

DISCLOSURE

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TSG team: from left to right, Michelle Fonseca, Director, James Haggerty and Jennifer O'Connell.

Access your Office from Virtually Anywhere

Piccerelli, Gilstein & Company, LLP's Technology Solutions Group (TSG) strives to provide the highest quality customer service by assisting companies

with the design, implementation and support of their networks. Recently, TSG participated in upgrading a network for a local client that allowed for faster access of company data, as well as improving the mobility of its users by making applications available to them remotely. All of this is possible through the use of a Microsoft Windows Terminal Server, to which clients connect with a program known as Remote Desktop.

Efficiency is increased through this technology as it enables IT administrators to centralize all applications onto one server and improves network management. This technology allows clients to keep costs down, as they now only need to purchase one server that all users can connect to from various locations across the country. Remote Desktop is also very user-friendly since it requires nothing more than clicking on the desktop icon and entering a username and password to connect to the Terminal Server. From there, users can access all applications, company data, emails and any other software required for their day-to-day tasks.

During the recent upgrade, TSG was able to consolidate data and applications running on numerous servers at different company branches and (see TSG, p. 4)

Tired of Standing in Line at the Post Office

By Patricia Thompson

We always suggest that tax returns and related tax payments be mailed using certified mail to document that the tax returns were filed and related payments were made by the due dates. Electronic filing of returns documents the filing date, reduces time at the post office and saves postage. For additional convenience, you can enroll in the IRS e-pay program known as EFTPS, Electronic Federal Tax Payment System. EFTPS is the safest, easiest, most convenient way for businesses and individuals to pay federal taxes via the internet or over the phone. EFTPS is a free service of the U S Department of the Treasury. It also eliminates the hassles of writing checks and taking them to a financial institution or mailing payments to the IRS. Other benefits include:

- Tax payments can be made securely from your home, 24 hours a day, 7 days a week.
- Payments can be made from anywhere there is a phone or internet connection.

(see *Electronic Filing*, p. 4)



standing ovation from all of us at Piccerelli, Gilstein.

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The partners and staff of Piccerelli, Gilstein & Co., LLP congratulate Partner, **Pat Thompson, CPA, MST, PFS** selected by PROVIDENCE BUSINESS NEWS as a 2009 Industry Leader for Financial Services.

As seen in Providence Business News

Spring '09

Comings & Goings

By John Mathias

Everybody looks forward to the coming of spring...

Suddenly our surroundings take on a colorful look. The quiet of winter is replaced by the joyful singing of birds, and for CPAs spring signals the end of "Tax Season." Thanks to the efforts of the dedicated staff of P&G, we enjoyed another successful tax season. Each "Tax Season" has its own signature, compliments of the state of the economy or a revision to the tax code. This past season had both; but now it's time to look toward the sun.

We did welcome a new member to P&G's Technology Solutions Group. She is **Michelle Fonseca**, a graduate of Providence College. Michelle will team up with **James Haggerty** and **Jennifer O'Connell** to bring our clients and our firm the best in technology services. All of us at P&G offer Michelle the warmest of welcomes.

Members of the P&G staff continue to be heard throughout the community. Partners, **Bill Piccerelli** and **John Mathias** presented a workshop covering the extensive changes to the Form 990 which most non profit organizations must file. The changes are so significant that past approaches to preparing this form have to be revised. If you missed the workshop and have questions about the revised Form 990, contact Irene Fasano at our office.



Dave Dargy, of P&G's tax department, made a presentation to some graduate students at Brown University. Dave discussed how to file a tax return, what needs to be filed and where to file it. **Christina Hilton**, of the tax department, was also active on the speaking circuit. She participated in the RI Society of CPAs Spring Tax Forum on RI PBS and provided tax updates on 93.3 Coast FM WSNE radio

Tax Supervisor, Dave Dargy, CPA

and the Change of Pace program on Massachusetts Channel 9. Partner, **Sharon Kennedy**, and Staff Accountant, **Norm Sargent**, ventured back to academia, more specifically Roger Williams University, to chat with accounting students. The purpose of the discussion was to give these future accountants insight into the accounting profession. Sharon and Norm tried to explain to the students what it is like to be a new

Referrals Are Welcome:

Referrals are the cornerstone of any service business. This firm, like other professional service firms, relies on satisfied clients as our primary source of new business. Your referrals are both welcome and most sincerely appreciated. Please feel free to contact any of our professionals!



