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Smart Tax, Business & Planning Ideas *from your* Trusted Business Advisor[sm]

January 2018

Citation and Resource Guide

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Investing In 2018: Dividend Stocks

- The IRS explains the rules for qualified dividends in Publication 550, "Investment Income and Expenses," p. 20, at **www.irs.gov/pub/irs-pdf/p550.pdf.**

Investing In 2018: Defensive Funds

- "Playing defense" is one of the tactics suggested by the AICPA for "Staying Sane in a Crazy Market," at **www.aicpa.org/InterestAreas/PersonalFinancialPlanning/Resources/PracticeCenter/ForefieldAdvisor/DownloadableDocuments/FF11waystostaysaneinacrazymarketconceptpiece.pdf.**

Small Companies Need Plans for Natural Disasters

- The AICPA's 360 Degrees of Financial Literacy Program offers tips on natural disaster planning disaster for small businesses at **www.360financialliteracy.org/Topics/Owning-a-Business/Business-Planning-Basics/Natural-Disaster-Planning-for-Small-Businesses.**

Practice Development Tip

Help Clients Make Double IRA Choices

We're heading into tax preparation season, but the beginning of the year might also be known as "double IRA season." From now until April 17, most workers and their spouses can still contribute to an IRA for 2017. Meanwhile, they also can contribute to IRAs for 2018 to get a jumpstart on tax-advantaged investment buildup.

Putting money into an IRA is probably a good choice for many clients, one that you might encourage. That said, you also might help them choose between contributing to a traditional IRA or to a Roth IRA.

Often, the choice comes down to tax deductibility and tax brackets. Eligible individuals can deduct traditional IRA contributions if they're not covered by an employer's retirement plan. The same is true for individuals who are covered but have moderate incomes. Clients who can deduct traditional IRA contributions may want to do so.

However, people in low tax brackets will get little tax savings from a traditional IRA deduction. They might be better off making after-tax contributions to a Roth IRA if they think they'll have a higher tax rate in the future because Roth IRA distributions can be tax-free.

Clients who don't qualify for a traditional IRA deduction might prefer the Roth side, where all distributions will be untaxed after 5 years and after age 59½. Unfortunately, people with high incomes (for 2017, taxpayers with modified adjusted gross income of $196,000 or more if filing married or filing jointly, and $133,000 or more if filing single) are prohibited from Roth IRA contributions. In this situation, you can discuss the possibility of contributing after-tax dollars to a traditional IRA and converting those dollars to a Roth, perhaps with little or no tax obligation.

Your IRA recommendation can result from each client's individual tax situation, demonstrating your concern with his or her retirement finances. In fact, for some clients, this is actually "triple IRA season." People who had self-employment income in 2017 not only can contribute to IRAs for 2017 and for 2018, they also can contribute to a SEP-IRA for 2017 until the tax filing deadline for 2017 returns, including extensions to this October 15.

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Digital Marketing Tip

Instagram for the Forward-Thinking Firm

Instagram is a hot social media platform with over 400 million daily users, of which 80 percent come from outside of the United States.[1] Omnicore states that 59 percent of Internet users between the ages of 18 and 29 and 33 percent of Internet users between the ages of 30 and 49 use Instagram.

You might be considering a business account to reach a portion of that audience. So, how do you do it?

Lights. Camera. Action.

Instagram is a photo-centered, visual platform. Sharing candid images and using filters are a fun way to demonstrate your firm's culture. Images from phones, rather than professional shots or stock images, are the norm, but don't be discouraged; both are good ways to create beautiful, visual content.

What to Post?

Social media is about humans and our desire to connect. When thinking about your content, imagine this platform as your firm's online scrapbook. Share photos that demonstrate the firm's culture (community events), provide insight into what your staff does (CPE training and topics), and create a sense of being human (inspirational quotes, humor, pets, and more).

The following is a list of things you might consider sharing on your firm's Instagram account:

- Fundraising event photos help show your staff doing good for the community. In addition to group shots of the firm's staff, highlight individuals and their personal volunteer efforts.
- Build hype around a new service line with a series of posts that "unveil" the opportunity. A storyboard is helpful to plan the images and the accompanying story. The final reveal could also include an image with a link to the new service offered.
- Do your employees have fun hobbies? Ask if you can share some photos or create a storyline about an individual, the hobby, and why he or she loves it. Examples might include cooking, karate, dog walking, painting, sports, volunteering, or something unique.
- If you want to focus on recruiting, show images of your firm's culture, events, and activities. See the Moss Adams link on the next page for inspiration.
- Trivia, quotes, and humor or jokes work well on this platform (for example, for firms with dental clients, "Why did the doughnut go to the dentist? He needed a filling!"). #Dentist #SocialAccountant
- Consider sharing filing deadlines and important updates.
- Holidays and fun, unique days of the year can also be a good source of content. The National Day Calendar lists all kinds of fun and unique daily topics and trivia (https://nationaldaycalendar.com/).

Hashtags

Instagram hashtags are infamous. They are often long, humorous, and can be difficult to read. You don't have to be like that. Use hashtags that help people find your firm's content and those that are relevant in an industry. You can find many of them using a tool like Hashtagify.me or many other hashtag-scheduling tools.

Scheduling

You can either use a scheduling tool to post content in advance or you can share "in-the-moment" images from the mobile app. When sharing personal photos, you must have admin access to the firm's account to share photos under the firm's name. Remember to clear the use of photos with an advanced-signed Photo Consent form for all staff members.

1 https://www.omnicoreagency.com/instagram-statistics/.

Pros

- It's easy to use.
- The posting schedule can be only one post per day or as few as three times per week.
- There are easy to use filters and photo frames to make photos even more fun.
- This platform has millions of users and provides the opportunity to engage with millennials and Gen Y.
- Sharing behind-the-scenes photos helps clients understand what you do.
- Account analytics show what posts people engage with most to help you build an arsenal of future posts.
- There are opportunities for firms on this platform due to low competition.
- There are advertising opportunities on this platform that may reach an audience you've not been able to access before.

Cons

- Business accounts tend to lack the "socialness" of a personal account, which cause followers to be hesitant because they don't want to be "sold" to.
- Business pages have less authority on the explore page over those posted by friends, which equates to less visibility.
- Business page analytics are "free," but the best analytics are for businesses that advertise on the platform.
- There is only one link in your profile, not on each post, so make that link count, such as a blog link or service you want to promote.

Further Reading

Looking for some inspiration? Here are some financial services and accounting firms currently using Instagram:

- Wells Fargo (https://www.instagram.com/wellsfargo/)
- UBS (https://www.instagram.com/ubs/)
- EY (https://www.instagram.com/ernstyoung/?hl=en)
- Mash Accounting LLP (https://www.instagram.com/mash_accounting_llp/?hl=en)
- Moss Adams Careers (https://www.instagram.com/mossadamscareer/)

Now that you have content ideas, inspiration, and the pros and cons, will you and your team be the next forward-thinking firm to use this hot platform?

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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.

[Item no. PCPSSUR03—AICPA Member $200.00, Nonmember $300.00]

Management of an Accounting Practice eHandbook

■ 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.

[Item no. MAPTKD—AICPA Member $229.00, Nonmember $289.00]