

SSARS 19 changes all compilations and reviews-see how. New preparer regulations affect you and your employees, even if you are a CPA or EA. New requirements for registration and CPE go in to effect January 1, 2011.



**New Newsletter Program**

Please let me start this month's newsletter with a short apology. We are using a new newsletter program and some of you are receiving this newsletter who have not subscribed to it. Please, if you do not wish to receive the newsletter again click on the unsubscribe button at the bottom and you will receive no further emails from us, but please do not list this as spam! Over 5,000 tax professionals around the country have subscribed to the newsletter and we don't want to limit their ability to receive the letter. Again, sorry for the problem and thanks for your patience.

To offset the hassle I have tried to make this our biggest newsletter ever for you. In our next newsletter we will talk about the new Small Business Health Care Credit that over 600 people have already heard us talk about in our [2010 HealthCare & Hiring Act course](#).

Bob Jennings

**SSARS 19 Rocks our World!**

I never thought I would say this, but for the first time, 2010 has a "must attend" accounting class! All the rules you know just changed.

Over 30 years ago the AICPA established the rules for reporting on unaudited financial statements known as SSARS (Statements on Standards for Accounting and Review Services). Modified substantially over the ensuing 30 years, in recent years SSARS has become difficult to navigate and confusing to implement.

In January of 2010 the AICPA's ARSC committee released SSARS 19 as a radical revision to many prior SSARS. SSARS 19 renders many previous SSARS (AR

**The Health Care Bill Tax Changes Schedule-Short Form**

<b>2010</b>	Adoption Credit Increase  Adoption Assistance Program Increase  Tanning Excise Tax  Small business health care tax credit
<b>2011</b>	W-2 Reporting of health insurance  SIMPLE cafeteria plans  Penalty increase on non-qualified HSA distributions to 20%  Over the counter reimbursements from Flex & HSA prohibited
<b>2012</b>	1099 Change for corporate payments

20, 50 & 100 in SSARS 1) obsolete by replacing them with a new standard. The new rules apply to all financial statements with periods ending on or after December 15, 2010 and earlier application is encouraged.

SSARS 19 is made up of three chapters: a framework of rules; compilations; and reviews. Composed of over 100 pages it is easier to reference and read and more clearly identifies the requirements for accountants. SSARS 19 does not just stop at this revisionary treatment however, as it also makes fundamental changes in the rules to follow when preparing compilations or reviews:

1. Materiality is now defined for compilations and reviews,
2. A new concept of evidence is introduced,
3. Written engagement letters are now required for compilations and reviews,
4. Knowledge of the client's industry and business is separately defined for compilations and reviews, and reviews will require a greater knowledge base than compilations,
5. Workpaper requirements have been increased. For compilations the engagement letter is required as well as any communications to management regarding fraud and illegal acts, if any communication was made, any findings or issues relating to the financial statements that came to the accountant's attention that, in the accountant's judgment, are significant, as well as actions taken to address such findings, and to the extent that the accountant had any questions or concerns, how those issues were resolved and finally, documentation that provides a clear understanding of the work performed. Reviews now require documentation of significant findings in addition to documentation of inquiries made and responses, ARP performed and results.
6. Significant changes were made to the body of the accountant's compilation and review reports. Additionally the accountant is now allowed to explain reasons for lack of independence in a compilation if they wish. Independence is still required for reviews as this proposed change did not make it to the final SSARS.

<b>2013</b>	<p>Increase in medical itemized deduction base for under 65 to 10%</p> <p>.9% surcharge tax in Medicare for high income taxpayers</p> <p>3.8% surcharge tax for unearned income for high income taxpayers</p> <p>Flex account contributions limited to \$2,500</p>
<b>2014</b>	<p>Premium assistance credit</p> <p>Excise tax on uninsured</p> <p>Penalty tax on employers not providing insurance</p>
<b>2017</b>	<p>Age 65 and over increase in medical expense itemized deduction base to 10%</p>
<b>2018</b>	<p>Excise tax on high cost employer health plans</p>

**New Preparer Regulations**

On January 4, 2010 the IRS released the new preparer regulations. Although there is much more guidance to come, here is the "Executive Version" for now:

1. All paid tax preparers, including CPA's, EA's, some PA's and Attorneys will have to re-register an existing PTIN

All of our compilation and review seminars will include the latest report letters, engagement letters, workpaper examples and checklists to allow you to lead the industry in compliance with the new SSARS 19 rules by this fall!

**Online Webcasts:** [June 7](#) (10-6 EDT), [August 2](#), [August 23](#), [December 31](#) (10-6 EST)

**Live Compilation Seminars:**

- [Portland, Or, June 3](#),
- [Clarksville, IN Training Center June 7, August 2, December 31](#),
- [Grand Rapids, MI June 10](#)
- [Madison, WI June 21-22](#)
- [Fargo June 24](#)
- [Chicago Aug. 16](#)
- [Indianapolis Aug. 23](#)

**Latest Upcoming Selected Online Webcasts:**

<a href="#">Form 1041 for Estates &amp; Trusts</a>	<a href="#">June 9</a>
<a href="#">Form 706/709 latest rules</a>	<a href="#">June 10</a>
<a href="#">Technology</a>	<a href="#">June 11</a>
<a href="#">Quickbooks for clients</a>	<a href="#">June 21</a>
<a href="#">Quickbooks for accountants</a>	<a href="#">June 22</a>
<a href="#">Preparing your clients for Retirement</a>	<a href="#">June 28</a>

Our new **On Demand Online** video courses are now becoming available-try our new 2-hour "**2010 Health Care and Hiring Act**" and watch when you want, where you want!

**June & July Cities for Live Society Sponsored Seminars:**

- [Portland, OR](#) Compilations, Technology
- [Oklahoma City](#) Technology, 1041
- [Grand Rapids, MI](#) Compilations
- [Lincoln City, OR](#) Hot Retirement Topics, Prac. Mgmt
- [Madison, WI](#) Compilations & Reviews, Small Firm
- [Fargo, ND](#) Compilations, Hot Tax Topics
- [Anchorage, AK](#) Technology, 1041

after the electronic system is in place this fall. Any preparer without a PTIN must obtain one this fall, including those CPA's, EA's and attorneys without one. All paid preparers must be registered by 1/1/2011.

2. All tax preparers, including those who prepare part of a return, and including employees of CPA, EA and law firms, will have to obtain a PTIN and will be required to obtain at least 15 hours of tax CPE every year beginning 1/1/2011.

3. With the exception of CPA's, EA's, some PA's and attorneys all other paid tax preparers will have to take a minimum competency test(s) within the next 3 years as the testing system is phased in starting in April, 2011. There is no grandfather rule or other exception. The 1st exam will be the non-business 1040 series, and the second exam will be the business 1040 series.

4. A user fee will be required for registration and renewal. On May 3 the IRS announced that Accenture will be establishing the online registration system which is set for an official launch date of 9/1/2010.

5. Jennings Seminars is in the writing stage of review courses for both exams and will be rolling them out through state societies and online late this fall.



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