



American Woman's Society of Certified Public Accountants

NJ Affiliate Quarterly Newsletter

Second Quarter 2008

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President's Message

Hello everyone. I hope you survived another tax season and have been enjoying the warmer weather. The NJ Affiliate board has been hard at work the past few months planning many unique events. In April Jack Kilion taught us a few new networking techniques and we put them to use at our first golf outing as we learned how to golf and how to improve our game. It's always a bonus when you can multitask! We are already thinking about the second annual golf outing. Our first gala dinner was a success and our keynote speaker, Judy Trepeck of the AICPA Women's Initiatives Executive Committee spoke about the Firm of the Future and what companies need to do to thrive. We also presented a full scholarship for a Becker CPA review course and a \$1,000 cash scholarship to two well-deserving college students. I am excited about the AWSCPA National Conference in Dallas, Texas from October 27-October 30, 2008. The National Conference provides great networking opportunities as well as technical and personal development programs which all qualify for CPE. For more information visit the national website at www.awscpa.org.

We are in the process of finalizing the board members for next year (July 1, 2008-June 30, 2009). I am happy to report that many of our board members are enthusiastic about serving another term and continuing to provide you with the best programs and resources available. We have also added a few new members. We are still seeking additional board members to get involved. Whether you have a few hours a month or a few hours a week to devote, or would just like to help out with special projects, we would love to have to involved. Please contact us at awscpa.nj@comcast.net if you have ideas and suggestions and would like to make a difference in your organization. We look forward to hearing from you. I've met many great people over the past year at our meetings and I look forward to meeting more of you at our upcoming events.

Beth Manzi, President, NJ Affiliate

Keeping Up With Changes to the Paid Preparer Standards

By Zsia Rosmarin, Senior Manager, Grant Thornton

In May 2007, new legislation was enacted to increase the return preparer standard for all federal returns. The change in law increased the non-disclosure standard set forth in Internal Revenue Code ("Code") Section 6694 from requiring a "realistic possibility of success" to a "more-likely-than-not" threshold. The law also changed the potential return preparer penalty equal to the greater of: (a) \$1,000; or (b) 50 percent of the income

derived by the preparer with respect to the return. The minimum penalty also increased to \$5,000 in the case of an understatement that is due to willful or reckless conduct by the preparer. Similar to prior law under Code section 6694, no penalty will be imposed if a preparer demonstrates that there is reasonable cause for any position that resulted in a tax understatement and the preparer acted in good faith. The new legislation was effective for federal tax returns prepared after May 25, 2007.

(continued on page 3)



*The Art of Successful
Networking Speaker,
Jack Killion*

NJ Affiliate Programs

By Kathy Powers, Program Director

Jack Killion, publisher of Garden State Woman magazine and Managing General Partner of Eagle Rock Diversified Fund, energized a receptive audience with his knowledge of "The Art of Building a Successful Network." Those in attendance left eager to put Jack's networking skills to practical use. This April presentation was hosted by the NJ Affiliate of the AWSCPA and sponsored by Untracht Early, LLC. In May, the NJ Affiliate also held its inaugural golf clinic and nine hole outing at the Hyatt Hills Golf Complex in Clark, NJ. The event catered to players of all skill levels.

On June 12, 2008, we hosted a gala dinner at Ravello in East Hanover, NJ. Judy Trepeck of the Trepeck Group, LLC and a member of the AICPA Women's Initiatives Executive Committee described the "Firm of the Future" during a very thought-provoking presentation that described what innovative firms are doing to ensure their survival and success well into the future.

Be on the lookout for e-mails for more exciting events and programs. Save the date information will be sent as soon as the information becomes available. Remember, we offer CPE credit for all of our technical and personal development programs.

We sincerely thank all of our sponsors for their support during our inaugural year. If your company is interested in sponsoring a program or you have a suggestion for a future event, please contact us at awscpa.nj@comcast.net.

More information can be found on our website www.awscpa.org/nj.



*Danielle
D'Aloia of Citi
hits a perfect
drive at the golf
outing.*

Member Corner

By Erin Booth, Member Services Director

Member News

Congratulations to Jeanne-Marie Waldman on the birth of her twins on April 7th.

Welcome Sarah Judith and Matthew Simeon!

Congratulations to Shari Rothenberg on the birth of her twins on May 5th.

Welcome Zachary Justin and Ashley Danielle!

Some wonderful news from the halls of Untracht Early, LLC. Karen Kerby was promoted to Principal and Rubina Hasan was promoted to Director.

Congratulations to both of you!

New Members

Welcome to our newest AWSCPA NJ Affiliate Members!

Melinda Pinto – Fairleigh Dickinson University

Jennifer Maniscalco – Rowan University

Sophia Jie Liu – Rowan University

Claudia McIntosh - Rothstein, Kass & Company, P.C.

Julia Panaro – Fairleigh Dickinson University

Marta Malinowski – Rowan University

Paid Preparer Standards *(continued from page 1)*

Since the enactment of the new legislation, the Internal Revenue Service (“IRS”) has issued transitional relief on the application of the new standard through a series of notices. On June 11, 2007, the IRS issued Notice 2007-54, for all returns, amended returns, and refund claims due on or before December 31, 2007 with regard to extension; 2007 estimated tax returns due on or before Jan. 15, 2008; and 2007 employment and excise tax returns due on or before Jan. 31, 2008. Notice 2007-54 provided relief by effectively deferring the implementation of some aspects of the amendments to section 6694. The purpose of the transitional relief was to provide preparers (and the IRS) with an opportunity to study more closely the increased preparer standard and its impact on the operation of the tax system.

