



STATEMENTS

Third Quarter 2016

RINA Celebrates 70 Years of Service

Since our founding in 1946, RINA has effectively served the Northern California business community in all of its many forms. Today, we serve clients that span the globe and are engaged in activities nobody in 1946 would have thought possible. We are grateful to all who place their trust in us and enable us to grow along with you. The many professionals who have called RINA home at some point in their careers are equally grateful for the friendships developed and the milestones achieved. The future may be our focus but the look back over 70 years is certainly a rewarding one. Thank you one and all.



Congress Gives IRS Authority to Revoke U.S. Passports

by Ray Evans, Tax Stockholder

On December 24, 2015, President Obama signed into law Fixing America's Surface Transportation Act of 2015 (The FAST Act). Embedded in The FAST Act is IRC Section 7345, which provides the IRS the ability to request the Secretary of State to deny or revoke a taxpayer's U.S. passport.

IRC Section 7345 is effective starting on January 1, 2016 and applies to taxpayers who are "seriously delinquent" which means they have an assessed tax liability in excess of \$50,000, including penalties and interest, and either a federal tax lien or a notice of levy that has been issued.

A taxpayer will not be considered seriously delinquent if the taxpayer meets one of the three tests below:

1. The tax is being paid in a timely manner under an installment agreement or offer in compromise.

2. Collection actions have been suspended during the pendency of a collection due process hearing.
3. Collection actions have been suspended during the pendency of a request for innocent spouse relief.

Seriously delinquent taxpayers include tax liabilities that were incurred before January 1, 2016, and the \$50,000 threshold is indexed for inflation.

The IRS must send a written notification to the taxpayer's last known address if a revocation request is sent to the Secretary of State.

U.S. Expatriates who move and do not notify the IRS or fail to file a return believing the IRS has no ability to collect, may find a small tax debt becoming a big headache when the IRS uses their authority under IRC Section 7345.

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There have been more than 50 inflation adjustments to federal tax rates for 2016 made by the IRS. As for taxpayers with foreign earned income, taxes are excluded on income up to \$101,300. That's a \$500 increase from 2015. If you have any questions or concerns regarding this or any other changes, please contact a RINA representative. 1-800-746-2272.

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Client Profile

Tournesol Siteworks

by Pamela Raumer, Business Development Director



Tournesol is the French word for Sunflower, and literally means “turn to the sun.”

Tournesol Siteworks manufactures complete landscape solutions for the urban environment and is the container irrigation systems industry leader in North America. Founded in 1979 and originally named Planter Technology, current President Chris Lyon, acquired Planter Technology in 1994 and in 2007 changed the name to Tournesol Siteworks to reflect their expanded services and products. Today their complete range of commercial-grade siteworks includes pots and planters, site furnishings, greenwalls and living roofs, fountains, container irrigation, deck and paver products, root control and drainage systems.

Tournesol is growing at a very fast pace and has doubled their revenue every three years. Chris explains that the company has been able to take advantage of landlords wanting more outdoor amenities and people also want to be environmentally smart. The self-watering planters, green roofs and living walls have become very popular. In fact, last year Chris was asked to bid on reproduced planters for the portico of the south lawn of the White House. He is very proud of this work.

Chris’ goal for Tournesol is two-fold. First, he wants to continue to grow to be the premier supplier for commercial rooftop landscapes across the U.S. He feels that with his “killer” sales and marketing team, their broad range of products and occasional acquisitions, that Tournesol will reach this goal. He recently embarked on a major consolidation of 3 facilities and purchased a 40,000 square foot warehouse in Hayward and a manufacturing plant in El Paso and Juarez. Second, Chris wants each employee to enjoy their work as much as he does and to become more than something they were yesterday.

When Chris was asked what he is most proud of, he explained that he is “Proud of our Grit in helping our clients look at their landscapes differently. We work hard to get the job done and our customers know that they can trust us.”

If you would like more information about Tournesol Siteworks, visit their website at www.tournesolsiteworks.com

“Chris originally came to Tim and asked how do we rank compared to RINA’s other clients? Tim advised that Tournesol is a bit smaller, but the kind of company we want to work with. Chris has always appreciated that Tim was able to help them with significant questions that helped Tournesol grow. He also was instrumental in developing a more mature accounting system. ”



Outperform the Market – Manage your Net Promoter Score

by Howard Zangwill, Audit Stockholder and Andrew Lasley, Senior Accountant



If you are looking for a new method of measuring customer or brand satisfaction, you may want to consider the Net Promoter Score (NPS). NPS is an alternative to the standard Customer Satisfaction Score; the one you have been measuring via multi-question surveys. NPS is a measure of customer loyalty, which is a more effective method of determining the likelihood that a customer will continue with the company, purchase more goods or services, speak well about the company and resist market pressures to move to a competitor.

There are many advantages that the NPS has over the usual measurement: ease of use, real-time feedback and simplicity. Unlike customer satisfaction surveys which have up to twenty questions, the NPS gauges loyalty with only one to three questions, the main question being “How likely is it that you would recommend our product or service to someone you know?” Since the ratings are on a scale of zero to ten, there is very quick feedback available for management to assess how they are doing. It is advised that if a customer scores the company below a nine, a follow-up call should be made to address any issues.