Tax Partner Pat Thompson

Providence Business News 2009 Industry Leader for Financial Services

accountant at a CPA firm. P&G has always maintained strong ties to the academic community because it believes that the profession has a responsibility to help prepare the next generation of accountants.

Bill Piccerelli took to the airways and was a guest caller on the Buddy Cianci radio talk show on 630 WPRO. Bill spoke about the stimulus package including some of its income tax aspects. **John Mathias** and **Pat Thompson** presented an update on income taxes to a group of real estate professionals. Pat continues to be a speaker in demand making a presentation to the RI Society of Certified



Tax Supervisor, Christina Hilton, CPA

Financial Planners, appearing on Channel 10 with Frank Coletta, discussing real estate tax issues on 920 WHJJ radio and frequently being quoted in Neil Downing's Providence Journal column, "Moneyline." Pat was also active on the Governor's Strategic Tax Policy tax force which is trying to make Rhode Island competitive by insuring that its system of taxation is responsive to the needs of a 21st century economy.

We are in the midst of one of the worst economies in American history. P&G is sensitive to the anxiety that such a situation can create for all of us. Certainly we would like to be helpful to all of our clients and friends. Sometimes what appears to be a bad situation becomes an opportunity to position well for the future. With all of the combined talent and experience of our professionals we believe we can help you get through these difficult times.

Please stay in touch.

Any tax information contained in this communication was not intended or written by Piccerelli, Gilstein & Company, LLP to be used, and cannot be used, by the recipient for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code or applicable state or local tax law provisions.

Please Don't Forget:

By Sharon Kennedy



- Provide us with your tax information as soon as possible if your tax return is on extension.
- Consider the RI Workshare program as an alternative to layoffs. Information can be found online at www.ddlt.ri.gov/ui/WS.htm.
- Be aware of check overpayment scams.

Massachusetts Department of Revenue is warning taxpayers to be cautious of fraudulent checks identified as Commonwealth of Massachusetts/ Department of Revenue. Check overpayment scams are often in response to ads or online auction postings. See www.mass.gov web site for further information.

■ Update your social security card if you change your name. In order to electronically file income tax returns the name on your tax return must agree with the social security administration records. If you have changed your name or misplaced your social security card now is the time to obtain a new card. Application forms can be obtained online from the social security administration website at www.socialsecurity.gov.



Offset Education Costs —2009 Changes

Education tax credits were significantly enhanced under the [American Recovery and Reinvestment Act of 2009](#). It is important to review your situation under the new guidelines as you may now be eligible for the credits.

Education tax credits can help offset the costs of higher education for yourself or a dependent. The Hope Credit and the Lifetime Learning Credit are two education credits available which may benefit you. You may be able to subtract them in full from your federal income tax, rather than just deducting from your taxable income.

The Hope Credit

■ In 2009, the Hope Credit applies to all four years of postsecondary education, such as college or vocational school. It does not apply to graduate and professional-level programs.

■ It can be worth up to \$2,500 per eligible student in 2009.

■ You're allowed 100% of the first \$2,000 of qualified tuition and related fees paid during the tax year, plus 25% of the next \$2,000.

■ Qualified expenses, include tuition and fees required for enrollment or attendance at an eligible education institution and course materials. They do not include room and board, student activities, athletics (other than courses that are part of a degree program), insurance, equipment, transportation, or any personal, living, or family expenses.

Each student must be enrolled at least half-time for at least one academic period which began during the year.

The Lifetime Learning Credit

■ Applies to undergraduate, graduate and professional degree courses, including instruction to acquire or improve job skills. If you qualify, your credit equals 20% of the first \$10,000 of postsecondary tuition and fees you pay during the year, for a maximum credit of \$2,000 per tax return.

You cannot claim both the Hope and Lifetime Learning Credits for the same student in the same year.

To qualify for either credit, you must pay post-secondary tuition and fees for yourself, your spouse or your dependent. The credit may be claimed by the parent or the student, but not by both. Students who are claimed as a dependent cannot claim the credit.

These credits are phased out for Modified Adjusted Gross Income over \$80,000 (\$160,000 for married filing jointly) and eliminated completely for Modified AGI of \$90,000 or more (\$180,000 for married filing jointly). If the taxpayer is married, the credit may be claimed only on a joint return.

