



Welcome to Craft, Noble and Company's e-news update. We would like to thank everyone for this business during tax season as we hope that we served you well. Please let us know if you feel we can improve in any aspect.

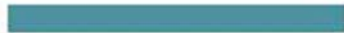


Here's the most current news for you to look over while the April showers end and the May flowers bloom. If you would prefer to receive a print copy of each quarterly e-newsletter, please call our office to place that request.

CRAFT, NOBLE & COMPANY



Be sure to follow us on social media for regular updates on changes in tax law, accounting concepts, firm news, and some fun. We are on Facebook, Twitter, and LinkedIn so be sure to check us out and stay connected even outside of tax season.



Likewise, if you know a friend or colleague who might be interested in receiving this e-newsletter, just click the "Forward to a Friend" button. Privacy and confidentiality is a hallmark of our business, so you can be assured your name or address will not be shared with anyone.

Upcoming Tax Deadlines

Payroll Tax Deposits- Employers must make their deposits for the Form 941 payroll taxes (federal income tax withheld and the employee and employers share of the social security taxes). These deposits should be made either monthly or semiweekly depending on your deposit schedule. Exceptions apply if you owe \$100,000 or more on any day during the deposit period, if you owe \$2,500 or less for the calendar quarter, or if you estimated annual liability is \$1,000 or less.

Monthly deposits- These deposits are required to be paid within a calendar month by the fifteenth of the following month.

Semiweekly deposits- These deposits are required to be paid on Wednesdays or Fridays, depending on when wages are paid.

For any questions you may have on these deadlines, contact our office.

What we do Outside of Tax Season

Many people ask, what do you do other than taxes? At Craft, Noble & Company, we are busy year-round. During and outside of tax season we are busy with bookkeeping, payroll tax preparation, payroll check processing, auditing your local governments and non-profit organizations, and ensuring that we are up-to-date on all things accounting, audit, and tax related through Continuing Professional Education. We can help you in many ways so that your business functions as efficiently as possible whether it is payroll check direct deposit, quarterly financial statements to track your progress, or an extra set of eyes on your bookkeeping to ensure it's accuracy. If you own a small business and want to know how we can help your operations give us a call, we would love to help your business in any way we can.

Want to Pay Down the National Debt?

If you're feeling charitable and want to help reduce the federal debt, Uncle Sam will say thank you. These payments qualify as charitable contributions. In the 2016 fiscal year, donors chipped in just over \$2.7 million in such donations.

You can give online at [Pay.gov](https://www.pay.gov), or send a check to the Bureau of the Fiscal Service and note with your payment that it's a gift to reduce the debt held by the public.

Payment Fraud Hits Record Number of Businesses in 2016

Nearly three quarters of corporate treasury and finance professionals said their companies were victims of payments fraud last year, according to the 2017 AFP Payments Fraud Survey, underwritten by J.P. Morgan.

This is the highest percentage since the survey debuted in 2005 and comes after a dramatic increase in 2015. Check fraud and business email compromise are both on the uptick.

Checks continue to be the most popular method for committing payments fraud. 75 percent of organizations that were victims of payments fraud in 2016 experienced check fraud—an increase from 71 percent in 2015. This is a reversal of the declining trend observed in check fraud since 2010.

Key findings:

- **74 percent** of survey respondents said their organizations were victims of business email compromise in 2016— a 10 percentage point increase from 2015.
- **70 percent** of organizations are being proactive and have implemented controls to prevent business email compromise.
- **63 percent** of payments fraud attempts were made by outside individuals.

"With the advancement of technology, organizations are more vulnerable to fraud attacks now than ever before, and business leaders need to equip their people and systems with the tools and resources needed to prevent fraud and alleviate the impact of an attack," said Jim Kaitz, president and chief executive of AFP. "Companies that offer mandatory training for all employees, particularly around cybersecurity, and that have a plan to respond to payments fraud, will fare better than those that do not."

Over 70 percent of corporate treasury and finance professionals are hesitant about adopting mobile payments at their organizations as they question the security of this payment method.

"The fraud survey serves as an important resource in understanding the potential risks within the payments industry and should not be underestimated," said Nancy McDonnell, Managing Director and Treasury Sales Executive at J.P. Morgan. "With three-quarters of companies experiencing fraud in 2016, it is important that businesses take preventive measures by educating their employees and implementing the products and processes they need to prepare and protect their assets and data from cyberfraud."

If your organization would like to have protection from some fraud risks consider using services like **Positive Pay**.

Positive Pay can help reduce checks and ACH fraud by allowing you to review daily suspect activity online. You provide your issued check list to your banking partner and your valid ACH partners. When checks or ACH debits are presented for payment, the system automatically alerts you by email if either check exceptions or ACH exceptions require review and a pay/return decision. You make such decisions, view images of checks in question, analyze reconciliation reports and submit electronic issued check files all via the web in a secure paperless environment.

Check Positive Pay

Check fraud is easier to perpetrate than ever. With all of the technology available to your everyday fraudster, nothing is easier to create than a fraudulent check with the ability to copy, cut and paste a signature from a valid check. After you generate your check run, you upload your issued check file (if your banking partner can accept your system's format). Once uploaded, all tellers can access your valid check list each time a check is presented at your bank's Banking Centers. Checks presented through the check clearinghouse are compared to your issued list and Exceptions (no issue, amount different, etc.) are presented online in your banking partner's Positive Pay system.

Your assigned staff member will receive an email any business day when there are Exceptions that need to be reviewed. Your staff member can even view an image of the questionable check online to review. Then, a Pay or Return decision is entered and the Bank will take care of any fraudulent returns you have identified.

