



Financial Reporting for Taxes – 2010 Training

“Just the Basics”

Overview: In this refresher, we'll review the steps involved in computing a tax provision as well as discuss accounting for uncertainty in income taxes, valuation allowances, state income tax provisions, and interim reporting. We will use a single, comprehensive case study to cover all 10 steps of an annual tax provision and 7 steps of an interim tax provision.

Just the Basics – Day 1

8:30 a.m. – 10:00 a.m.	Introduction, General Concepts Overview Steps 1-10 Step 1 – Identify Perms/Temps Step 2 – Calculate Current Payable Case Study Introduction; Steps 1-2	We will provide an overview of SFAS109 / ASC 740, the history of the accounting literature, and common terminology. We will review the ten basic steps in preparing an income tax provision including identifying permanent and temporary differences and computing the current tax liability. We will introduce a case study to be used during the 2-day session which will cover all ten steps of computing the income tax provision.
10:30 a.m.– 12:00 p.m.	Case Study – Steps 1-2 (cont.) Step 3 – Prepare Return to Accrual Step 4 – Analyze Deferreds Case Study – Steps 3-4	We will discuss Steps #1 and #2 of the case study which includes identifying permanent and temporary differences and computing the current tax payable. We will discuss return to accrual (RTA) adjustments and common RTA questions. We will discuss deferred tax assets/liabilities including common terminology, different methods for computing deferred taxes such as tax basis balance sheets and rollforward methods (including examples). We will introduce Steps #3 and #4 of the case study which includes identifying return to accrual adjustments and analyzing deferred income taxes and computing deferred income tax expense.
1:00 p.m. – 3:00 p.m.	Case Study – Steps 3-4 (cont.) Step 5 – Account for Uncertainties Accounting for Uncertainty in Income Taxes – Overview and Challenges	We will provide an overview of tax reserves and gain contingencies including a detailed overview of Accounting for Uncertainty in Income Taxes (UTB) and common terminology. Our discussions will focus on challenges related to implementation and on-going maintenance.
3:30 p.m. – 5:00 p.m.	Accounting for Uncertainty in Income Taxes – Effectively Settled Step 6 – Valuation Allowances Case Study – Steps 5-6	We will cover “effectively settled” considerations related to tax authority examinations and specific issues on interest and penalties (including examples and problems). We will provide an overview of valuation allowance rules, including when a valuation allowance is required, sources of taxable income, evaluating positive and negative evidence, and required documentation. We will build on the case study and discuss Steps #5 and #6 which includes accounting for and disclosing tax uncertainties and analyzing the need for valuation allowance.
5:00 p.m. – 5:30 p.m.	Day 1 Wrap-up	Review Day 1 Topics and Q&A Session

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Just the Basics – Day 2

8:30 a.m. –	Recap of Yesterday – Steps 1-6	We will review concepts covered on Day 1. We will build on the case study and discuss Steps #5 and #6 which includes accounting for and disclosing tax uncertainties and analyzing the need for valuation allowance.
10:00 a.m.	Case Study – Steps 5-6	
10:30 a.m. –	Case Study – Steps 5-6 (cont.) Step 7 – Total Tax Provision	We will finish discussion of Steps #5 and #6. We will then discuss Steps #7 and #8 which includes how to compute total income tax expense or benefit (current, deferred, and non-current), reconciling tax accounts and recording journal entries (including examples and problems).
12:00 p.m.	Step 8 – Tax Accounts and Journal Entries Case Study – Steps 7-8	
1:00 p.m. –	Step 9 – Prepare Rate Reconciliation	We will cover the rate reconciliation and discuss the effective, statutory, and blended rates including items that create differences between effective and statutory rates. We will cover financial statement tax disclosures. We will continue to build on the case study and work through Steps #9 -10 (tax account reconciliations, journal entries, rate reconciliations and disclosures). We will cover the basics of a state income tax provision.
3:00 p.m.	Step 10 – Prepare Disclosures Case Study – Steps 9-10 State Income Tax Provision	
3:30 p.m. –	State Income Tax Provision (cont.)	
5:00 p.m.	Interim Tax Provision	
5:00 p.m. –	Day 2 Wrap-up	Review Day 2 Topics and Q&A Session
5:30 p.m.		