Cash Management Tips for Small Businesses

Cash is the lifeblood of any small business. Here are some tips to help ensure that your business maintains a sufficient cash flow to meet its financial goals and keep running efficiently:

Toughen up your credit policies.

Review the payment terms you offer to customers and tighten them up if slow payment is a problem area for your business. For instance, how long are customers given to pay? What action will be taken if a payment is missed? Be sure your credit terms are communicated effectively to customers before transactions are entered into.

Come up with a budget -

and stick to it. Surprisingly, many small businesses do not engage in the budgeting process. A budget can be extremely effective in help-

(see *Cash Management*, p. 4)

CASH MANAGEMENT TIPS

- ✓ Consider requiring advance payments' at least in part for new customers.
- ✓ For many businesses, a routine credit check should be performed before a sales or service transaction is entered into with a new customer.
- ✓ If you don't already do so, budget for next year's revenues and expenses near the end of each year.
- ✓ Review your accounts receivable weekly or even daily to make sure slow payers are not allowed to slide.

TSG (continued from page 1)

move everything to one terminal server that all employees had access to regardless of their location. Upgrading to a newer server also allowed the company to plan for future growth since servers today are much more robust in speed and storage space. TSG configured Terminal Services using the newly released Windows Server 2008, also enabling the group to expand their knowledge of the latest Microsoft technologies. Call today to learn more about how TSG can get to work for your business.

Technology Solutions Group

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Electronic Filing (continued from page 1)

- Payments can be scheduled up to 120 days in advance for businesses and 365 days in advance for individual 1040ES payments. Payments can be made daily, weekly or monthly.
- IRS does not have access to the business or individual's account.
- Scheduled payments can be canceled up to two business days in advance of the settlement date.
- Up to 16 months of EFTPS payment history can be accessed online or by phone.
- Every EFTPS transaction receives an immediate EFT Acknowledgment Number that is a receipt of the transaction. EFTPS uses the highest level of security available online.

The EFTPS payment option is available for the payment of individual returns to include Form 1040, Form 1040ES, and Form 4868 (extension request). It is also available for the payment of business returns to include Form 1041, US income Tax Return for Estates and Trusts, Form 1120 and Form 1120S U S Corporate Income Tax Returns, Form 7004 Application for Automatic 6 Month

Extension of Time to File Certain Business Income Tax, Information and Other Returns.

To enroll in EFTPS, go to the IRS website at www.irs.gov, click on more online services and then click on EFTPS. Even if you do not register for EFTPS, you can still have electronic withdrawal of taxes from your accounts for balances due with your business or individual tax returns including estimated tax payments and extensions.

Check with your financial institution to see whether they charge for the electronic withdrawal.

Businesses and individuals that paper file a return can pay the tax liability by phone or the internet using a credit or debit card. We do not recommend using a credit card or a debit card due to the convenience fee that is charged ranging from 2.25% to 3.93% of the tax payment. In some cases, a flat convenience fee of \$3.95 is charged.

Please feel free to call us if you would like assistance in enrolling in EFTPS.

Massachusetts Delays New Data Security Rules



Massachusetts regulators have given restaurants and other businesses in the state until January 1, 2010 to comply with new standards for storing and protecting credit card data and other personal information about customers and employees.

The regulations initially were set to take effect Jan. 1, 2009, but in light of intervening economic circumstances, the Office of

Consumer Affairs and Business Regulations extended the deadline in order to provide flexibility to businesses experiencing financial challenges brought on by national and international economic conditions

Businesses will be required to "encrypt documents sent over the Internet or saved on laptops or flash drives, encrypt wirelessly transmitted data and utilize up-to-date firewall protection that creates an electronic gatekeeper between the data, and the outside world and permits only authorized users to access or transmit the data," the OCABR said.

Failure to comply with the new regulations could result in sanctions from the state's attorney general.

Cash Management (continued from page 3)

ing you keep track of whether cost- and revenue-related goals are being met. Depending on the size and complexity of the business, the budget process might be informal or formal, lengthy or simple. Projected revenues and expenses should be broken down by months.

Tighten up billing.

If collecting bills has become a problem for your business, you might want to consider increasing the intervals at which customers are billed--e.g., from three months to one month, or from one month to two weeks.



Anniversary
35th

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