Since the Positive Pay system “knows” your issued checks, your banking partner can also create check reconciliation reports to ease that monthly burden. And, the system allows manual entry of checks created outside of your normal payables check run.

ACH Positive Pay

ACH Positive Pay allows you to block incoming ACH debits to any of your business accounts. You may also designate certain incoming debit transactions to automatically settle.

With ACH Positive Pay, you can evaluate all incoming transactions against rules or filters you set. Entries under the maximum amount will automatically post without review, but settlement entries over that amount will be presented as an ACH exception for your review. If you choose not to set up rules for a particular account, all incoming ACH debit transactions will be identified as suspects for your online review.

When you set up rules for an account, items that pass through the rules filters will be accepted and applied to that account. Items that fail to pass through the filters will be presented to you or your designated administrator for review. You or your administrators will then decide whether to pay or return the transaction - all online.

Benefits of Positive Pay

- Secure web interface manages all interaction and eliminates the need to install software.
- Automated email and text notifications when check exception items or ACH activity are presented.
- ACH Positive Pay with exceptions for unauthorized ACH activity.
- Online exception management enables clients to make pay or return decisions on the web for both checks and ACH.
- You designate a “default” decision to pay or return items in case your authorized staff member(s) fail to review and decision items by the daily deadline.
- Integration with your banking partner’s teller system provides front-line defense against check fraud.
- Automated processing of submitted check files eliminates manual intervention of submitted check files.
- Check Positive Pay also includes automated Reconciliation of all check activity as your banking partner will compare your issued checks to paid checks on a daily basis.

For more guidance on Positive Pay contact your banking partner to see if they can help you utilize Positive Pay for your business.

Small Business Scam Grows

Over the last year at least 55 companies reported they had fallen victim to a new type of specialized phishing scheme. The scheme involves a criminal masquerading as a real employee, often a key executive, and then duping unwitting employees to provide a payment or secure files. The criminals do this by sending an email requesting lists of employee W-2s or asking the employee to wire funds to a fake vendor. Sometimes the sender claims to be an IRS agent who requests personal information or demands immediate payment of a nonexistent tax bill.

Don't let your company be the next to fall prey to this scam. Whenever confidential information is requested, employees should take a moment to ask members of the human resources or payroll department if they know about the request. Employees who receive an email request should call the executive to confirm he or she sent the email. Remind employees that the IRS never initiates contact regarding a tax issue by email or phone call. This scam can take many forms, so your best defense is awareness – let your team know what to look for and what to do if they receive any fraudulent emails.

Know the Tax Implications on Your House Remodel

The days are longer and the air is getting warmer. Spring is here, and for many homeowners it's time to update and remodel. Maybe you're considering a new project, too. You may need to replace your deck or remodel your kitchen. If you have a remodeling project coming up, you should understand the tax consequences.

If your project qualifies as an improvement to your home, you'll enjoy some tax benefits. But if the project is a repair, there's generally no tax benefit. Unfortunately, it's not always easy to tell the difference.

The IRS defines an improvement as something that adds value to your home or extends its life. Putting in a new kitchen, building an extension or adding a new deck are considered improvements because they add value. Replacing the roof is an improvement because it extends the life of your home.

On the other hand, a repair merely keeps the home in good working order. Examples of repairs include painting the interior or exterior or replacing a few missing shingles.

You can get tax benefits by adding the cost of your home improvements to your original cost basis. That's the amount you first paid for the home. When you sell, a higher cost basis means a smaller capital gain. And generally, you'll only pay tax on a capital gain greater than \$500,000 (\$250,000 for singles). So, the smaller your capital gain, the less likely you are to owe tax when you sell.

That's why it's important to save bills and receipts for any projects that may qualify as improvements. Include notes that describe the related home improvement. You may need to keep these receipts for years until you sell your home. But when you do, these updates could be the key to reducing a possible tax bill.

If you want to know whether your project is a repair or an improvement, please call our offices.

Your Tax Return can be Corrected

You may have felt the dread of realizing you made a mistake on your recently filed tax return. Perhaps you received late documentation that could be used for a deduction. Sometimes you can receive a corrected year-end statement for one of your investment providers. The good news is the IRS allows you to correct your return for up to three years after you file your original return.

Oversights and errors are not uncommon, but you need to inform the IRS you are correcting the return by filing a Form 1040X. This amended tax return details what should be changed and it allows you to explain the reason for your change.

Filing an amended return doesn't extend the time the IRS has to examine your returns unless your original or amended returns were fraudulently filed. The IRS generally has three years from the date your original tax return was due or from the time it was filed to examine your returns (both original and amended) and to adjust your tax.

While there are exceptions, generally if your amended return is properly prepared, your chances of being audited are probably no greater than they were on your original return. It's important to consider the size of the refund or balance due before you rush to amend your return. If you are owed a small refund, it may actually cost you more to amend your tax return than to leave the return as originally filed.

If you've discovered income or deductions that you should have reported on your income tax return, give us a call. We can help you set the record straight and pay only the tax actually due.

To finish off the newsletter here is some information to help you save money on your summer vacation, let us know where you plan to visit on Facebook!

7 TIPS TO A CHEAPER ROAD TRIP

- 1 PAMPER YOUR CAR**
 - Get a tune-up
 - Check tire pressure
- 2 RENT RESPONSIBLY**
 - Find deals online first
 - Choose a smaller car
- 3 STOCK UP**
 - Buy food and fuel at one stop
 - Pack a cooler
- 4 USE TECH TOOLS**
 - Estimate fuel costs
 - Compare prices
 - Map your route
- 5 CALL HOTELS DIRECTLY**
 - Ask for last-minute deals
- 6 CUT COSTS**
 - Find bundles and discounts for attractions
- 7 START A SUMMER SAVINGS PLAN**
 - Save money in advance

