum provides tailored programs and resources to CPA professionals in the business community.

Membership is an exclusive benefit for business and finance professional who are CalCPA members.

The Forum is your path to success in business, [www.calcpa.org/forum](http://www.calcpa.org/forum).



[www.calcpa.org/forum](http://www.calcpa.org/forum)

# Sleeker Tax Exemption Process

Effective Jan. 1, 2008, organizations with existing exempt status under IRC Sec. 501(c)(3) may request state exemption without using California Form 3500,



**Exempt Application.** Such organizations may request state exemption by submitting a copy of the federal determination letter and filing California Form 3500A, *Affirmation of IRC Section 501(c)(3)*, with the FTB.

The \$25 filing fee is not required and organizations should attach a copy of their federal determination letter to the Form FTB 3500A.

Learn more about exemptions instruction at [www.ftb.ca.gov/individuals/faq/beExempt.html](http://www.ftb.ca.gov/individuals/faq/beExempt.html).

## Make a Difference: Join a CalCPA or AICPA Committee

CalCPA offers you the opportunity to work with other professionals on projects that increase members' technical knowledge, enhance the profession's image, influence the formation of regulations and legislation, and draw the best and brightest into the accounting profession.

Not only will you receive the satisfaction of helping to promote the profession, you'll build leadership skills and make valuable personal and business contacts.

Download an application at [www.calcpa.org/Content/Files/Committees/Application2008.pdf](http://www.calcpa.org/Content/Files/Committees/Application2008.pdf)—deadline is March 17.

Additionally, the AICPA has nearly 200 volunteer groups you can apply to join. Visit the Volunteer Central website to view groups and apply at [www.volunteers.aicpa.org](http://www.volunteers.aicpa.org). Deadline is May 1. If you apply, let us know by emailing Greg Burke,

CalCPA first vice chair, at [greg.burke@calcpa.org](mailto:greg.burke@calcpa.org).

## FTB: Error on State Tax Form

Some California taxpayers who file paper returns may understate their home mortgage interest deductions because of an error on a printed California tax form.


The error is on early versions of Schedule CA (540), *California Adjustments*, which is used to make adjustments to federal adjusted gross income and claim federal itemized deductions.

Line 38 of the form incorrectly states: "Enter the total amount of itemized

deductions from your federal form 1040, Schedule A, lines 4, 9, 13, 19, 20, 27, and 28." It should have listed line number 15 instead of 13.

The error could lead taxpayers to miss claiming their home mortgage interest, points, qualified mortgage insurance premiums, and investment interest.

The instructions in the California 540 and 540A tax booklet are correct.

Learn more and find a corrected form at [www.ftb.ca.gov/aboutFTB/press/2008/08\\_04.shtml](http://www.ftb.ca.gov/aboutFTB/press/2008/08_04.shtml). 

## FIN48Deferred

FASB officially deferred the effective date for FIN 48, *Accounting for Income Taxes*, in the recently issued FASB staff position FIN 48-2, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*.

FIN 48-2 incorporates changes made to the original exposure draft and defers the effective date for certain nonpublic enterprises—including nonpublic not-for-profit organizations—to the annual financial statements for fiscal years beginning after Dec. 15, 2007. This deferral does not apply to nonpublic consolidated entities of public enterprises that apply U.S. GAAP.

Learn more at <http://fasb.org/news/nr020108.shtml>.

## FTB on RDPs



The FTB has released Publication 737, *Tax Information for Registered Domestic Partners*, to assist RDPs in filing their California income tax returns if they have RDP adjustments. Download the guidance at [www.ftb.ca.gov/forms/07\\_forms/07\\_737.pdf](http://www.ftb.ca.gov/forms/07_forms/07_737.pdf).

# FASB verification phase

## FASB Begins Standards Codification

FASB has launched its one-year verification phase of the FASB Accounting Standards Codification, during which time constituents can research accounting issues for free and provide feedback on whether the

Codification content reflects U.S. GAAP for nongovernmental entities. Users are advised that Codification content is not yet considered authoritative.

Learn more at <http://fasb.org/news/nr011508.shtml>.

