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for churches and ministries

www.990taxhelp.com
for nonprofit organizations

www.the401kcpa.com
for sponsors of employee benefit plans

8 facts to know if you receive an IRS notice

The Internal Revenue Service sends millions of letters and notices to taxpayers for a variety of reasons. The recent sequester has reduced the availability of IRS representatives to efficiently manage this work flow. As a result, our firm and some of our clients have been frustrated with the IRS's lack of response.



We have no easy solution, but here are eight things to know about handling IRS notices and letters. [Click here](#) to read more.

Please [contact us](#) immediately upon receipt of a notice from the IRS.

3 reasons to hire your teen this summer



A unique advantage of a proprietorship is the ability to pay wages to children of the owner without incurring any FICA or FUTA payroll tax liability. Here are 3 reasons to hire your teen: y to pay wages

1. Children of the owner under age 18 are exempt from FICA and those under age 21 are exempt from FUTA (Federal Employment Tax Act.)
2. It could also help the parents reduce the chance of having to pay the additional 0.9% Medicare tax that will affect individuals with earned income exceeding certain thresholds in 2013.
3. Because the child's wage income is earned income, some of it can usually be sheltered by the child's standard deduction (\$6,100 for 2013). The wages paid to the child must be reasonable in relation to the actual work performed.

Financial transparency for schools

One of the purposes of the Form 990 is transparency for nonprofit organizations. If a college or school provides tuition assistance, discounted tuition, scholarships or free tuition to family members of employees, they need to disclose it on the Form 990 using Schedule L.



Schedule L is used for transactions with interested persons. What is an 'interested person'? For Schedule L, Part III purposes, an interested person is a current or former officer, director, trustee, or key employee. The same rules apply for substantial contributors - a person who contributed at least \$5,000 during the organization's tax year.

When an interested person, substantial contributor, or relative of either receives a scholarship, fellowship, discount on goods or services, internship, prize or award, you must report the transaction. This rule is in effect regardless of amount. [Read about](#) important disclaimers for schools.

If you have questions, please contact [Lisa Potter, CPA](#), Tax Manager.

Focused on your success,

Thank you for your continued trust in us. We are always looking for clients like you. If someone you know needs a tax, audit or consulting partner, we hope you will keep us in mind.

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