On December 31, 2007, the IRS issued a second set of transitional guidance rules (“Interim Guidance”). The Interim Guidance generally mitigates the effect of the increased return preparer standard by providing alternate methods for preparers to comply with the standard. Specifically, the Interim Guidance generally permits the non-disclosure preparer standard to be satisfied at a confidence level of “substantial authority” if the client is advised of certain penalty issues. The minimum standard for disclosed positions remains at “reasonable basis.” The Interim Guidance also clarified the effective date under Notice 2007-54, identified returns subject to the new standard, and addressed issues such as relying on third party advice. On April 16, 2008, the IRS supplemented the Interim Guidance by issuing Notice 2008-46.

Currently, the IRS and Department of the Treasury are moving forward with proposed regulations under Section 6694 to provide

guidance on the application of the new standard. On the legislative front, the House of Representatives recently approved legislation to replace the more-likely-than-not standard in Code section 6694 with a substantial authority standard, which would essentially equalize the preparer and taxpayer standards. For disclosed positions, a return preparer would generally be required to have a reasonable basis for a position. Similar legislation has also been introduced in the Senate.

Where does this leave preparers? As a result of the new legislation, careful consideration should be taken by tax return preparers to consider the level of uncertainty surrounding positions taken on federal tax returns and how they choose to handle the reporting of this uncertainty. It is also incumbent on preparers to familiarize themselves with recent IRS guidance on the issues and to be watching for any additional guidance that may be issued. No matter what the approach, any position that does not meet the more-likely-than-not standard should be subjected to an additional level of scrutiny to determine whether reasonable basis may exist and whether or not substantial authority exists.



Member Spotlight: Nancy Kridel—Leading the Way for Women

**By Rachel Anevski, PHR
Human Resources Director
Smolin, Lupin & Co., P.A.**



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Rachel: What do you believe has been the single most important factor to your success?

Nancy: That's a really hard question because I believe there have been many factors. If I had to choose just one it would have to be my internal desire to succeed. Self motivation!

Rachel: If I were to ask your reporting staff or your peers to comment about your leadership style, your leadership strengths, and your leadership weaknesses, how would they respond? What would this tell me about you as a leader?

Nancy: I'm a pretty good listener and often employees will come to me for mentoring or simply just to lend an ear. My reporting staff would say that I encourage them, motivate them and ultimately want them to do their best. All of this would tell you that I rely on empowerment. I believe that in order for anyone one person to succeed, others too should succeed as well. On the flip side, I'm sure I've been identified as someone who can lose her patience at rare times. After a long time in this business and being a woman amongst a male dominated industry I may have excessively high expectations for certain people and could lose my patience at times.

Rachel: As a leader within an organization, you must build support for goals and projects from people who do not report to you and over whom you have no authority. Tell me about a situation in which you demonstrated that you can build the needed support.

Nancy: I was named the chairperson of the marketing committee in my firm and we had an antiquated marketing system. I had to gain buy in from all the partners and facilitate a firm change when it came to a new model. This was particularly challenging but through determination and consistency it was successful and today we are a better firm because of it. I also believe that I further earned respect through that persistency.

Rachel: Specifically, what have you done to develop female talent at your company and within the industry?

Nancy: The initiation of a Professional Women's Organization (PWO) at the firm. At the time that I did this, it was unheard of but again through persistence I was successful and today at Smolin Lupin & Company we are more than 50% women and our PWO is a tight knit group of up and coming women in the industry. Our PWO promotes natural mentoring and networking by building on women's inherent abilities. It also provides a forum for women to discuss situations that they encounter simply by being who they are. We often debate the roles of women vs. men when it comes to leadership style and also discuss what success looks like to each of us on an individual level. As far as industry wide, I am a member of the AWSCPA both nationally and locally and participated in the first women's initiative. In 2008 I was recognized for being amongst the 50 most influential women in New Jersey which is a wonderful honor and one in which I am extremely proud. It affirms that dedication and loyalty to both oneself and the love for what they do can bring recognition.

Rachel: What advice do you have for entry level females in the industry? What about for mid-career levels?

Nancy: For entry levels I would say simply learn as much as you can. Be an observer and find your way through the crowd. As far as mid-career levels, I encourage them to develop their own self-confidence and through that empower others below them. Mid-career levels have opportunities by making things happen. Women in these positions should seek out female leaders and ask to be mentored by them and then apply what they've learned to mentor others.

Rachel: If you could do anything over in your career, what would it be and why?

Nancy: I would have liked to work closer to a golf course. Actually, I wouldn't change anything. Success as I imagined it has been on target for me and I've enjoyed all of my experiences.

Rachel: Finally, it's the year 2028 – what does top management in the accounting industry look like?

Nancy: The top 10 firms in the country will be run (and run well) by an all female leadership group. At least that's my dream!

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American Woman's Society of Certified Public Accountants

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About the AWSCPA and AWSCPA-NJ

The American Woman's Society of Certified Public Accountants (AWSCPA) is a national organization dedicated to serving all women CPAs. The AWSCPA provides a supportive environment and valuable resources for members to achieve their personal and professional goals through various opportunities including leadership, networking and education. Visit us at www.awscpa.org for more information on the benefits of

being a member.

The AWSCPA-NJ aims to integrate the values of the national professional society of women CPAs into our New Jersey Affiliate and offer networking opportunities, leadership skills, advice and an opportunity to enhance the ability to succeed in your career.



Information contained in this newsletter should not be acted upon without prior professional consultation.

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More Golf Outing Pictures! Don't Miss Out Next Year!

