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Florida Department of Professional Regulation  
Division of Certified Public Accounting  
240 Northwest 76<sup>th</sup> Drive, Suite A  
Gainesville, Florida 32607-6835

Re: Board of Accountancy Opinion Request

Please consider this letter a formal Board of Accountancy Opinion Request.

**STATEMENT OF SITUATION:**

The wives of two CPA partners (of a six CPA partner firm) operate a write-up, client assistance, and tax preparation corporation (ABC Corp.), but perform no attestation work including no reviews or audits. The CPA firm's client base is the more higher end market as well as being heavily attestation oriented. The wives are careful not contract any work that would be a viable client for the CPA firm. Due to growth of the corporation or otherwise, however, the wives request the CPA husbands to review certain issues and/or review and sign tax returns.

**SPECIFIC QUESTIONS:**

- (1) Are there potential issues for the CPAs regarding State or IRS regulations?
- (2) Are there ownership or conflict of issue considerations regarding their CPA firm or its partners?

**CITATIONS TO AND DISCUSSION OF THE PERTINENT LAWS AND RULES**

It is understood by all parties signers of a tax return have certain responsibilities and especially as a paid preparer signer.

6141-20.002 "Attest as an expert in accountancy to the reliability or fairness of presentation" or "Expression of opinion". A report issued in connection with a examination or review of financial statements is considered and expression of an opinion. The ABC Corp. would not issue any such reports but rather be limited to assembled financial statements (FS. 61h1-20.0051 &.0053), client software generated statements and tax returns.

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1h1-21.001 “independence” ABC Corp. would establish a corporate policy that it would not accept clients of by the husbands’ CPA firm. Further, if ABC Corp.’s client was to grow to the size it would become a viable client for the CPA firm it would be recommended to the client that it seek the services of the CPA firm.

61H1-21.003 “Commission or referral fees” The ABC Corp. would operate under the applicable guidance of this section of law as well as Florida statute 473.302(7)(a) and 473.322. The CPAs would not be shareholders of ABC Corp. and the ABC Corp. would not present itself as a CPA firm. The CPAs would only use the CPA designation if required to represent a client in front of the IRS.

**CONCLUSIONS:**

The venture does not appear to violate any of the governing state regulations, IRS regulations or the standards set by the AICPA. The CPAs would only serve a back-up role. They would not advertise as being part of ABC Corp. ABC Corp. would not advertise as a CPA firm, perform any attestation type work or even compete for the same client base as the husbands’ CPA firm.

Thank you for your consideration of this manner. I look forward to your response.

Sincerely,

Jeffrey M. Tuscan, CPA