# mmm

membermilestones



## Announcements

**Jim Makofske** earned the Certified Financial Manager credential from the Institute of Certified Management Accountants ... Hein & Associates, LLP promoted **Larry Schultz**, CPA, to audit partner and **Scott Appel**, CPA, to partner-in-charge in the firm's Irvine office ... RBZ, LLP named **John J. Feyeche** manager in the tax department and promoted **Sergio Salas** to manager and **Dmitriy Pinus** to senior supervisor ... Kushner, Smith, Joanou and Gregson LLP promoted **Stacy Horne** and **Holly Bryant-Lee** to audit manager, **Ameet Shendrikar** to tax manager and **Jian Wang** to senior tax accountant ... **Scott Manno** and **Leena Shanbhag** have been admitted as partners with the firm of Rogers, Anderson, Malody & Scott, LLP, in San Bernardino ... Novogradac & Company LLP has admitted **William A. Letsinger** as a partner ... GBP&B Tax and Business Advisers in San Luis Obispo promoted **Mical W. Bovee** to senior professional associate and **Kathleen J. Gerber**, CPA to senior professional associate ... Pasadena-based Jenkins, Bowler & Perkins, LLP promoted **Charles L. Kiu**, CPA to partner ... Ireland San Filippo named **John D. Sensiba** managing partner ... **Conrad Davis**, CPA, **Constance Logan**, CPA and **Brian Yacker**, CPA were appointed to the IRS's Information Reporting Program Advisory Committee ... **Charles P. Rettig** was named to the IRS Advisory Council ... **Wade C. McKnight**, CPA joined the San Diego office of J.H. Cohn LLP ... Greenstein Rogoff Olsen & Co. opened a new office in Danville and appointed **Mary Kay Foss** as director ... Moss Adams promoted **Amy Runge** to partner in the San Francisco office ... Brown Adams LLP promoted **Yunita Citro** and **Scott Marston** to senior



Scott Appel

accountants ... **Bryan Polster** was named to the Private Bank of the Peninsula's board of directors.

## Accomplishments

**Travis M. Peeters** was inducted into the Golden Key International Honour Society.

## Firm News

Orange County-based **Haskell & White** just opened an office in San Diego County ... **Kellogg & Andelson Accountancy Corporation** in Sherman Oaks acquired **Markman Brecker Associates** in Los Angeles ... **Wertz & Company LLP** merged the tax practice of Tim Torre with its Irvine office ... Concord-based **Janet Anderson**, CPA purchased the accounting practice of **Robert Anderson**, CPA, who retired.

## Members in the News

**Michael Eisenberg** talked about what the economic slump means for consumers in the Jan. 26 *Wall Street Journal*. He also provided tax tips Jan. 31 for MarketWatch and discussed disaster preparedness Feb. 1 for Kiplinger's Personal Finance newsletter ... **Pete Palmer** and **Todd Rounds** gave tax tips for people experiencing foreclosures in the Jan. 29 *Press Enterprise* (Riverside) ... **Patricia Cochran** talked about CalCPA's Financial Leadership Forum in a Jan. 28 article posted on SmartPros ... KNVN-TV (Chico) interviewed **Susie Sorenson** Jan. 28 about filing 2007 income taxes ... The Jan. 25 *Los Angeles Times* discussed the roles of **Rick Rosas** and **Brad Oltmanns** as the accountants for the Oscars ... The Jan. 22 *Investor's Business Daily* interviewed **Tim Good** regarding holding of



Patricia Cochran

assets ... KNBC-TV in Los Angeles interviewed **Steve Duben** Jan. 18 regarding getting ready for tax season ... SEC Chief Accountant **Conrad Hewitt** commented about global convergence Jan. 16 on WebCPA.com ... **Buddy Wall** and **Joseph Kitts** discussed the alternative minimum tax in the Jan. 14 *North Bay Business Journal* ... The Jan. 11 *San Francisco Business Times* profiled **David Kuhner** ... **David Motes** discussed the importance of talking with a tax expert before donating mutual funds to a college in the Jan. 8 *Sacramento Bee* ... The Jan. 7 *Accounting Today* interviewed **Rod Clarida** about tax preparation ... The Dec. 30 *Dixon Tribune* featured comments from **Mitch Freedman** regarding keeping important records safe from fire and water damage ... **Blake Christian** gave tax planning advice in the Dec. 24 *San Fernando Valley Business Journal* ... The Dec. 24 *San Fernando Valley Business Journal* featured articles by **Dan Kravitz** ... **Jim Vander Spek** provided information on how to reduce tax liabilities in the Dec. 23 *North County Times* ... **Stan Anders** and **Teresa Briggs** discussed how Sarbanes-Oxley regulations affect employers in the Dec. 21 *Silicon Valley/San Jose Business Journal* ... **Nick Tarlson** wrote an article in the January *Journal of Accountancy* about donor-advised funds ... **Blake Christian** discussed tax savings engagements in the January *Practical Accountant* ... **Teresa Mason** talked about the AMT on San Francisco's KGO-TV ... **Barry Dolowich** writes a weekly tax advice column for the *Monterey County Herald* ... **Greg Lippe** writes a column about civic and government activities for the *San Fernando Valley Business Journal* ... **Cherie Putman** wrote a three-part series on financial planning that appeared in the October, November and January issues of *South Bay Women Magazine* ... **Dave Tate**, CPA, Esq., is a blogger on [www.accountingweb.com](http://www.accountingweb.com). 