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Citation and resource guide

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Solving the annuity puzzle

The IRS explains the taxation of periodic payments in Publication 575, p. 11, at www.irs.gov/pub/irs-pdf/p575.pdf.

Deducting employee business expenses

Unreimbursed employee expenses are covered in IRS Publication 529, Miscellaneous Deductions, p. 2, at www.irs.gov/pub/irs-pdf/p529.pdf.

Insuring key people at small companies

The AICPA provides details on key employee life and disability insurance at www.360financialliteracy.org/Topics/Insurance/Disability-Insurance/Key-Employee-Life-and-Disability-Insurance.

Practice development tip

Help clients adjust form W-4

During tax season, practically every return you prepare will have some sort of an overpayment or underpayment. Small amounts can be negligible. However, a large overpayment means that your client might have gone without valuable cash flow during the year and made an “interest-free loan to the IRS,” as the catchphrase has become. A large underpayment will require your client to write a check for the shortfall and perhaps owe a penalty, as well.

For clients who are employees, undesirable overpayments and underpayments can be minimized by adjusting the Form W-4 on file with their employer. At tax preparation meetings, you can explain to them how the process works.

Someone might have filled out Form W-4 when starting a job at a time when he or she was single, took the standard deduction, and had no other sources of significant income. That’s the information on which tax withholding is based, but

which no longer might be accurate. A large amount of itemized deductions, for example, might make it prudent to increase the number of allowances on the W-4 and, thus, reduce tax withholding from each paycheck.

You can inform clients that they can revise their W-4 at any time and claim any number of allowances, regardless of filing status or number of dependents. Online calculators can help determine the number of allowances that will permit withholding to closely match the tax actually owed. (Claiming excessive allowances can lead to an alarming tax bill in the future.)

Depending on the individual client, you might offer to calculate the proper number of allowances or encourage a do-it-yourself exercise. Either way, clients can follow up with their W-4 at their employer and refine their withholding. Going forward, clients who follow your advice may have greater current cash flow or less risk of owing unexpected amounts in the next tax season.

Practice development and management resources from the AICPA

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Personal Financial Planning Membership Section

The AICPA Personal Financial Planning Section membership is voluntary for CPAs and other professionals who provide personal financial planning services to individuals and families. The PFP Section member benefits include the CPA’s Guide

to Financial and Estate Planning, among numerous practice guides, as well as free web seminars led by renowned experts, award-winning newsletters like *Planner*, and invaluable networking opportunities with CPAs around the country.

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Design the ideal succession plan for your firm with this two-book set from experts Bill Reeb and Dom Cingoranelli. Volume 1 covers fundamental succession and management concepts to ensure that every partner and manager is on the same page and working toward a shared vision. Once your firm's leadership is on board with the fundamental concepts, volume 2 provides your implementation team with the tools and resources they need to make it a reality.

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AICPA PCPS/CPA.com MAP Survey National Summary

AICPA's Private Companies Practice Section (PCPS) partnered with CPA.com on the National MAP (Management of an Accounting Practice) Survey, which was fielded from mid-May through July 2016. This summary provides financial and other key benchmarking data from the survey. This product will provide you with comparative benchmarking data relative to firm size and region that can help you create strategic goals and maximize your firm's performance.

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This is your go-to resource for all things practice management. Streamlined online guidance for easy reading and quick reference on the topics you care about: employee compensation and benefits, staffing, disaster recovery, firm organization, benchmarking, strategic planning, and more!

[Item no. MAP-XX—AICPA Member \$149.00, Nonmember \$189.00]

MAP On Track

Often, practitioners and small- to medium-sized firms find it challenging to stay on top of firm management responsibilities. The new *Management of an Accounting Practice On Track* (MAP On Track) will help keep you organized. This new scheduler is easy to download and functions as an add-in to Microsoft Outlook, adding tasks to keep your firm running throughout the year. As an added bonus, within the automatically scheduled tasks you'll find useful links to relevant content within the comprehensive MAP eHandbook as well as PCPS tools that can inform your next steps.

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