

March 15, 2013

# The Parm's Insider

News You Can Use

Parms & Company is a full service certified public accounting firm offering a wide range of professional services to help our clients achieve their goals. By offering quality professional services that are efficient, timely, and cost-effective, we are responsive to the needs and expectations of each client. With our expertise in accounting, auditing, tax and business consulting, we get the job done.

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## Special Points of Interest:

- Tax Season is almost over! What are you waiting for? Call us for a tax organizer!
- Parm's & Company welcomes Christopher Kropp to the Parm's family.
- March 20th — Spring Begins!
- In observance of the Memorial Day holiday, our office will be closed on May 27.

## Important Dates To Remember:

April 15, 2013	<b>TAX Day!</b> Deadline for individuals to file their 2012 1040.
April 15, 2013	<b>Pay Estimated Taxes</b> Deadline for individuals to pay their 1st estimated tax payment for 2013.
April 15, 2013	<b>Form 1065</b> Deadline for partnerships to file Form 1065 for 2012 and provide K-1 to partners

## Tax Identity Theft is on the Rise

The amount of tax fraud related to identity theft is sky-rocketing and so far there's no sign of it slowing down. Billions of dollars in fraudulent refund claims have been submitted to the Internal Revenue Service by using stolen names and Social Security numbers of more than a million real people.

According to the Government Accountability Office, the IRS detected 642,000 cases of identity theft in the first nine months of 2012.

Thieves file a fake tax re-

turn using stolen Social Security numbers and phony W-2s and 1099s to apply for large refunds from the IRS. They file their forged returns early in the tax-filing season before the IRS has received Forms W-2 or 1099, which avoids information matching.

Unfortunately, the real taxpayers whose identities have been stolen are unaware that this has happened until they file their tax returns later in the filing season and discover that two returns have been filed using the same SSN. The victims spend months re-

solving this with the IRS waiting for their refunds.

How do you know if you are a victim of Tax Identity Theft? According to the IRS Taxpayer Guide to Identity Theft, you should be alert to possible theft if you receive an IRS notice or letter that states:

- More than one tax return for you was filed,
- IRS records indicate you received wages from an employer you never worked for, or

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## In The Spotlight *Getting to Know Parm's People*



**Ryan Dunaj**  
**Audit Senior**

Ryan has been a part of our Parm's family since July 2008.

We interviewed Ryan to learn a little more about him. Inquiring minds want to know!

Q. Where were you born?  
A. *Columbus, Ohio*

Q. What was your 1st job?  
A. *The "utility man" in a restaurant. Anything that needed done, I was that person.*

Q. What was the last book you read?  
A. *The Alchemist by Paulo Coelho*

Q. What's your favorite TV show of all time?

A. *That '70s Show*

Q. What is the #1 thing on your bucket list?

A. *Live to see the Chicago Cubs win a World Series!*

Q. Do you have a special talent?  
A. *Being tall*

Q. What are your hobbies or things you do for fun?

A. *Going to see the Columbus Blue Jackets.*

Q. Where was your last vacation?  
A. *Austin, TX*

Q. What was your most favorite Halloween costume as a kid?

02/15/13



Ted Johnson takes a call! Ted recently participated in the Ohio Society of CPAs "CPA Answers" in conjunction with WBNS 10TV in which viewers called in with taxpayer questions. Great Job, Ted!

# Recipe Corner

## Kim's 5 Minute Fudge

- |                        |                                       |
|------------------------|---------------------------------------|
| 2 Tbsp butter          | 2 C. miniature marshmallows           |
| 2/3 C. evaporated milk | 1 tsp. vanilla                        |
| 1 2/3 C. sugar         | 1/2 C. chopped walnuts (or other)     |
| 1/2 tsp. salt          | 1 1/2 C. semisweet chocolate<br>Chips |

Combine butter, milk, sugar, and salt in a saucepan over medium heat. Bring to a boil; cook 4 to 5 minutes, stirring constantly. Remove from heat. Stir in marshmallows, chocolate chips, vanilla and nuts. Beat for about 1 minute, or until marshmallows melt and mixture is thoroughly combined.

Pour into an 8-inch square buttered pan and cool. Cut fudge into squares and try not to eat all at once. Enjoy!

## 3 Ways to Prepare for Your Financial Audit

For some, preparing for an audit can be a nerve-racking experience. Here are three ways to make your audit an easier experience.

1. **Communicate** – Communication with your auditors is an important factor to having a successful audit. What's even more important is to establish expectations early with the auditors. The auditors will contact you with a list of items they need before arriving. If you need clarification on an item or are not sure of their request, don't be afraid to ask. Discussing it with the auditor will alleviate any misunderstanding or misinformation, which saves both parties time and effort and will help the audit run smoothly.

2. **Delegate** – The initial list of auditor requests may seem overwhelming. Delegate! Assign staff to tackle different parts of the list and spread out the workload so not to overwhelm any one person. In addition, set timelines for each request in order to keep everyone on track.

3. **Review** – Another great way to be prepared for your audit is to reflect on the past year's activity. Were there any unusual situations that required significant estimates or variances from the prior year? Have there been any changes in the organization? Giving your auditor a heads up on these types of items can help them plan for the right course of action. This prevents any "surprises" during the audit that could require additional disclosure. Also, look back at schedules that you were asked to prepare last year. Good chance you may need them again.

Even though it may seem overwhelming, the stress that can come with an audit can be reduced by these 3 steps. And, remember the auditor is there to assist you throughout the audit process.

### Tax Identity Theft

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- You have a balance due, refund offset, or have had collection actions taken against you for a year you did not file a tax return.

If you suspect you've been a victim of Tax Identity Theft, notify the IRS immediately.

Minimize your chances of becoming a victim by protecting yourself. Don't carry your Social Security card or any documents with your SSN on it. Don't give out your SSN except when necessary. Protect your personal computers with firewalls and anti-spam/virus software. Password protect your files. Check your credit report at least once a year. Remember that the best defense is a good offense.

"The best things in life are tax free."

- Joseph Bonkowski

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