

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us



Preparing for the upcoming tax season is an important step in managing the professional liability risks associated with providing tax services. There are several steps firms can consider in planning for and delivering tax services. A few are noted below.

Before the rush

Busy season is, well, busy. A little bit of advance planning and preparation now, can help mitigate the risk of an error or omission during busy season. Inform clients of

significant changes in tax laws, such as guidance released or enforcement actions

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Update your project management system

Incorporate Paycheck Protection Program (PPP) loan forgiveness applications deadlines, if applicable into your project management system. If a client has engaged the firm to assist in applying for loan forgiveness, add the final date to file the request into the firm's control log or docket system. If a deadline is missed and proceeds are not forgiven, the client may blame the CPA. Remember to include IRS and state correspondence with due dates for notices and information document requests into the control log or docket system, as While the [IRS](#) has made significant progress opening backlogged mail, as of November 24, 2020, there were over 9 million unprocessed tax returns. Obtain powers of attorney so the firm may access the IRS's e-systems to understand the status of items caught-up in the backlog.

Documentation will be critical, including receiving timely notices from clients and retaining copies of certified mail receipts. If correspondence is lost or misplaced by the IRS, and the CPA does not have appropriate documentation, clients may blame their CPA for adverse consequences. Consider including reminder dates in the control log for follow-up with the client or tax agency, if warranted.

Don't forget to address the indirect impact of COVID-19

Notify individual and business tax clients with [COVID homes](#) of potential additional filing obligations and tax effects. What's a "COVID home"? Who needs to be notified? Read the Risk Alert ["COVID Homes" Create Professional Liability Risk for CPA Firms](#) for information on how claims may arise. Also consider sending a notification letter to affected individuals. AICPA Tax Section members are able to receive a sample letter. Ensure remote workers have the resources needed to be productive. Technology-related resources are foremost, including adequate internet speeds. With multiple individuals working from the home and virtual education, some remote workers also

may need mental and emotional resources, such as [Remote Work after the Pandemic](#)

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

As 2020 ends and CPAs head into busy season, it is important to plan what you can and make sure that you are squared away with [all you need to know](#) this tax season.

=====

Deborah K. Rood, CPA, MST, is a Risk Control Consulting Director for [CNA](#), the endorsed underwriter of the AICPA Professional Liability Insurance Program. She previously practiced public accounting for 16 years with a regional public accounting firm. Deb provides risk control consulting services for CPA firms in the AICPA program. She participates in the development and delivery of risk management training and education products including the live risk management seminar and self-study programs.

Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved