



CLIENTTELL

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ANNOUNCING OUR NEWEST PARTNER

BY ANDY HATFIELD

It's hard to believe another year has come and gone! It's time again to take a look back and reflect on the wins that were achieved during the past year and also the areas that we find opportunities for improvement for the new-year. The thought of 2023 is refreshing and exciting!

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Tara Fenner, CPA, CMFO promoted to Partner.

>> CONTINUED FROM COVER STORY

Not to say there aren't plenty of headwinds and challenges still looming, really too many to mention, but something just feels good about the hope that comes from a new year.

At BCS, we will move into 2023 keeping our core values (Balance, WE before ME, Premier Service and Stewardship) in the forefront and continue to strive to do our best to live by them to best serve each other, our clients and to give back to our communities. We have many people in our firm that exemplify each of these core values, one of those individuals is Tara Fenner.

I'm excited to announce that Tara will be promoted as BCS's newest partner in January. In late 2020, in

the midst of the pandemic, Tara moved herself and two young kids, Ethan (13) and Vivianna (7), from Johnson City to Boone to become the leader in our Boone office. She has done a wonderful job pulling together a great team of individuals to work and serve the Boone community all while keeping good balance in her personal life and making sure the BCS culture of giving back to the community continues in Western North Carolina.

We are grateful for Tara and I know I speak for all the BCS partners when I say, we are very excited for what the future holds in the High Country! ♦

Final Rules for Inherited IRAs Closer to Being Known



BY PHILIP BACHMAN

Certain tax planning questions about inherited IRAs and other inherited retirement accounts have confounded beneficiaries and financial planners alike for nearly three years. The SECURE Act, signed into law in December 2019, effected changes to the way most non-spouse beneficiaries must empty the account. The IRS has left some details unaddressed since 2019, forcing tax advisors to make their best guess about how to treat required withdrawals. The IRS is finally about to clear up the uncertainty.

The SECURE Act eliminated the "stretch" provision for most non-spouse beneficiaries of inherited IRAs and other retirement accounts. Prior to 2020, non-spouse designated beneficiaries could take distributions over their life expectancies. However, most non-spouse beneficiaries inheriting accounts after 2019 are now required



to empty the account by the end of the 10th year following the year of the decedent's passing.

Prior to an IRS announcement in February 2022, tax professionals widely thought that a Non-Eligible Designated Beneficiary (anyone other than a surviving spouse, minor child of the decedent, disabled individual, chronically ill individual, or a person not more than 10 years younger than the decedent) would be able to take distributions in any manner, as long as the account was emptied by the end of the 10th year. Tax advisors followed this logic regardless of the decedent's age (e.g. whether or not the original owner was already subject to RMDs).

In February, the IRS issued guidance with a surprising twist. Under proposed regulations, such beneficiaries must instead fully draw down the account over a 10-year period, and they must take RMDs in years one through nine if the account owner died after their own required beginning date. The required beginning date is currently April 1 of the year following turning age 72 for most individuals. The RMDs are calculated using the single life expectancy of the beneficiary. It's calculated just as if the old stretch IRA rules are still in place, except the account must now also be emptied within 10 years.

This posed a problem for beneficiaries in the 10-year-payout camp who didn't take RMDs in 2021 or 2022. Would they be subject to the IRS' typical 50% penalty for failure to take RMDs? Luckily, this month the IRS gave the answer, and it's no.

The IRS issued a notice clarifying that those beneficiaries don't need to take distributions from such inherited accounts for 2021 or 2022. This gives them a free pass for RMDs while the final regulations are being worked out, with those regulations applying "no earlier than the 2023 distribution calendar year."

While helpful, these updates don't eliminate all the RMD uncertainty. The IRS is likely to impose RMDs for 2023 and beyond, but they might not. The IRS should issue the final rules in the first part of 2023, which is when the industry will have better information to work with.

Although not required this year, taking voluntary distributions in 2022 could be smart for some taxpayers to spread out the years in which income is recognized. This would be to avoid a larger distribution being taxed at potentially a higher tax bracket. Your tax advisor would be glad to help you evaluate your situation. ♦

Latest Updates - SafeSend & CPACharge

This year, we are making the tax delivery process hassle-free by leveraging SafeSend Returns. SafeSend Returns allows us to automate the delivery, review, and signature of your federal and state income tax returns from the convenience of your computer, smartphone, or tablet. It is user-friendly, highly secure and an easier way for you to manage your tax return. We will use SafeSend Returns to electronically deliver your tax return unless you opt out. When you sign your engagement letter, you will have the choice to either opt in and provide your current email address for electronic delivery or opt out of electronic delivery. Beginning

November 1st, BCS also implemented a new payment process. Online payments will now be paid through CPACharge, an efficient and user friendly platform. All credit card and echeck (ACH) payments will be processed through the online link. Checks and cash payments will continue to be accepted at the window. To access the payment link, visit BCSCPA.COM and click on "Make Payment Online" at the top of the page. All future invoices will also include a QR code that redirects you to the payment portal. ♦



Quarterly and Yearly Checklist for Your Business



BY STEPHEN BEVINS

Hot chocolate, sweater wearing, gift wrapping.....and tax preparing.

As 2022 closes, the Managed Accounting Services (MAS) Department of BCS has advice on quarterly and annual reporting, and a list you can check twice.

March, June, September, and December are quarterly tax deadlines, and an opportunity to see where your business stands financially. To benefit from quarter end:

1 Prepare and review financial statements and budgets: The balance sheet and income statement tell the story of how your business is doing via a financial snapshot. Profit and loss in the financial statements are connected to the budget. Quarter end is a great time for budget adjustments.

2 Review quarterly payroll tax returns and make payments: Each quarter has a payroll tax deadline. If you are a client of our MAS Department, it is likely we will complete your payroll tax return and help you make accurate payments. Make sure to double-check the accuracy of your return. .

3 Compute and remit estimated income tax payments. Proper returns and payments proactively mitigate penalties and interest at tax time.

December is now in the rear view, but there's still a few list items to do.

1 Review past-due receivables: Conclude the probability of collecting on those customers. If uncollectible, those write offs may become a tax deduction.

2 Review inventory: Count inventory as of December 31, 2022. Identify obsolete, unusable, or missing inventory. Cleaning up inventory can help you



decrease taxes, and increase your floor space.

3 Fill out IRS forms W-2 and 1099-MISC: January 31, 2023 is the due date for mailing W-2s and 1099s.

4 Review and approve annual financial reports and tax return: Before filing, review financial statements and tax returns for accuracy, completeness, and correct amount of taxes paid.

For 61 years, BCS has served our clients. The BCS MAS Department is here to serve you in year 62. Call (423) 282-4511 to see how we can serve you in 2023.

As 2022 closes, be sure to pay your taxes, enjoy your friends and family, and drink your Ovaltine. Merry Christmas and Happy Holidays from the BCS Managed Accounting Services team. ♦

GIVING BACK

RECENT PROJECT HIGHLIGHTS

\$10,000

in matched donations for our Kettle Match Day with the Salvation Army. Nearly 30 BCS employees rang the bell across Johnson City.

**8 CHILDREN
SPONSORED**

for Christmas. We purchased gifts and essentials to help homeless and foster children across the Tri Cities have a great holiday season.

60 GIFT BAGS

hand delivered to each resident at American House Senior Living in Johnson City.

\$3,028

raised for Breast Cancer Awareness. Since 2014, over \$28,000 has been raised by the BCS Got Pink! team to aid in the fight to find a cure.



PERSONAL LINES

NEWS FROM AROUND THE FIRM

MAKING WAVES!

Andy Clark was named a 2022 40 Under Forty honoree!



INTRODUCING MRS. KRISTIN LUSK

Kristin joined the BCS family as an intern in 2021, and recently got married to her husband, Corbin. Congrats, Kristin!



FULL-TIME FAMILY

We are so excited to have four of our interns accept full-time positions at BCS!

MCKENZIE MULLINS, KATHLEEN GEMAR, CAMERON VANDEKROL, KRISTIN LUSK

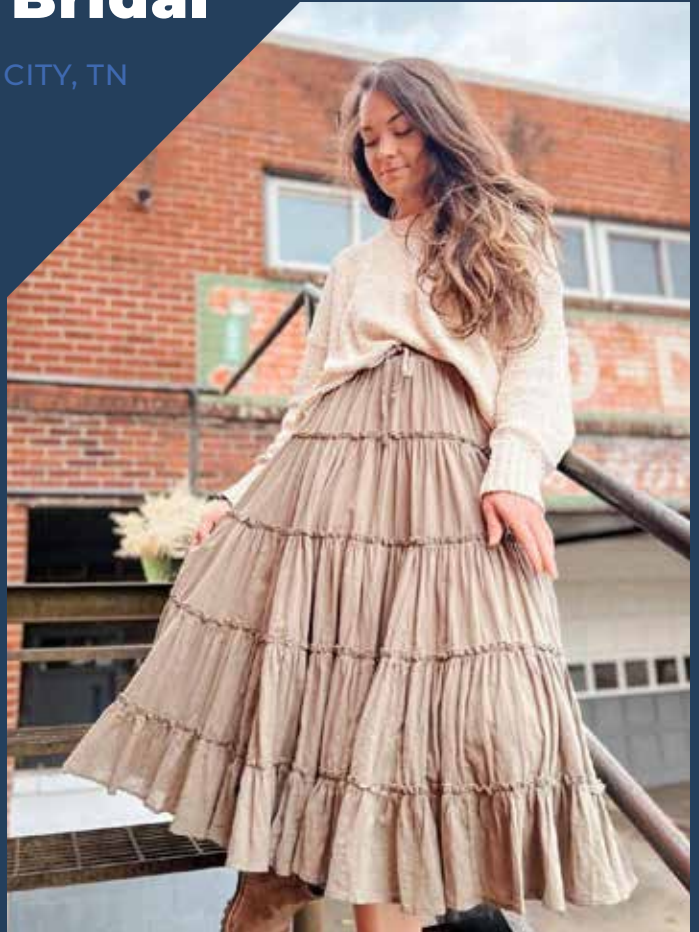




CLIENT FEATURE

Blue Willow Bridal

JOHNSON CITY, TN



Q+A with HANNAH DEDERICK

OWNER + FOUNDER

Q. WHAT'S YOUR STORY? HOW DID YOU GET YOUR START?

A. Blue Willow Bridal began as a dream while I lived in South Carolina in 2019! I worked at a bridal store in South Carolina for 5 years before I decided to open my own. Once I decided I wanted my own boutique, the hunt was on for a location. I stumbled upon Johnson City while actually looking for a location in North Carolina. My plan was to locate a larger city that was in need of a bridal boutique and Johnson City was the perfect place! I found a space available downtown and came to look at it and ended up signing the lease through email while still living in South Carolina! I signed the lease in October 2019, moved here in November, and opened in December.

Q. HOW HAS BCS HELPED YOU?

A. Before moving, I made a couple trips up to Johnson City to make sure I had all my affairs in order to be ready to open soon after my move. One of those trips entailed finding an

accountant to help me navigate my new business endeavor. I found BCS through a referral and set up my appointment to meet with them. The first person I met was Jeremy and I was so clueless and had so many questions. He patiently went through all my questions with me and assured me that I was not "clueless" (though I really was), nor was I the first new entrepreneur with many questions that he had met and that he



could help me figure out as much or as little as I needed. Jeremy does not know it, but during that trip he was one of the key factors that gave me the confidence to make the leap and follow my dreams!

After opening Blue Willow Bridal and being in business for a little over a year, I decided to open Hunter Bleu + Mercantile in Erwin, TN. Most recently, I opened The Willow Room in Johnson City. It was formally Charlotte's Florals and I will be continuing it as a small event space available for rent, and also using it as a space to do Hunter Bleu pop-up shops. I have absolutely loved doing business with BCS and have referred everyone I possibly can to them. The customer service is always amazing and I have never once felt like they do not go above and beyond for their customers. As a small business owner who strives to give the same amazing customer service, I would never want to give my business to anyone else other than BCS.

Q. WHAT ARE YOUR GOALS FOR THE FUTURE?

A. My future goals for my businesses are to continue to invest and grow and I highly lean on BCS for their advisement and knowledge as I move forward. ♦





BLACKBURN, CHILDERS & STEAGALL, PLC

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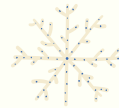
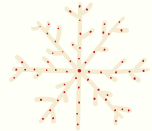
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Merry Christmas!