Proponents of the NPS see a correlation with revenue growth and high net promoter scores. Management of many large corporations use and actively monitor their Score. They believe that managing their NPS will improve business performance by keeping their operations customer focused. Some of the Score’s users include American Express, Apple, GE, Intuit, Phillips and Siemens.

NPS is not without its share of critics. Some research studies have shown no evidence that the “likelihood to recommend” is a better predictor of growth when compared to other measurements. Other studies indicate having fewer questions is less reliable and more volatile than longer surveys. Another study questioned the measure altogether, stating the intention to recommend does not suffice to predict loyalty behaviors.

Despite the criticisms, more and more companies are using the NPS as a measure. With management seeing positive correlations, why not track your score?



Protect Yourself from Tax Thieves

by Amanda Vergara, Marketing Coordinator

Are you struggling to protect your identity and taxes? During tax season, there is a higher rate of scammers and identity thieves to phish for your personal information. There was a significant spike in fraudulent filed state and federal taxes last year, but fortunately, more companies have processes in place to handle these situations quickly. Below are some tips to help you protect yourself from potential theft.

1. Only give your Social Security Number to businesses who require it, not just ask for it.
2. Check your credit report every 12 months.
3. Secure personal information in your home.
4. Use firewalls, anti-spam/virus software, update security patches and change passwords for Internet accounts to protect your personal computers.
5. Never give personal information over the phone, through the mail or on the Internet unless you have initiated the contact or you are sure you know who you are dealing with.

Additional things to be aware of are:

1. The IRS will never call your home without first mailing you a notice. If you receive a call that demands immediate payment, or using a specific payment method (such as an electronic check), hang up and report to the Treasury Inspector General for Tax Administration.
2. Be suspicious of mail that demands immediate payment by calling a certain phone number and giving bank account or credit card information. If it’s legitimately the IRS, they always give you the opportunity to dispute the claim.
3. If you are ever unsure if a printed notice is actually from the IRS, call the agency’s toll-free number to confirm: 800-829-1040.
4. Never trust an email or text claiming to be from the IRS as the agency does not contact taxpayers through either communication methods.
5. Scammers rely on scare tactics to get information. If you receive emails

claiming to be the IRS informing you that your tax forms have been rejected or impending checking account deductions, ignore it.

6. The official address of the IRS website is irs.gov. Use caution if the domain in the email or website ends in .com, .net, .org or other domain suffix.
7. The IRS does not offer web-based products to the general public, if you encounter an ad for these products, avoid it.

The IRS will never call your home without first mailing you a notice.



RINA Third Quarter

AUGUST

August 1

- Second quarter 2016 payroll and sales tax returns due.

August 15

- 2015 Forms 990, 990-EZ, 990-PF due for calendar year end exempt organizations that filed an automatic three-month extension.

SEPTEMBER

September 1

- County business property tax payment due.

September 15

- Final due date for 2015 tax returns for calendar year end corporations that filed an automatic six-month extension.
- Final due date for 2015 tax returns for calendar year end partnerships and trusts that filed an automatic five-month extension.
- Third quarter 2016 estimated tax payments for individuals due.
- Third quarter 2016 estimated tax for calendar year end corporations due.

Coming up next quarter

- October 17 - final due date for 2015 tax returns for individuals who filed an automatic six-month extension.



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RINA Gives Back

The First Tee of the East Bay

by Cristina Heins, Litigation Support



One may wonder how does the game of golf have anything to do with steering at-risk and disadvantaged children and youth towards navigating their future in a positive direction?

In 1997, The First Tee was founded by the World Golf Foundation as a way to bring golf to young people who would otherwise not be exposed to the game and its positive values. As an affiliate of this national organization, The First Tee of the East Bay's mission is to positively impact the lives of young people in Oakland and Hayward by providing learning facilities and educational programs that promote character development and life-enhancing values through the game of golf.

TFTEB's latest volunteer is NBA Champion Golden State Warriors forward, Draymond Green. He has a passion to reach underserved kids, and wants to give back to the Oakland and Hayward communities to let them know that no matter

where they start in life they can achieve their dreams. He believes that the First Tee's Nine Core Values is a perfect fit to teach young people skills they can use for a lifetime.

RINA's own Cris Heins has been a volunteer for four years, assisting with fundraising activities. John Mangini is in his fifth year of service as a member of TFTEB's Board of Directors. By actively supporting TFTEB's fundraising efforts, these children will be given a safe environment to be in after school and help them stay physically active.

For more information or to contact TFTEB, visit their website at www.TheFirstTeeEastBay.org

Congress Gives IRS Authority to Revoke U.S. Passports — continued from page 1

Taxpayers who are not contemplating traveling abroad may think this law will not affect them. However, Starting October 1, 2020, anyone traveling on a domestic flight will need a form of identification that is compliant with the requirements set forth in the REAL ID Act. Generally, taxpayers use their state issued driver's license for identification when checking in on a domestic flight.

Currently many states, including California, have not complied with the REAL ID Act. The TSA will accept a U.S. passport or U.S. passport card as an acceptable alternative. Consequently, not having a U.S. passport could restrict a taxpayer's ability to travel domestically.

If you have questions regarding this new law or believe you may be subject to passport revocation, please contact your RINA representative.