

Audit & Assurance | Tax Compliance | Small Business Services | Management Consulting | Technology Solutions

■ HOLIDAY OFFICE SCHEDULE

We are looking forward to celebrating the upcoming holidays and to spending time with our families and friends. Our office will be closed per the following schedule:

Thanksgiving	Thursday, November 25 and Friday, November 26
Christmas	Close at Noon on Thursday, December 23 and all day Friday, December 24
New Year's	Friday, December 31

■ W-2 AND 1099-MISC UPDATE

Congress will most likely continue to debate and modify the tax code in the coming sessions. The recent tumultuous legislative session addressed a wide array of tax code and reporting matters. Two notable topics are detailed below.

Employers will not be required to report health insurance premium payments made on behalf of employees on Form W-2 until 2012; however, voluntary reporting of this information may be made for 2011. Employers have all of 2011 to update payroll software and make provisions to begin collecting this information on January 1, 2012. The IRS continues to stress that the amounts reportable are not taxable.

Significant changes to Form 1099-MISC reporting requirements will not be made until 2012. Currently, if you are engaged in a trade or business, you must report on Form 1099-MISC annual payments of \$600 or more you made for rent, services, or financial products. Payments to corporations are excluded, as are payments for goods. However, beginning on January 1, 2011, most recipients of rental income from real estate will also be subject to these reporting requirements, even if not "engaged in a trade or business."

Please contact us if you would like assistance with this information or any additional tax matters. To learn more about the tax compliance and planning services we provide, visit <http://bayliscpas.com/services/taxfinancial.php>.

■ STAFF SPOTLIGHT: LITA J. McHUGH, CPA, CFST



Lita J. McHugh, CPA, CFST, joined our Firm in 2009 and serves as a Senior Audit Manager. Lita is both a Certified Public Accountant and a Certified Florida Sales Tax Auditor. She is a graduate of Florida Southern College with a Master of Business Administration degree with an Accounting concentration and a Bachelor of Science degree in Accounting. In addition, Lita holds a Bachelor of Arts Degree in Biology and Spanish from Greenville College in Greenville, Illinois.

Lita has 11 years of extensive experience providing auditing services to clients including Yellow Book, Federal and Florida single audits; for-profit audits, not-for-profit audits and homeowner association audits and reviews; sales tax audits and consulting and a variety of other consulting services. She understands the complex Florida Sales Tax Law and enjoys doing the research to help her clients with sales tax issues such as proper tax treatments, assistance during audits, and means to minimize interest and penalties. Lita also consults with clients on issues involving the accounting treatment of transactions and assistance with internal control processes.

■ STAFF SPOTLIGHT: LITA J. McHUGH, CPA, CFST (continued)

Lita loves Lakeland and actively participates in the community. She is a graduate of Leadership Lakeland Class XXIV, a member of the Kiwanis Club of Lakeland and has served as Past Treasurer for Camp Fire USA Sunshine Council, American Business Women's Association, Lakeland Downtown Chapter and SPCA of Lakeland. She is a member of the American Institute of Certified Public Accountants and is a Past President and current board member of the Florida Institute of Certified Public Accountants, Polk County Chapter.

■ FLORIDA SALES TAX: DID YOU KNOW THAT...

If you are making a cash sale to a representative of a church or not-for-profit organization, you do not have to add Florida sales tax if the person has the organization's certificate of exemption? On the other hand, if the person is paying by personal check or personal credit card, you must add Florida sales tax, even if the person presents the certificate of exemption. This is because a business check or credit card in the organization's name must be used for a sale to be tax-free. Remember to ask to see the certificate of exemption for all sales. Do not assume every church or not-for-profit organization is exempt from sales tax!

■ EMAIL COMMUNICATION TIPS

Many of us use email regularly to conduct business and to send personal messages. We found the following tips helpful and hope you will too:

WATCH YOUR LANGUAGE: Put concise and thoughtful information in your subject line so your reader knows what to expect. Email is not for novels; keep your messages short and sweet so readers quickly grasp your point. DON'T TYPE IN ALL CAPS unless you intended to shout at your reader. Body language and tone of voice can't be conveyed in an email so be careful with your words.

WATCH YOUR CONTENT: Email is like a postcard, not a sealed letter. Confidential information (such as credit card information, social security numbers and passwords) should not be sent through an email. Don't send large attachments.

BE SUSPICIOUS: If you think a message isn't right, don't open it. Don't open attachments in an email unless you know the sender and the purpose of the file. Don't click on links; instead type them into your browser. Remember, curiosity killed the cat and it can wreak havoc on your computer!

DON'T ASSUME: Email messages aren't always delivered. If you don't get a response you expect, call or speak with your recipient. We are spoiled because email is often answered quickly but proper etiquette allows 48 hours grace time for responses.

EDIT YOURSELF: Double check your recipient's name or address just before sending the message. Humor doesn't always work in email so if you're unsure, leave it out. Don't automatically reply to all when a reply to one person is all that is needed for a particular message.

WHEN IN DOUBT, DON'T! Email isn't for every communication and it is **permanent**. Reprimands are much harsher in writing. Save this type of communication for a personal or phone conversation.

■ CLOSING THOUGHTS

If you think email communication issues are something new, think again! Here's an interesting quote from Edward R. Murrow who lived from 1908 to 1965:

"The newest computer can merely compound, at speed, the oldest problem in the relations between human beings, and in the end the communicator will be confronted with the old problem of what to say and how to say it."

Please visit our website at www.bayliscpas.com

53 Lake Morton Drive · Lakeland Florida 33801 · 863-688-8841